

APPROVED



El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

November 13, 2024 Finance and Investment Board meeting

Date and Time

Wednesday November 13, 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, Steven Kofahl

Committee Members Absent

None

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 Nov 13, 2024 at 5:31 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

1. Nathan provided the student council treasurer's report.

Robotics Competition Team: Last Friday, the robotics competition team attended an event, possibly a state championship. The student council purchased items for a send-off celebration, costing \$50.05.

Poster Supplies: A recurring purchase for markers, tape, and other materials used for hallway posters was made this month.

Color Wars: Supplies and prizes for the upcoming class-specific Color Wars event were purchased for a total of \$635.34. This included several hundred items prepared as prizes for individual students.

Mr. ECR Event: For the annual mock beauty pageant event featuring senior boys, happening on December 6, \$94.95 was spent on decorations

E. CBO Report

Mr. Wood, ECRCHS CBO, provided his CBO Report to the Committee

Enrollment and ADA: As of Month 3, enrollment stands at 2,937 students, a decrease of 13 from last month and 222 compared to last year's Month 3. The average daily attendance (ADA) percentage is 93.3%, slightly down from last year's 94%. This decline is attributed to fewer incoming ninth graders than graduating twelfth graders.

A recent webinar on declining enrollment in California highlighted strategies such as analyzing trends, multi-year planning, and staffing adjustments. With an annual loss of 222 students, staffing levels may need reevaluation to align with reduced class and support requirements.

Cafeteria: Despite the decline in enrollment, meal participation has increased by 2.65% compared to the previous year. Currently, 37% of students qualify for free and reduced meals, the highest percentage recorded.

Through October, total cafeteria revenue was \$572,471, with \$469,941 in expenses (including food, labor, salary support, repairs, and other costs). The cafeteria is operating

with a surplus of \$102,530; the cafeteria fund balance has grown. Given this balance, \$20,564 has been allocated to capital improvements. Funds in this category must be reinvested into the cafeteria only, but can support student events like picnics, provided meal compliance guidelines are met.

Audits: The **Charter School Division** will conduct an instructional and operations audit on November 21, with related documents already submitted.

The **CPA external audit** firm is collecting information for the annual audited financial report due to the state by December 15.

The **first interim** financial report, capturing actuals through October and projections for the rest of the year, is being prepared for submission.

II. Consent

A. Approve Minutes of October 16, 2024, Finance and Investment Committee Meeting

Gregg Solkovits made a motion to approve the minutes from Finance and Investment Board Meeting on 10-16-24.

Steven Kofahl seconded the motion.

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

III. Investment

A. Investment Update

Mr. Wood, CBO, and Mike Breller (Beacon Pointe) presented the October, 2024, ECRCHS Investment Update.

Investment Review by Mr. Mike Breller

Economic Overview: The U.S. economy and consumer have demonstrated resilience, maintaining consistent GDP growth over the past two years despite earlier concerns about a recession. While inflation remains a focus, significant progress has been made, with rates approaching the Federal Reserve's 2% target. Aggressive interest rate hikes in 2022-2023 have not led to major economic disruptions, with unemployment near record lows. Current indicators suggest a "soft landing," achieving inflation control without significant economic fallout-an uncommon outcome.

Potential risks include the possibility of elevated inflation triggering secondary waves, delaying interest rate reductions. Fiscal challenges, such as a 7% GDP deficit amid low unemployment, raise concerns about continued deficit spending and pressure on interest rates. Despite these risks, the overall economic scenario remains positive.

Market Performance: The S&P 500 gained 6% in Q3, with large-cap equities outperforming small caps and U.S. equities outperforming international ones. Fixed income showed double-digit returns over the trailing year, recovering from prior losses in the aggregate bond index. October saw minor declines, but markets responded positively post-election.

Portfolio Allocation and Performance:

Asset allocation remains well-aligned with policy targets

Equities:

- **U.S. equities** are slightly overweight and have driven strong returns, outperforming international equities. Passive investments dominate domestic allocations, with two active managers: Fiduciary Management and Virtus (Mid Cap). A recent change replaced the Schwab US Large Cap Growth Index fund with a new active manager.
- **International equity** are within range, with a 25.6% trailing one-year return which is just ahead of the index. Active managers include Artisan International Value (value-oriented) and American Europacific (growth-oriented), providing balanced exposure.
- **Emerging market** manager Lazard closely aligns with the index and has performed well.

Fixed Income:

- Managers Dodge & Cox and Metropolitan West offer diversification. Dodge & Cox focuses on investment-grade bonds, while MetWest provides a broader mix. While returns have been strong recently, long-term performance is flat due to market timing.

Alternatives:

- The allocation includes stability-oriented strategies (Swan Hedged Equity and Cliffwater Bank Lending) and growth-focused real estate strategies (PGIM and Apollo). Alternatives have contributed 22% trailing one-year returns, providing diversification and mitigating portfolio volatility.

Summary:

The portfolio has delivered strong absolute and relative returns across asset classes. While macroeconomic uncertainty persists, staying close to policy targets is advised until clearer investment opportunities arise.

Mr. Wood

OPEB: The portfolio experienced a slight decline, ending the month of Oct at \$31.7 million, reflecting the flat market performance reported earlier.

Post-election market gains have driven the portfolio value up to \$32.2 million, recovering most of October's losses.

Year-to-Date Performance: Through October, the portfolio had achieved a **3.3% return**, although recent OPEB payments reduced the total return to **2.8%** by the end of October. The outlook remains positive, with expectations for continued recovery, provided market conditions remain stable.

IV. Finance

A. Discussion and Vote to Recommend to the Full Board Approval of the October, 2024, Check Registers

Ms. Ilyas, Director, Accounting and Finance, reviewed the October 2024, check registers from ECRA's City National Bank Accounts

ASB Register: Largest expenditure was the Homecoming event at \$54,500. Additional transactions included seasonal team purchases. A grand total of \$123,044 ASB expenses was incurred in Oct.

ASB Trust Balances: Trust balances are the total balances for sports teams and clubs. There was a Total balance of \$567,951 by end of Oct, while ASB income from merchandise and snack sales has so far totaled \$158,961, with incurred expenses of \$26,957. The Total general Fund balance was \$81,957 and the total ASB Balance came to \$622,386.

General Account: This covers monthly recurring expenses such as health benefits and retiree payments from investment income. The Grand total for October came to \$431,718.

Vendor Payments (YTD): Vendor payments for October totaled \$1,569,505, while Year-to-date (July-October) was \$7,050,942.

Checking Register: This represents daily operational expenses. The Grand total for October was \$1,013,645.

Steven Kofahl made a motion to recommend the approval of October, 2024, Check Registers.

Alexandra Ramirez seconded the motion.

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

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

Prior to the Vote to recommend Approval, Ms. Ilyas, reviewed the October 2024, credit card charges.

Primary expenses included teacher conferences and miscellaneous items.

- **Mr. Hussey's** credit card charges added up to \$19,420.
- **Mr. Wood's** credit card charges totaled \$3,600.

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

Steven Kofahl seconded the motion.

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

C. Discussion of ECRCHS's Fiscal Policies and Procedures

Mr. Wood and Ms. Ilyas discussed ECRCHS's Fiscal Policies and Procedures

An overview of updates to the fiscal policies and procedures draft, highlighting proposed changes for review was provided:

Travel policy updates: Removed references to specific airlines to prioritise flexibility and cost-efficiency. The revised policy focuses on "economy or promotional discounted airfare."

There is also emphasis securing reasonable fares and prioritising nonstop flights especially when travelling with students for safety and logistical simplicity.

Meal reimbursements: Reimbursement rates should align with GSA-published rates for the destination travelled.

There are plans to collaborate with HR for employee acknowledgment of updated per diem policies.

Credit card policy: Outdated vendor-specific cards addressed and phased out.

Title updates: Updated references to reflect the current title "Director of Human Resources" (formerly "Director of HR and Compliance") on page 23.

Annual bid limit: Revised to reflect the new limit of **\$114,500** on page 29.

Blank check policy: Adjustments planned on page 33 for clarity and compliance.

Mr. Wood clarified that no vote was required at this stage. The draft, with proposed edits, will be circulated before the next full board meeting for review and recommendation.

V. School Business

A. RFP Bid Award: Campus Security Services

Prior to the vote, Jason Camp, Administrative Director, will present the RFP Bid award for the Campus Security Services.

The search for campus security services following the departure of St. Moritz, which exited the school security business 2.5 months into their contract continues. The RFP process sought 10 guards and one manager, and bids were evaluated based on cost, experience & qualifications, and proposal accuracy, weighted at 35%, 35%, and 30%, respectively.

Bidders submitted rates for guards, managers, and special events, with costs calculated using an eight-hour shift for 180 days.

DSPI Inc submitted the lowest bid, but Allied demonstrated the most relevant school security experience, unlike competitors who specialised in less interactive settings like nighttime patrols or university campuses.

Allied was the only bidder to offer the required SB1626 certification, a mandatory certification for school security in California. Others did not address this.

Allied is recommended for the contract due to its school security expertise, readiness to begin immediately, and availability of certified guards. This ensures a smooth transition, beginning November 20th, leveraging guards previously employed by St. Moritz.

Mr. Jason concluded by noting that they will be refining the RFP process in future bids to ensure clearer expectations and better alignment.

Gregg Solkovits made a motion to Recommend to the Full Board Approval of the RFP Bid Award: Campus Security Services.

Steven Kofahl seconded the motion.

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

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to Adjourn the 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 6:46 PM.

Respectfully Submitted,
Ryan Guinto