



Spectrum High School Finance Committee Minutes

Date: December 14, 2018
Scheduled Time: 9:00 a.m.

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Present
Nick Taintor	BerganKDV/Financial Advisor	Present
Dan DeBruyn	Executive Director	Present
Dawn Sorenson	Exec. Asst.	Present

I. Call to Order

The meeting was called to order at 9:05 a.m.

II. Old Business

None

III. On-Going Business.

A. 2018-2019 Finance Committee Goals

- **Develop an all-encompassing Fundraising Policy/Separate 501(c)(3) entity.**

Mr. DeBruyn shared that some progress is being made on the Fundraising Policy piece of this overall goal. One of the first steps in the process is to get a handle on who is fundraising for what, etc. In an effort to start this process, the facilities use request form is now being used top request fundraisers that may or may not be associated with the use of the facility. In this way, it is an attempt to get a better understanding of who is fundraising for what and how so that this information may be considered when developing a fundraising policy. Work on the separate 501(c)(3) entity is progressing as well (see Friends of Spectrum, Inc. draft Articles of Incorporation and Bylaws later in the agenda.)

- **In concert with BerganKDV, work to maximize investment income as an additional and ongoing revenue stream for the School.**

Mr. Taintor shared that he has several schools with whom he works for which he has set up accounts with Schwab Investments as they are the only entity who has access to Treasury Bills. Treasury Bills realize better interest rates than traditional money market accounts. He went on to say that Spectrum does not need to utilize a broker to access the Treasury Bills and that BerganKDV can help manage the investments for the School. Controls would need to be put in place by amending the current Finance Policy, which contains the investment policy language. Mr. Taintor will take a look at the current policy and bring recommendations for consideration to the January Finance Committee meeting.

IV. New Business

A. November Financials

Mr. Taintor reported on the November financials. He shared that the working budget 2018-2019 projects an annual deficit (expenditures to exceed revenues) in all funds in the amount of \$75,442, which is due to a

necessary change in the budget allocation for the Concurrent Enrollment/PSEO line item. He went on to report that the School received the first semester billing of \$135,515.00. The annual budgeted amount is \$150,000. As a result, the Committee felt that this budget item needed to be increased to \$275,000, or an increase of \$125,000.

The Committee then went on to discuss at length the various costs associated with the PSEO program. Mr. DeBruyn reported on proposed additional PSEO language to the Student/Family Handbook that he is bringing to the Board for consideration of approval at next week's meeting. He shared that it has recently come to the school's attention that Spectrum is paying for courses at Anoka-Ramsey Community College that students drop at some point during the semester. As of the 1st semester of the 18-19 school year, Spectrum paid out \$11,700 for courses that students enrolled in but never completed. Spectrum counselors are not made aware that the student has chosen to drop the class and often times the student is in jeopardy of not meeting their high school graduation requirements. Mr. DeBruyn went on to share that the school counseling department has researched other school districts' approach to this concern. Many of them choose to issue the student a failing grade on their high school transcript if they drop the class after the high school deadline. This may or may not align with the student's college transcript – most often delineated as a “W” for withdraw. *Note: The college gets paid either way, so they do not have an incentive to increase accountability for students.*

Following discussion about the PSEO program, the Committee went on to review the remainder of the November financials of which there was nothing of significance to report. Mr. Taintor stated that he would update the financials to include an increase to the Concurrent Enrollment/PSEO line item and will send the revised financials to Ms. Sorenson for dissemination to the Board. The Committee recommends approval of the November financials as amended.

B. November Management Report

The Committee reviewed the November Management Report. There was no gap in check sequencing noted. Since manual checks are often the reason for gaps in check sequence, the Committee inquired about the possibility of pulling a manual check report each month and including it in the Management Reports. Mr. Taintor made a note to include the report in the future.

Following discussion, the Committee recommends approval of the November Management Report by the Board as presented.

C. November Contracted Services Report

The Committee reviewed the November Contracted Services Report. With the exception of the Concurrent Enrollment/PSEO line, there was nothing of significance to report.

D. November Food Service Report

The Committee reviewed the November Food Service Report. It was reported that there is currently a deficit of approximately \$3,400, which is not uncommon. One reason for the deficit is the meals ordered versus meals purchased. One solution other schools have implemented is to lower the deficit is to charge families for every meal ordered regardless of whether or not the student is present. The Committee will continue to monitor this fund closely.

E. Friends of Spectrum, Inc. 501(c)(3) Draft Articles of Incorporation and Bylaws

Mr. DeBruyn presented the Articles of Incorporation and Bylaws drafted by the School's attorney hired for this process. Mr. DeBruyn shared that this is the first step in a multi-step and lengthy process to get this entity up and running. The draft Articles and Bylaws will be submitted to the full Board for consideration of approval. Once completed, the next step in the process will be to determine a slate of candidates for

consideration of appointment to the Friends of Spectrum, Inc. (FoSI) Board. The FoSI Bylaws require that the Spectrum Board of Directors approve more than 50% of its Board members. Mr. DeBruyn and Mr. Peterson may only serve as ex-officio members of the FoSI Board. It is anticipated that once the FoSI Articles and Bylaws have been approved that a potential slate of Board member candidates will be submitted to the Spectrum Board at its meeting in January for consideration of appointment. The FoSI board would then meet in February to begin approving policies and procedures to guide the organization and its interactions with Spectrum. The goal would be to get up and running for FY20 (July 1, 2019).

F. Teacher Salary Analysis

Mr. DeBruyn presented on the work that has been done to date in the analysis of teacher pay at Spectrum. He shared that comparisons have been done to PACT Charter School, Big Lake, Elk River, and Anoka Hennepin school districts. The first step in the process was to identify any salaries that were in need of a onetime market adjustment to bring them into alignment. Mr. DeBruyn shared that a handful have been identified and will be adjusted. He went on to share that the analysis remains ongoing; however, forward progress is being made.

Mr. DeBruyn also shared that consideration is being given to the implementation of a leadership team comprised of teaching faculty. The purpose for the team would be to aid in communication between teachers and administration and gain insights into a variety of topics.

G. Additional Finance Committee Member

Mrs. Reed presented a recommendation to appoint Spectrum parent Annalise Marberg as an additional member to the Finance Committee. Mrs. Reed shared that Mrs. Marberg would make an excellent addition to the Committee and brings with her valuable financial expertise.

Following discussion, the Committee recommends the Spectrum School Board appoint Spectrum parent Annalise Marberg as an additional member of the Finance Committee.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input – January 18, 2018 at 9:00 a.m.

VIII. Adjournment

The meeting was adjourned at 10:55 a.m.

Respectfully submitted,
Dawn Sorenson