

Finance Committee Meeting Minutes – November 10th, 2023

Note: The Spectrum Finance Committee meeting was conducted via electronic means (using Zoom) per Minnesota Statutes, section 13D.021, Subdivision 1(4).

Committee Member	Position	Attendance
Joe Thomas	School Board Treasurer	Present
Bridget Merrill-Myhre	BerganKDV, Outsourced Controller	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Ben Slater	Parent Representative	Present
Daniel Parke	Parent Representative	Present
Jennifer Linn	Executive Administrative Assistant	Present

I. Call to order

The meeting was called to order at 8:03 a.m.

II. Old Business

None

III. On-Going Business

A. Update on School Meal Program

Mary Chaffin presented a new Food Service Program spreadsheet to the committee which lays out the revenue and expenses for the month of September.

1. Food and Supplies

- Lunches Ordered (from caterer): 8,194 Lunches Served: 7,368 with a difference of -826.
- Breakfasts ordered (from caterer): 2,635 Breakfasts Served: 3,086 with a difference of 451.
- Including the cost of milk, trays, napkins and Ala Carte, the cost was \$41,891.61 & reimbursement received was \$44,568.71 for a \$2,677.10 profit in September.
- We just received the Supply Chain Assistance Funds for the milk.

2. Salaries and Equipment

- The equipment cost was \$14,500. A grant of \$14,500 is expected.
- Between salaries and benefits were \$11,457.02 for September.
- Commodities received so far were \$3,435.60.
- Total loss for September in this area was \$8,021.42

3. Grand Total of All September Accounts = -5,344.52 (+\$2,677.1-\$8,021.42).

B. Update on Construction Plans

Mr. DeBruyn and Mr. Peterson attended the Elk River City Council meeting on Monday November 6th, 2023. It appeared that the council was open to moving forward with Planned Unit Development (PUD). The application will be submitted in the next two weeks. It will be going back to the Planning and Zoning Commission in December for



consideration of the PUD and the City Council in January (if recommended). The bonding process will likely take place in the spring with construction in the summer or fall.

IV. New Business

A. Finance Reports – Bridget Merrill-Myhre provided data for the month of October. The committee reviewed the reports and is recommending acceptance.

1. October Financials – Summary of Key Financial Indicators

Average Daily Membership (ADM) Overview – Budgeted 895: Actual: 896.

The school's budgeted surplus for the year is \$0. A projected cumulative fund balance of \$2,993,760 or 25% of expenditures at fiscal year-end is anticipated.

The current Days Cash on Hand is 71 days.

The Debt Service Coverage Ratio is 1.27. This is above the 1.10x that meets minimum bond covenants.

2. October Management/Supplemental Report

a. As of month-end 33% of the year was complete.

b. Cash balance as of the reporting period \$3,040,953, which is down from the previous month of \$3,235,584.

c. The current year holdback balance is estimated at \$346,217 as of the reporting period. The holdback amount is 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2025.

d. Revenues received at the end of the reporting period were 32.4%

e. Expenditures disbursed at end of the reporting period were 26.1%

f. Other rentals is 65% spent, which includes the tent rental in August.

g. Building/Land Improvements includes the HS PE Field payment of \$94k. The budget will be updated at midyear.

h. Furniture & Other Equipment is 96% spent, which include two golf car purchases, chairs, and a downpayment for lockers.

3. October Food Services Report

The Committee reviewed the Food Services Report. October showed revenue at \$43,106.91 and total expenditures of \$89,125.95 which created an overall deficit of \$46,019.04. There will be a supply chain grant of \$14,500 applied to expenditure. However, these numbers also include a November invoice of over \$60,000.

4. October Contracted Services Report

No concerns noted.

B. Insurance Bid

Mr. DeBruyn presented the Employee Medical Insurance Plan proposal as provided by our broken with Krause Anderson. With 4 other carriers declining to quote, Spectrum Schools received one bid from Medica (our current carrier) for an 11.3% increase.

The committee reviewed the details of the proposal:

- A federally required increase of deductible from \$3,000 to \$3,200 (individual) and \$6,000 to \$6,400 (family).
- Premium increases will vary depending upon the plan chosen.
- Employees will have four choices: (1) broader network with standard deductible (most expensive); (2) narrower network with standard deductible (lower cost); (3) broader

network with higher deductible (\$4,000 or \$8,000); or (4) narrower network with higher deductible (\$4,000 or \$8,000)

- It was important to administration and the committee that employees have options for savings to minimize the impact.
- The increase is already budgeted (around 5.7% for FY24). The 11.3% is split between two fiscal years since renewal takes place in January.

The committee recommended the Board proceed with the bid as provided.

V. Next Meeting Agenda – The next scheduled meeting is on Friday December 15th, 2023 @ 8:00 a.m.

A. Payout numbers from Leave Payout and Sick Leave Carryover Policy Implementation

VI. Adjournment

The meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Jennifer Linn – Executive Administrative Assistant