Ocean Charter Finance Committee Meeting Minutes

January 28, 2025

Committee members in attendance: Debbie Tripp, Tammy Stanton, Jennifer Jacobus, Kristen Curran, Josh Stokes

Kristy MackFett joined meeting at 3:48 PM

Committee members absent: None

Community members in attendance: Ayanthy Peiris from ExED

1. **Called to order:** 3:42 PM
2. **Open Forum** 
   * None
3. **November 12, 2024 Minutes**
   * Discuss 11/12/24 meeting minutes.
   * Motion-Debbie to approve, Kristen seconded. Debbie, Kristen and Tammy vote in favor. Josh abstention. Kristy – not yet arrived to meeting. Motion passed.
4. **November & December 2024 Financial Report**
   * As of Month 4, which represents P1 the ADA was 535.8.
   * Month 5 attendance reporting period, ADA rate 95% and ADA is 531.78 and trending 4.79 greater than budget. Forecast 529.09, which is higher than budget by 4.57.
   * Net Income (year-end as of June 30, 2025) $401K projected, which is ($13K) lower than budget.
   * Revenues are trending ~$10K higher than budget:
     1. LCFF $34K higher than budget as a result of the increased ADA projection.
     2. Title I $32K higher resulting from the prior year Unduplicated Pupil percentage (UPP) rate.
     3. State revenue is lower by ($32K) as a result of unearned ELO-P revenue deferred to subsequent fiscal year – this amount could fluctuate if the program projections shift due to participation rates.
   * Expenses are trending $25K higher than budget:
     1. Savings in classified salaries and benefits resulting from position vacancies and lower worker’s comp cost.
     2. Special Ed Encroachment rate increase of ~$40K or 10% increase to option 1 fair share rate.
   * Debt Service Coverage Ratio: Year-end (as of June 30, 2025) 1.27 projected, Hanmi Bank requirement is 1.25.
   * Cash: Dec balance $2.4M Operating, $317K restricted facility fund. Year-End projection $2.4M operating, $317K restricted facility fund
5. **Hanmi Bank Line of Credit Renewal**
   * Background on former Hanmi LOC structure, will move to a 3-yr term, covenants increased to capture DSC to calculate qtrly
   * New requirements: ADA report and ADA Comparison, Maximum decrease in ADA measured quarterly, Compliance Certificate, Min liquid assets 3% same, **Intercept of ADA based funding (State, Federal, Local)**
   * Conversation on reaching out to other Banks to obtain terms that do not include revenue intercept terms
   * Renews March 3, 2025. Kristy will respond to Hanmi that OCS cannot accept the intercept term and could they modify the structure.
   * Kristy Patti Derry@ Banc of California, Josh will reach out to bank connections to inquire if they offer LOC credit structures to charter schools.
6. **Fiscal Policies – Stale Dated Checks**
   * Background ExED utilizes InvoicePay for AP processing, which use an 180-day stale dated; however, sometimes checks are ssued in-house by ExED system and there is a need to align the stale dated range.
   * Kristy proposed motion to amend OCS Fiscal Policies to align stale dated checks at 180-days on ExED issued checks with InvoicePay
   * Motion-Kristy to approve, Josh seconded. Debbie, Kristen, Kristy, Josh and Tammy vote in favor. No abstentions. Motion passed.
7. **Fundraising Update**
   * Table report – OCS Business Mgr out sick and unable to attend mtg today
8. **Review OCS Enrichment Programs**
   * Programs offered via a Trimester schedule
   * Each trimester the program profit and loss actuals are reviewed and programs are on track
9. **Review Expanded Learning Opportunities (ELO-P)**
   * Programing to continue per the Gov’s Jan 2025-26 Budget Proposal
   * Admin will bring forth a calendar for the upcoming year
   * 9-hr day (before and after care counts) plus 30-non instructional days
10. **Invest Firm Identification**
    * Committee members discussed the history of the DA Davidson Proposal
    * Josh obtained proposals from Truist Bank and two wealth management firms, Bernstein, Cheviot,
    * Kristy to follow-up with DA Davidson on rate
    * Proposals to review
11. **Adjourned meeting:** 5:00 PM