

APPROVED



El Camino Real Charter High School

Minutes

Finance and Investment Board Meeting

October 16, 2024 Finance and Investment Board meeting

Date and Time

Wednesday October 16, 2024 at 5:30 PM

Location

El Camino Real Charter High School - Principal's Conference Room (PCR)

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, Gregg Solkovits

Committee Members Absent

Steven Kofahl

Guests Present

Ryan Guinto

I. Opening Items

A. Call the Meeting to Order

Alexandra Ramirez called a meeting of the Finance and Investment Committee of El Camino Real Charter High School to order on Wednesday Oct 16, 2024 at 5:30 PM.

B. Record Attendance and Guests

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

David 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, provided his CBO Report to the Committee

Audits: The audited actuals discussed the previous month are being completed, while preparations are underway for the ongoing audit due by December 15th. Everything is progressing well.

Charter school division visit: On November 21st, the charter school division will visit to review both finance and instructional information. A packet containing 29 items has been prepared for the charter school division. The items reviewed remain consistent from year to year, so CBO feels we are well-prepared for the visit.

Upcoming Financial Report: The first interim report for the year, based on data through the end of October, is due in December.

Enrollment: After two full months of school, there are 2,950 students enrolled, an increase of five students from the first month but a decrease of 217 from the previous year's 3,167 for the same period. The average daily attendance (ADA) for these two months is approximately 2,737 students, or about 92-93%, which is strong compared to others in the 80% range, though 96% would be ideal.

School had budgeted for a funded level of 2,731 students, but the number is currently at 2,738, which is slightly above the budget for the two months. However, it was noted that enrollment and attendance often trend downward over time, so these numbers are being monitored closely for budgeting purposes.

II. Consent

A. Approve Minutes of September 19, 2024, Finance and Investment Committee Meeting

Gregg Solkovits made a motion to approve the minutes from Finance and Investment Board Meeting on 09-19-24.

Alexandra Ramirez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Investment

A. Investment Update

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

The Board was informed that Beacon Pointe, the investment advisor, will attend next month's meeting to present a detailed report on the funds.

OPEB Account: At the start of the first quarter of the school year, the OPEB account, which funds healthcare for retirees and their spouses, had a balance of \$30,844,295. Active retirees monthly healthcare payments are averaging \$50,000, totaling \$154,794 over the last three months.

A strong stock market this quarter contributed to gains of \$1,770,912, increasing the investment by 5.5%. As of September 30th, the OPEB account's balance stood at \$32,460,414, marking an overall increase of 5.2%.

This account is designed to be self-sustaining, with the goal of supporting retiree benefits without additional contributions. An actuary regularly evaluates the fund's adequacy by assessing projected increases in healthcare costs, which typically rise by about 5% annually, alongside expected investment returns. The account continues to be in a favorable position for sustainability.

General Funds and Other Investments: General funds totaled \$7,128,621 at the end of September. Additional investments include a \$423,991 annuity and a \$420,030 T-bill, bringing the total for mid-to-long-term investments outside accounts to nearly \$8 million.

IV. Finance

A. Financial Update

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

Cafeteria: In August, the cafeteria served 28,248 meals, increasing to 43,493 meals in September. Federal and state funding provided support of \$129,721 in August and \$197,017 in September. Additional revenue came from snack and à la carte sales. Total revenue for August was \$133,798, with expenses of \$102,111. In September, revenue reached \$200,374, while expenses were \$165,128.

The cafeteria fund is designated exclusively for cafeteria needs, with any profits reinvested in improvements, such as equipment, benches, and infrastructure upgrades. It was reported that new information is being tracked now - the number of Free and Reduced is almost at 50% /1,450 students, the highest it's ever been.

The student council was encouraged by **Mr. Hussey** to suggest upgrades or additions to the cafeteria, reminding them that the cafeteria funds are available for improvements that they, and the students would like to see.

Despite a decrease in the overall student population, more meals are being served, suggesting that a larger proportion of current students are eating at the cafeteria.

Mr. Hussey also highlighted that fee waivers for SAT, ACT, and AP tests are available for students who qualify for Free and Reduced meals and encouraged eligible students and families to take advantage of these waivers.

B. Discussion and Vote to Recommend to the Full Board Approval of the September, 2024, Check Registers

1. Prior to the Vote, Ms. Ilyas and Mr. Wood reviewed the September 2024, check registers from ECRA's City National Bank Accounts.

The check registers are presented to the finance committee each month, showing purchases, purposes, and which accounts funded them.

ASB Register: This register includes funds generated from the student store and all trust accounts. Approximately \$96,000 in checks were written.

The report details payees, purposes, the corresponding trust account, and amounts.

Common expenses include sports-related costs and items for the student council, as well as ASB general expenses. Coaches' gear - like jackets, sweats, or game apparel - is funded from their respective trust accounts. Football teams raise funds through events, donations, and parent contributions.

General Account: This account covers large recurring expenses, such as health premiums and employee benefits. In September, the total expenditure was \$435,581. The "classified" category in the report represented retired non-teachers, such as custodians, office, and tech staff. The "certificated" category included retired teachers, administrators, and counselors. The total for the two categories was \$52,463.

It was noted that the "Self-Insured Schools of California" amount (\$341,734), was for active employees' monthly health premiums.

Payments for active employees are typically made from the school's general fund, while payments for retirees which amounted to \$52,463, come from the OPEB account.

Although the insurance company sends one bill for both active employees and retirees, two separate payments are normally made because the funds originate from separate accounts.

Checking Register: Payments from the main account totaled \$1,427,012, and the report detailed expenditures, funding sources, and categories.

Because it's football season, payments were made for football officials.

Regarding 'scout reimbursement,' if a student wishes to take an AP course not offered by the school, the counseling office arranges for a program called UC Scout. Initially, parents pay, and reimbursement is provided through the APG Success Grant once the student completes the course and earns a grade.

The voluntary disability listed is supplemental insurance available for teachers, reflected in the payroll reduction.

The \$29,459 theater expense was for a projector purchase, funded by Prop 28.

Vendor YTD: The year-to-date (YTD) report showed vendor payments totaling \$1,986,732 for September and \$5,481,437 since the start of the school year, spanning all accounts (ASB Trust, General, and Checking). A notable expenditure was \$515,173 to Golden Star Technology for laptops.

Trust Balances: The Trust balance report showed a total balance of \$536,377. Some accounts are in the negative, indicating pending reimbursements to the school as teams hold fundraisers. Coaches have acknowledged the negative balances.

Mr. Solkovits expressed concern about fairness, suggesting this disadvantages other programs. Ms. Ilyas proposed encouraging coaches to discuss with the student council, potentially seeking loans from the ASB General Fund whenever they funds they don't have. Mr. Hussey agreed.

The balance from the class of 2024 has been cleared by transferring the funds to the classes of 2025 and 2026.

The ASB income, generated from snack and merchandise sales at the student store, amounted to \$108,782. After expenses of \$26,825, the remaining balance in the General Fund is \$81,957, which can be allocated for school-wide events for the student body. Gregg Solkovits made a motion to recommend the approval of September 2024 Check Registers.

Alexandra Ramirez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

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

The school's credit cards are used for expenses that cannot be paid via check. The report outlined the charges, detailing who used the card, the amounts spent, and descriptions of the purchases. Only Mr. Hussey and Mr. Wood have corporate school credit cards.

When vendors require credit card payments, an enhanced procedure is followed. This includes submitting backup paperwork demonstrating that payment via check was not feasible. Before any charges are made, either Mr. Hussey or Mr. Wood reviews the documentation to ensure compliance.

In September, Mr. Hussey's card had a total of \$6,961 in charges, while Mr. Wood's card totaled \$5,119. These expenses are detailed for board members to review and cross-check against the credit card statements for accuracy and transparency.

Gregg Solkovits made a motion to recommend the approval of the September, 2024, Credit Card Charges.

Alexandra Ramirez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

D. Discussion on the status of the ECRCHS CARES and ESSER Funds

Prior Mr. Wood CBO and Ms. Ilyas, Director of Accounting and Finance, led a discussion on the ECRCHS CARES and ESSER Funds.

Ms. Ilyas gave an update on the ECRCHS CARES and ESSER funds which are funds received due to COVID-19 and the associated spending deadlines. The deadline to spend these funds was September 30, 2024, and the state had been informed that the funds have been utilized in accordance with the established rules and regulations.

There are several remaining grants, including the Educator Effectiveness Block Grant for teacher development, the Arts, Music & Instructional Materials Discretionary Block Grant, the A-G Completion Grant: Access/Success, the A-G Completion Grant: Learning Loss Mitigation, and the Learning Recovery Emergency Block Grant. These are one-time funds, and details were provided regarding allocations, expenditures, remaining amounts, and deadlines for spending.

Many of these funds fall under restricted categories and can only be used for specific purposes outlined in the grants. The typical process involves developing a spending plan as a school, presenting it to the Board for approval, and then proceeding with the expenditures.

E. Discussion of ECRCHS's Fiscal Policies and Procedures

Prior to the vote, Mr. Wood, and Ms. Ilyas, presented the ECRCHS's Fiscal Policies and Procedures

The organization has created Fiscal Policy Procedures (FPP) as guidelines for expense reports, purchase orders, and other financial matters. These procedures serve as an instruction list that outlines the proper spending guidelines and restrictions.

The FPP is reviewed and updated annually. In this meeting, the organization was notified that this is the beginning of the FPP review process and that Board members and other individuals in the organization were invited to suggest any changes they believed should be made. The proposed changes would be presented in the next meeting, and subsequently, in the following meeting, the revisions would be submitted to the Board for approval.

V. School Business

A. 2024-2025 Capitalization Project: Classroom/Hallway Modernization

Prior to the vote, Ryan Guinto, Director of Technology, presented the updates on the Classroom/Hallway Modernization

Classroom modernization: Last school year, Mr. Guinto, Mr. Hussey, and Mr. Fernando visited every classroom to assess the modernization status. Out of roughly 119 classrooms, 65 had been modernized, leaving about 54 still needing updates. The estimated cost per classroom was provided in the material, along with a breakdown of classrooms with and without new furniture.

Feedback has been gathered from teachers about preferred furniture options.

It was reported that proposals were received from different manufacturers. The primary reason for wanting to continue with the current standard was the warranty. Herman Miller, the manufacturer of the existing furniture, provides a 12-year warranty and has established a good relationship with the school. They typically visit monthly to address any furniture issues and have a designated representative who repairs damaged items at no cost, as long as they are within warranty. In contrast, the other manufacturer offered only a one-year warranty, making repairs more challenging.

The total cost for this project was estimated at \$484,000 for 20 classrooms, fitting well within budget, and planned to be spread over three years to manage expenses.

Mr. Solkovits questioned why the project wasn't completed all at once, given the budget. **Mr. Guinto** replied that if the Board approved by October 24, they could have all furniture delivered and installed during winter break.

Mr. Hussey and **Mr. Solkovits** suggested exploring the possibility of completing the remaining classrooms in one go next year.

Hallway modernization: The main hallway has already been updated, and plans are in place to continue this for the department hallways. Initial designs have been shared with department chairs for input, leading to revisions based on feedback. For example, the VAPA department emphasized showcasing instruments, while the English department preferred quotes instead of book images.

Although not yet finalized, the costs for modernizing the hallways is expected to remain relatively similar. This update is only intended to show the progress made so far, with the figure posted on the agenda being nearly final.

It was noted that part of the teachers' requests included more seating areas in the hallways, particularly in the nooks where students often gathered before school, sometimes sitting on the floor. The additional seating caused costs to increase by approximately \$31,000, and guidance was sought on whether the finance committee would recommend this additional expenditure.

Mr. Solkovits inquired about availability of electrical outlets in the proposed additional seating areas for student laptops. He acknowledged that this might be an extra cost, but he thinks the students will need this. **Mr. Guinto** agreed and stated that while these

specific vendors did not provide electrical work, the school has an electrician who could assist with this.

On whether the additional sitting in the hallways should be fixed or movable, the Board members generally agreed that fixed seating would be preferable.

When asked about his thoughts on the additional costs, **Mr. Wood** indicated that while hallway improvements were slightly above budget because of the additional \$31,000 request for extra sitting and electrical outlets, it was manageable as long as the overall capital budget remained at \$2.5 million.

Mr. Hussey added that, while it wasn't a topic of discussion for that day, there should be consideration given to identifying the outside of the buildings. He noted that this was a concern raised by the Safety Committee regarding the importance of clearly labeling the buildings to facilitate quicker identification during a lockdown. He suggested using names such as "Anderson Hall Building," "B Building," "C Building," or "T Building" for external identification.

Mr. Guinto concluded his presentation by stating that once costs were finalized and approved, the initial timeline could be maintained with a goal for completion during winter break.

Mr. Guinto stated that once the costs were finalized and approval was received with the additional costs included, they could keep the timeline on track, aiming for completion during the winter break.

Gregg Solkovits made a motion to Recommend to the Full Board Approval of the 2024-2025 Capitalization Project for Classroom & Hallway Modernization with the additional electrical and extra seating costs.

Alexandra Ramirez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to Adjourn Meeting.

Gregg Solkovits seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:54 PM.

Respectfully Submitted,
Ryan Guinto