



Spectrum School Board Finance Committee Minutes

Date: June 12, 2015
Scheduled Time: 8:00 a.m.
Attendance:

Position	Committee Member	Arrive	Depart
Member	Vanessta Spark	Present	
Member	Josh Anderson	Present	
Member	Robin Schelske	Present	
Member	Jeff Uecker	Present	9:25 a.m.
Finance Vendor-BKDA	Nick Taintor	Present	
Finance Vendor-BKDA	Sher Tischner	Present	
Office Manager	Patty Jorris	Present	8:15 a.m.
Guest-RJ Ahmann	Andrew Krane	Arrived 9:00 a.m.	

1. Meeting called to order with a quorum present at: 8:03 a.m.

2. CHECK WRITING INCIDENT

The Committee discussed an incident relating to a recent check run. The check printing company sent a box of check stock which had the first 10 checks with the correct banking information for Spectrum High School; however, the remaining checks had Spectrum's name but the banking information (routing and account number) for an organization in Florida. There were approximately 80 checks written so the first 10 checks were fine but the remaining 70 checks written, which were written to pay Spectrum bills, were written on the checks with the wrong bank information. The problem was discovered a couple of days later when the checks started to clear the wrong account. Once caught, the bank in Florida put a hold on the account which meant the Spectrum checks were returned unpaid, which left unhappy Spectrum vendors who incurred fees as a result. To resolve the situation, the check printing company rushed a new check stock to Spectrum and the 70 bad checks were replaced with new ones. The check company has agreed to reimburse Spectrum for all of the returned check fees incurred by Spectrum vendors, which, to date, totals \$315 but could be more, and for staff time spent on fixing the problem. Ms. Jorris has spent a considerable amount of time explaining the situation to the affected vendors and has been able to smooth over the justifiably angry feelings on the part of the vendors and has done so successfully. The check printing company has been very apologetic and will be sending Spectrum a letter explaining what happened. It is hoped that with this letter, along with the work being done by Ms. Jorris, there will be no long term damage with vendor relationships.

3. APRIL and MAY, 2015 FINANCIALS

Mr. Taintor presented the April and May financials to the Committee, calling out any notable items. Following discussion, the Committee recommends that both April and May Financials be submitted to the full Board for approval.

4. The Finance Committee reviewed the audit proposal from Redpath and Company for both Spectrum Building Company and Spectrum High School. It was noted that the fee for services rose 2.5%, which was anticipated per the 3 year proposal received in 2013. The Committee discussed when it would be advisable to send the audit work out for bid. It was agreed that the bid process would be discussed further in February/March of 2016, but

that the current proposal, as written, is acceptable and the Committee recommends that the proposal be forwarded to the Board for consideration of approval.

5. EXECUTIVE DIRECTOR RETIREMENT PACKAGE PROPOSAL

Ms. Spark presented her retirement package proposal to the Committee. The Committee reviewed the calculations and details of the proposal, and recommends that Ms. Spark present it to the full Board at its meeting on Thursday, June 18th.

6. AMENDED FINANCIAL POLICY

A brief discussion took place on the proposed amended Financial Policy. It was noted that there are fundamental differences in the definition of Board/Committee oversight and internal control amongst members of the Committee. Therefore, further discussion at the Finance Committee level is not useful, and recommends the amended draft be submitted to the Board for discussion and decision making.

7. YEARLY INSURANCE POLICY REVIEW – Spectrum Building Company and Spectrum High School

Mr. Krane, from RJ Ahman, presented the proposals for insurance coverages needed for both the Spectrum Building Company and Spectrum High School. Mr. Krane stated that the premiums for the overall package, commercial auto, and umbrella stayed virtually the same or decreased in terms of cost. The Worker's Compensation policy increased almost 75%, which is over \$16K. E&O/EPLI increased by around \$1.8K. Mr. Krane discussed the calculation of the Worker's Comp premium and noted that Spectrum had had a bad claims experience over the past 4 years and consequently, a high claims experience factor. He stated that the Worker's Compensation companies file their rates with the State so the claims experience factor is multiplied by the rate to get the premium amount and they have no flexibility in pricing. There are a few other minor areas where the insurance company can make adjustments, and the Committee recommended that Mr. Krane check to see if it is possible to lower the premium by a \$1,000 or so. Mr. Krane also noted that the Hanover proposal includes some coverage for E&O/EPLI. He is going to go back and do some research to see if this particular coverage could replace the separate policy currently in place through Darwin National Assurance. If it can, this would result in a savings of over \$8K. Mr. Taintor suggested the possibility of the Spectrum Building Company covering the cost of the insurance of the building shell instead of Spectrum High School. The lease agreement drives this decision so Mr. Taintor stated that he would do some additional research to see if this is even a possibility. If it is possible to move this insurance to the Spectrum Building Company it would free up some money in the School's budget. The Committee recommends that the Hanover and SFM insurance proposal be approved, with the caveat that it may change following research.

Having no other business, the meeting adjourned at 9:47 a.m.

Respectfully submitted,

Jeff Uecker, Treasurer