



Minutes – Approved

Ocean Charter School Finance Committee
Thursday, September 14, 2017

Del Rey Campus
12606 Culver Blvd, Los Angeles CA 90066

The meeting was called to order by Sue Ingles at 5:50 pm.

Present: Sue Ingles, Stephanie Edwards, Kristy Mack-Fett, Katelynn Jaques, Aly Leavitt, Nancy O'Rourke, Gordon Engstrom

Absent: Debbie Tripp

Resigned & Not present: Elizabeth Brownlow, Megan Helms, Michael Krutz

A quorum was present.

Review and approval of June 1, 2017 meeting minutes. Stephanie Edwards moved to accept the minutes from April 27, 2017. Kristy Mack-Fett seconded. Katelynn Jaques and Aly Leavitt abstained. All others were in favor. The motion was carried.

Update on New Site:

Funding from the public bond sale could be received as early as November or December, which would reduce the amount of interest to be paid on the bond. Public bids will be opened on Sept 26th.

Development of Process Document for budget updates.

Kristy presented a document "Notes from Budget Update Call" for August 16 and Sept 12. This will allow the committee to more easily track monthly adjustments to expenses. Katelynn Jaques will keep a tally of adjustments made during the finance meeting.

Review and Discussion of 2017-18 budget.

Cash flow was discussed. It was noted that our cash balance is sufficient to weather low flow months. In addition, we have a \$600K line of credit available. Some committee members expressed reservations about using cash reserves to pay down the bond. However, Gordon Engstrom of ExEd stated that state money cannot be used to pay interest. Cash must be kept segregated (state vs. other funds), so it will be important to "front-load" capital campaign funds.

Average daily attendance (ADA) was 492 in August, which is lower than budgeted. Consequently, LCFF Income was down by \$28K. We are currently at an enrollment of 515, which is lower than the budgeted number of 522. The committee recommended not changing the budgeted ADA for now, but monitoring it closely at the next board and finance meetings.



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Other state income was \$99K higher than forecast, mainly due to no deferral of the mandated block grant. Total income variance from the approved budget is +\$70K, however, the SB740 number could still change.

Teacher salaries are \$78K lower than budgeted, however, instructional aides are \$59K above budget. A special education assistant was added at Del Rey, and more positions may still be needed. An intervention position was adjusted. A charter renewal project manager was added at \$6K.

The special education district “fair share” increased by \$25K. The “unfunded mandate”, or cost of special education that is not covered by the district is now greater than \$600,000 per year. It was suggested that the possibility of changing to LAUSD special education option 3 should be considered.

The committee will continue to closely track enrollment, special education, afterschool program enrollment, legal costs, and fundraising.

Pay increases for long-term hourly faculty and staff was discussed. Concerns were expressed about unpredictability of site-lease expenses over the next few years. The estimated cost of the 2.5% retroactive pay increase for 2016-17 is \$9,778 and cost for a 2% increase for 2017-18 is \$15K (\$25K total). Aly Leavitt moved to recommend that the board approves increasing raises for all long-term (>3 years) full-time and part-time faculty and staff from 1% to 2% for the 2017-18 school year and an additional 2% for 2018-2019. Nancy O’Rourke seconded. All were in favor. The motion passed.

Review of Fiscal Policies and Procedures.

The Fiscal Policies and Procedures document needs to be updated to reflect current operational practices. Sue Ingles moved to delegate the task of updating the FPP to admin, who will bring it back to the Finance chair and the board for review. Katelynn Jaques seconded. All were in favor. Motion passed.

The next meeting is scheduled for Oct 12.

The meeting was adjourned at 8:10PM.



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Respectfully submitted,

Sue Ingles