APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

May 2024 Finance and Investment Board meeting

Date and Time
Thursday May 16, 2024 at 5:30 PM

Location
El Camino Real Charter High School - Media Center

5440 Valley Circle Woodland Hills CA 91367

Meeting can also be seen and heard at:

North Campus - 7401 Shoup Ave. West Hills CA 91307

The Finance and Investment Committee is a standing committee of the Board of Directors of El Camino Real Alliance.

For committee meeting materials, please go to the school's main office, or call (818) 595-7500. Some board meeting materials are also posted in the school's website (https://ecrchs.net - click the ECR Board tab).

ATTENTION:

WE HAVE RETURNED TO "IN-PERSON" FINANCE AND INVESTMENT COMMITTEE MEETINGS.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND OTHER MEETING ATTENDEES:

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of ECRA in public.

Your participation assures us of continuing community interest in our charter school. To assist you in the ease of speaking/ participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.

2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments."

"Public Comments" is set aside for members of the audience to raise issues that are not specifically on the agenda.

However, due to public meeting laws, the Board can only listen to your issue, not respond or take action.
These presentations are limited to ***two (2) minutes*** and total time allotted to non-agenda items will not exceed thirty (30) minutes. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak.

The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.

3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify the item(s) on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes before the item is addressed, and total time allocated to agenda items will not exceed six (6) minutes for a Discussion item and nine (9) minutes per Vote item.

A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Board Chair may modify speaker time allocations or the total amount of allotted time for an item.

5. Any public records relating to an agenda item for an Open Session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 5440 Valley Circle Blvd., Woodland Hills, California, 91367.

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

Effective September 2022, public comments presentations at all ECRA Regular and Special Board Meetings and Committee Meetings must be made in person.

There is no obligation on the part of the school to have a school official read public comments during in-person Board Meetings.

A member of the public is welcome to appear at the Board meeting to make a public comment or make arrangements with another person in attendance to speak on the person's behalf.

Consent Agenda: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion or more motions in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board vote(s) on the Consent Agenda item(s). The Executive Director recommends approval of all consent agenda items.

In compliance with the Americans with Disabilities Act (ADA) and upon request, El Camino Real Alliance may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

Committee Members Present
Alexandra Ramirez, Daniela Lopez-Vargas, Gregg Solkovits

Committee Members Absent
None

Guests Present
Ryan Guinto

I. Opening Items

A. Call the Meeting to Order

B.

Record Attendance and Guests

Daniela Lopez-Vargas came in at 5:35PM

C. Pledge of Allegiance to the United States of America (USA)

Mr. Hussey led the Board members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

There were no public comments

E. CBO Report

Mr. Wood, ECRCHS CBO, presented the CBO Report to the Committee highlighting the following:

SSC & CASBO preliminary reports: Mr. Wood explained that it is a busy time in the fiscal world, noting that preliminary state-level information for May had been released the previous Friday. He mentioned receiving two reports from the School Services of California and the California Association of School Business Officers (CASBO), which summarized some items and agenda points, though the two sources did not entirely agree on the governor's statements. However, both agreed that the Consumer Price Index (CPI) for the next year would be 1.07, applying to Prop. 98 and certain categorical funding areas like special education. He noted that funding this would require using rainy day reserves, which would be depleted by the next year's budget.

UMP: Regarding the Universal Meals Program (UMP), Mr. Wood highlighted that the School Services of California believed the program might be amended to only provide free meals to schools with over 40% of students qualifying for reduced-price meals. If this change were implemented, only eligible students would receive free or reduced meals, with others having to pay. This interpretation differed from CASBO's, which indicated the program would continue to be funded. Mr. Wood stated they would get more information during a seminar on Tuesday, the 21st, and would update the full board with any new information.

Mr. Solkovits added that Robert Rivas, the Speaker of the Assembly in Sacramento, emphasized the importance of the Universal Meals Program, calling it one of their "crown jewels." The sentiment in the legislature was to avoid cuts to the program if possible.

Mr. Wood concluded by clarifying that the governor's recommendations, such as the proposed 40% threshold for the Universal Meals Program, would not become law until the legislature passed them, which was expected to happen by mid-June.

II. Consent

A.

Approve Minutes of the April 18th, 2024, Finance and Investment Committee Meeting

Gregg Solkovits made a motion to approve the Minutes of the April 18th, 2024, Finance and Investment Committee Meeting.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

III. Investment

A. April 2024 Investment Update

Mr. Gregory Wood, CBO, presented the April, 2024, Investment Update.

OPEB account: Mr. Wood reported on the OPEB account, stating that as of the end of April, it contained $29.2 million across the three investment accounts. Contributions to date amounted to $2.2 million, while $357,000 had been paid to retirees since October. Investment gains totaled $2 million, bringing the account from $25.3 million at the start of the year to $29.2 million, an 8% increase in investments and a 15% overall account increase, including contributions. Although April saw a $600,000 loss, the OPEB account had risen to $30.445 million by mid-May, a $1.2 million increase.
General Account: Regarding the General account, Wood mentioned that it was $6.5 million at the end of April, now increased to $6.76 million, with Annuity and T-bills contributing another $800,000. He also noted that the actuary had received data on pending retirees, with new healthcare premium rates between 4.5% and a little over 5%. Preliminary actuarial reports suggested the OPEB account was on track for full funding, barring any significant market downturns by year-end.
Mr. Solkovits inquired about the proportion of the funds invested in more traditional, interest-bearing instruments like T-bills or CDs, compared to equities. **Mr. Wood** responded that $400,000 of general fund investments are in a 3.8% T-bill, and most non-investments are held in the county treasury account, which earns about 1.8 to 2% interest.
Mr. Solkovits then pointed out that there is considerable anticipation on Wall Street regarding a potential Fed rate cut if inflation drops, which could affect savings accounts. He assumed the consultants are considering this. **Mr. Wood** confirmed this, noting that favorable discount rates in the actuary report would positively impact the long-term liabilities, suggesting hopeful news on both fronts.

IV. Finance

A. April 2024 Financial Update

1. **April 2024 Financial Update**

Mr. Gregory Wood, CBO, and Ms. Arleta Ilyas, Director, Accounting and Finance, presented the April, 2024, Financial Update.

Cafeteria Update: Mr. Wood provided an update on the cafeteria's performance, noting a 5% decline in meals served compared to last year, which aligns with a similar drop in student enrollment. He mentioned that participation rates is similar to last year with the current student numbers.
The cafeteria generated $195,000 in revenue for April, with expenses primarily from the Chartwells contract totaling $156,000. Miscellaneous expenses like salary, repairs, and operating expenses were also factored in.

The fund balance increased by $35,000 for April and $262,000 year-to-date, with $60,000 spent on infrastructure improvements, resulting in a net fund balance increase of $203,000. Mr. Wood emphasized that the fund balance must remain within the cafeteria program and cannot be used for other purposes.

In response to **Mr. Solkovits,** Mr. Wood clarified that the cafeteria fund balance was used for a portion of the cafeteria roof repairs.

Month 8 ADA update: Ms. Ilyas presented an ADA update, showing a comparison of ADA for April. The current enrollment was 3,116 students, with an ADA of 2,870, indicating a decrease from the previous year.
Mr. Wood commented on the enrollment trends, highlighting that the 9th grade had only 684 students compared to over 800 in other grades. Preliminary numbers for next year's 9th grade suggest a similar trend, leading to a projected enrollment decrease and lower ADA rate, impacting LCFF funding.
He explained that LCFF funding would be based on current funding levels. He further explained that even with an assumed 1.07% COLA, due to declining student enrollment, the net LCFF funding would decrease next year despite the COLA increase. This applies to unrestricted funding. Additionally, he noted that a significant amount of restricted funding, specifically about $3 million in categorical money, must be spent by September and will not be available in the next fiscal year.

Daniela Vargas inquired about future enrollment projections, to which **Mr. Wood** responded that a 200-student drop per year is anticipated. He expressed concern about financial stability if current trends continue and suggested additional efforts to boost enrollment be implemented, despite challenges from feeder schools being encouraged to direct students elsewhere.

B. Discuss and Vote to Recommend to the Full Board Approval of the April, 2024, Check Registers

1. Prior to the vote, Greg Wood, CBO, and Ms. Arleta Ilyas reviewed the April, 2024, check registers from ECRA's City National Bank Accounts.

ASB register: Ms. Ilyas reported that the ASB check register for April showed $59,000 in checks written.

General register: Mr. Wood reported that the general register, used for recurring expenses, totaled $724,000 for the month, including a $220,000 OPEB payment and $349,847 for the healthcare bill paid to SISC. Retiree amounts of about $50,000 were pulled from the SISC bill and sent to the OPEB account.

Vendor YTD & Checking register: The year-to-date vendor payments amounted to $1,724,612, and the checking register total for April was $941,000.

ASB Trust balances: Regarding ASB trust balances, the total balance is $579,707.
Mr. Solkovits asked about negative balances for some teams and **Ms. Ilyas** explained that negative balances occur when coaches place orders but delay turning in fundraising money. She described the process for tracking money, which involves issuing receipts and applying amounts to coaches' accounts, and emphasized the responsibility of coaches to turn in money promptly.

In response to another of **Mr. Solkovits'** inquiry about tracking cash, **Ms. Ilyas** explained that coaches are required to fill out forms indicating how much money they turn in, whether in checks or cash, and keep a record. **Mr. Hussey** added that a financial aspect would be included in a forthcoming coaches' manual to improve this process in the future.

Mr. Wood continued his report, stating that the graduating class account had $63,000. He noted that $20,000 was encumbered for grad night buses, which would be deducted from this amount.
Mr. Solkovits inquired if prom expenses were included in this figure or if the prom had already taken place. **Ms. Ilyas** clarified that the prom was scheduled for Memorial Day weekend.
When **Mr. Solkovits** suggested that the account balance might decrease then, **Ms. Ilyas** explained that prom expenses and revenue would balance each other out, as prom money collected would be used to pay for the event.

Mr. Solkovits then asked what would happen if there were $30,000 to $40,000 left at the end of the year and **Ms. Ilyas** responded that the student council would vote on how to allocate any remaining funds, either to other graduating classes or within their student council trust.
Mr. Wood added that there had been similar situations in the past. He mentioned that the balance might decrease to around $5,000, and the leadership class would then discuss how to allocate the remaining funds for the next year. He cited an instance at the beginning of 2023 when balances were cleared in this manner.

In response to a Board member's question, he noted that funds could be used to subsidize expenses for students in need, citing an example of a $200 grad night trip for unhoused students.

He reported receiving $55,000 from FOECR, which is now in a CD earning 4.5% interest dedicated to the memorial. There's also a trust account for operating expenses, totaling about $4,000. Mr. Wood highlighted efforts to keep a year's worth of expenses readily available in an interest-bearing account.

Responding to a question from **Ms. Daniela** about property tax exemptions, **Mr. Wood** touched upon bureaucratic delays in obtaining the property tax exemption for the Shoup property.

Alexandra Ramirez made a motion to recommend the approval of the April, 2024, Check Registers.
Gregg Solkovits seconded the motion.
The committee **VOTED** unanimously to approve the motion.

C. Discuss and Vote to Recommend to the Full Board Approval of the April, 2024, Credit Card Charges.

Mr. Wood outlined the expenditures charged to the credit cards held by Mr. Hussy and himself. Mr. Hussy's card was charged a total of $18,872 for various items, while Mr. Wood's card was charged $24,738, primarily for field trips and competitions involving the Step Team and NJROTC. Together, both cards were used for a combined total of $43,000 in expenses.
One notable charge mentioned was for an AIRPLUS, possibly requiring full board approval, designated for a cafeteria refrigerator repair, which would be charged to the cafeteria. Following this summary, the report included a less detailed credit card statement showing the $43,000 charges to both Mr. Wood and Mr. Hussy's cards.
Gregg Solkovits made a motion to Recommend to the Full Board Approval of the April, 2024, credit card charges.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Discussion and Vote to Recommend to the Full Board Approval of the 24-25 Instructional Materials (IMA) Budget

Mr. Wood provided an overview of the instructional materials requests and budget proposals. He highlighted that the previous month, the textbook budget was approved, allowing teachers to know their available resources before summer break.

The business department received and reviewed requests totaling $260,000 for instructional materials, detailed for individual requests. Mr. Wood noted that some

requests mistakenly included non-instructional items like computers, which are considered part of capital projects.

He recommended approving the listed items but suggested adding a $40,000 placeholder to account for potential late submissions bringing the total budget request to $300,000. This contingency is not specifically allocated to departments that failed to submit budgets, like the math department, but serves as a flexible reserve for any unanticipated needs.

Mr. Solkovits inquired whether the $40,000 was allocated for specific departments, which **Mr. Wood** clarified it was not. All departments, including those that missed the initial submission, still need to follow the standard budget request process.

Mr. Solkovits also inquired about the source of funding for these instructional media. He questioned whether this funding came from a separate state fund designated for instructional media. **Mr. Wood** clarified by using the $300,000 requested as an example explaining that $260,000 of this amount includes CTE funds. He noted that part of the $300,000 would be allocated to CTE and other departments, such as the VAPA department, through arts and music block grants, which are not part of the unrestricted or general fund.

Mr. Solkovits then asked if the funds for CTE and arts materials were meant to supplement rather than supplant existing resources. **Mr. Wood** responded that the CTE funds specifically support new programs with identified CTE-certified teachers, making them eligible for those funds, whereas arts and music funds cannot supplant existing resources.

Mr. Solkovits further inquired if CTE funds could supplant rather than supplement. **Ms. Ilyas** explained that the CTE grant requires a match, where the district must show a 2-1 match in funding. She mentioned that the match comes from paying CTE teachers' salaries from the general fund, not the CTE grant. **Mr. Wood** added that in the case of CTE, it is a combination of supplementing and supplanting, which differs from the general rule of supplementing only.
Daniela Lopez-Vargas made a motion to Recommend to the Full Board Approval of the 24-25 Instructional Materials (IMA) Budget with the addition of $40,000 for the Master Schedule adjustment making the total $300,000.
Alexandra Ramirez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
Daniela Lopez-Vargas	Aye
Gregg Solkovits	Abstain
Alexandra Ramirez	Aye

V. School Business

A.

Discussion on RFP for Public Address (PA) System

Mr. Guinto, Director of Technology, presented an update on the RFP bids for the Public Address (PA) System

Mr. Guinto provided an update on the PA System upgrade, stating that an RFP had been issued, with a pre-approved budget of $500,000 50:07 as part of the safety and security initiative for the school year.
The bid submission deadline was extended from May 3 to May 15 to allow vendors adequate time to submit proposals. Five proposals were received, but there was insufficient time to select or award a contract to any vendor.

Mr. Solkovits questioned the process, noting that it seemed they had already decided on a preferred vendor. **Mr. Guinto** clarified that they waited for the RFP to close before deciding. The RFP was open to any manufacturer or vendor, and they received three demo units. They planned to work with the first vendor that offered the best solution within the approved budget, evaluating if it was feasible before considering others.

Mr. Solkovits expressed confusion, as it appeared they had already chosen a vendor.
Mr. Guinto reiterated that no vendor was pre-selected and emphasized that they would evaluate all proposals to find the best solution.
Mr. Hussey intervened to clarify, explaining that they were assessing the samples and solutions from all vendors to determine the best fit. **Mr. Wood** added that the evaluation was ongoing and no final decision had been made.
Mr. Solkovits further questioned the review process, noting the proposals were received just the previous day. **Mr. Guinto** explained that the purpose of the update was informational, with a detailed evaluation to follow. They planned to present their findings to the capitalization committee and eventually to the board.

Given the concerns raised, it was suggested Mr. Guinto reissue the RFP with more specific requirements to avoid any perception of bias. **Mr. Wood** warned that changing the RFP criteria could lead to claims from vendors about the bid process. **Mr. Solkovits** stressed the importance of a fair and transparent process to avoid litigation and ensure the best outcome for the school. **Mr. Guinto** agreed to reissue the RFP with specific product requirements, allowing all vendors to participate fairly.

B. Discussion and Vote to Recommend to the Full Board Approval of the renewal 2024-2025 Food Service Contract with Chartwells

Prior to the vote, Greg Wood presented the 22024-2025 Food Service Contract with Chartwells

Mr. Wood explained that the CDE has a standard process for presenting and accepting Chartwells' five-year renewal proposal, which involves proposing new prices for breakfast, lunch, and other items annually.

The new prices are based on the Consumer Price Index (CPI) for food prices in Los Angeles, with the April index showing a 4.7% increase. Accordingly, the new rates for the next year will be $2.71 for breakfast and $4.46 for lunch. The total estimated contract value is $959,000. The CDE approved proceeding with this proposal, pending board approval.

He noted that the suggested pricing is reasonable within the CPI framework. He also mentioned that the reimbursement rate from the state, assuming participation in the universal meals program, would increase by 1%. He expressed his support for the proposed pricing and recommended that the committee approve it and recommend it to the full board.

Gregg Solkovits motioned to Recommend to the Full Board Approval of the renewal 2024-2025 Food Service Contract with Chartwells
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.
Gregg Solkovits made a motion to Recommend to the Full Board Approval of the renewal 2024-2025 Food Service Contract with Chartwells.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

C. Discussion and Vote to recommend to the full board the 2024-2025 Piece of Mind Special Education Services Contract

Ms. Emily Larew explained that special education can incur significant expenses, so she annually seeks quotes from various non-public agencies and compares them. Some agencies are flexible and willing to negotiate rates, while others have fixed rates. For those that do negotiate, she works extensively to secure the best rates for high-quality service providers, mindful of using public funds effectively. The provided comparison sheet included quotes from several common agencies, although not all agencies they work with were listed.

She highlighted that the current Inspire communications contract, which includes teaching language service providers, is in the second year of a two-year contract approved by the board last year.

The Piece of Mind contract is a substantial expenditure due to the volume of services provided. The rates for instructional assistants, behavioral aids, and behavioral intervention developer services are competitive, and maintaining these rates is crucial given the number of staff involved-26 instructional assistants or behavioral aids and three substitutes.

The contract remains mostly unchanged from the previous year, with minor wording updates regarding the COVID-19 vaccination requirement and no increase in rates, which is notable as most rates increased this year.

A board member asked if the compensation rates mentioned refer to what El Camino pays to Peace of Mind for the individuals provided, not what those individuals earn from Peace of Mind. **Ms. Larew** confirmed this was correct.

Mr. Solkovits then inquired about the number of aids currently working on campus from Peace of Mind, to which **Ms. Larew** confirmed there were 26. He further asked about additional aids under different contracts, and **Ms. Larew** explained that there are some aids from Scoot working in general education, math, and English classes, and 5 from Ideological mainly in flex classes and programs. Most of the 26 from Peace of Mind are in special education, with 3 in general education.

Mr. Solkovits asked if the rates were competitive, noting that this number of workers not being part of a bargaining unit is significant. **Ms. Larew** explained that El Camino employs 15 special education aids as part of their CBA but couldn't disclose what the companies pay their employees because the companies didn't share such information. She emphasized however, the importance of competitive rates to attract and retain quality staff, noting that the number of staff varies year by year based on service needs and expressed satisfaction with the services provided by Peace of Mind.
A board member inquired if staff assigned to El Camino generally remain for the entire year or if there is reshuffling by the vendor. Ms. Larew responding saying that while most staff stay for the year, turnover has increased since COVID-19, but many staff members return year after year.

Another board member asked if El Camino ever hires individuals from these agencies. **Ms. Larew** confirmed they have hired several people, particularly from Peace of Mind and Ideological, and mentioned a hiring clause in the Peace of Mind contract due to the training and processing time involved. She noted that these hires often result from the opportunity to evaluate their performance on campus.
Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the 2024-2025 Piece of Mind Special Education Services Contract.
Gregg Solkovits seconded the motion.
The committee **VOTED** unanimously to approve the motion.

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:45 PM.

Respectfully Submitted,

Daniela Lopez-Vargas