



Spectrum Finance Committee Minutes

Date: Wednesday, October 20, 2021
Scheduled Time: 9:00 a.m.

NOTE: The Spectrum Finance Committee meeting was conducted via electronic means (using Zoom) as is allowed under the auspices of Minnesota State Statute, 13D.021, Subdivision 1(4).

Position	Committee Member	Attendance
Joe Thomas	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Nick Taintor	BerganKDV/Financial Manager	Present
Bridget Merrill-Myhre	BerganKDV	On Leave
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Dawn Sorenson	Exec. Administrative 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. 2021-2022 Finance Committee Goals

- Mr. DeBruyn shared within the meeting that Spectrum's State Reporting Coordinator, Cathy Durkot, is working on analysis of FY22 PSEO and concurrent enrollment data. Mr. DeBruyn will use the data gleaned to develop a more accurate means by which to forecast annual ADM, which will be shared with the Committee by January, 2022. This aligns with a need discussed in July to more accurately project these numbers earlier in the school year in an effort to modify the budget earlier and avoid a surprise drop in ADMs once the numbers are reconciled in June.

Goal to be approved at the November Finance Committee meeting: *By January 2022, the Finance Committee will review current PSEO and concurrent/C@SH enrollment in order to accurately project budgetary impact and modify the 2021-2022 fiscal budget accordingly.*

IV. New Business

A. September Financial Report

Mr. Taintor provided an overview on ADM (Average Daily Membership). He noted that the school is budgeting 800 ADM. Actual enrollment is at 840, which fluctuates throughout the year. He went on to note that currently the school's budgeting a surplus for the year at \$45,084, with a projected cumulative fund balance of \$2,363,683, or 24% of expenditures at fiscal year-end. In addition, the Projected Days Cash on Hand for the fiscal year-end is 75 days (minimum is 30 days) with a projected debt service coverage ratio of 1.21 (minimum of 1.10x).

As of month-end, 25% of the year is complete, with a cash balance as of the reporting period of \$2,366,369, which is up from the previous month of \$1,878,171. Mr. Taintor went on to note that the current year holdback balance is \$328,113, which is approximately 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2023. Revenues received at the end of the reporting

period were at 24.5% as compared to expenditures at 17.6%, and all is on track when comparing budget to actual.

The Committee went on to review the Balance Sheet, Statement of Revenues and Expenditures, and Cash Flow reports. Nothing of significance was noted and all is on track when comparing budget to actual. Cash Flow is good.

Mr. Taintor shared that the FY21 annual audit is in process and reviews are wrapping up. It is anticipated that a draft audit report will be sent by the end of October. The audit will be ready for Board acceptance at their meeting in November. Mr. Taintor stated that he has not heard of any issues concerning the audit.

Finally, Mr. Taintor stated that the current year's budget is under review and an updated working budget column will be presented in January after a mid-year budget review is complete.

Following discussion, the Committee recommended approval of the September Financial Report by the Board as presented.

B. September Management Report

The Committee reviewed the September Management Report. It was noted that sequencing skipped entries 202100273 and 202100312. Mr. Taintor noted that Accounts Payable entered a wire twice in the middle of the batch and had to delete. The system does not go back and fill in the wire number skipped.

Following discussion, the Committee recommended approval of the September Management Report by the Board as presented.

C. September Contracted Services Report

The Committee reviewed the September Contracted Services Report

D. September Food Service Report

The Committee reviewed the September Food Services Report.

E. Additional Capital Expenses – Sidewalks/Crosswalks

Mr. DeBruyn presented in detail several capital expenditures, namely, the need for additional sidewalks and crosswalks to address safety issues related to student drop off and pick up. Mr. DeBruyn shared that the City of Elk River is amenable to an additional crosswalk being added to the northwest corner of the 7/8 building. In doing so, students would be able to safely cross over Industrial Circle so that parents picking up or dropping off students would be able to remain on Industrial Circle rather than entering into the alleyway behind the 7/8 building. Parking congestion has become a concern with a couple of businesses in the area. Spectrum will need to cover the cost to put in the additional sidewalks and crosswalk needed along Industrial Circle; however, once in place, the City of Elk River will maintain and/or replace when needed. Snow removal will remain the responsibility of the school. With the road construction work that the City of Elk River is already doing on Twin Lakes Blvd. and Industrial Circle, it would make sense for the City of Elk River to do the installation of the sidewalk/crosswalk rather than the school trying to find an additional contractor. In addition to the sidewalks and crosswalk, Mr. DeBruyn has asked the City to place a center stripe down the middle of Industrial Circle to give persons traveling in the area an idea as to where they should be driving. Mr. DeBruyn reported that the City is in agreement and will do so.

Lastly, Mr. DeBruyn detailed some other necessary capital improvements to create neutral bathrooms at each of the school buildings.

Mr. DeBruyn then went on to share the approximate cost necessary to complete the improvements. He stated that he feels it is possible to identify savings within the current budget to cover the cost of the

sidewalks/crosswalk, for which there is an immediate safety need as well as timing to get it completed prior to winter setting in. Mr. Taintor stated that it may be worth contacting Wes Olson and Nick Hagen of Piper Sandler to see if it would be possible to add on bonds to what the school currently has in order to complete all of the capital improvement projects needed: bus garage at the Spectrum Athletic Complex, sidewalks/crosswalk; bathroom retrofits at high school and 6th grade building, and eventually a field house (an addition to the 7/8 building) and construction of a performing arts center in the current high school gym. Mr. Taintor will contact them; however, Mr. DeBruyn stated that he would like to forgo adding additional bonds until the online program is up and running to ensure student enrollment is where it needs to be in order to cover the cost of the additional bonds.

F. Emergency Connectivity Funding

Mr. DeBruyn shared that Spectrum applied for and has been approved for ECF (Emergency Connectivity Funding) Funding of \$125,593.19 through the federal government. The monies must be spent on IT connectivity related items such as computers and hot spots.

V. Old Business

A. Summer Lunch Program Application

Mr. DeBruyn reported that Spectrum has applied for and has been approved for the Summer Lunch Program, which provides a higher reimbursement rate for schools. Mr. DeBruyn shared that students/families who submit an Education Benefits Application (for free and reduced meals) and are approved will continue to receive their meals at no cost. Others will have access to meals and will continue to pay for the lunch at the posted price.

B. Update on Online Program Progress and Timeline

Mr. DeBruyn provided the Committee with an in-depth report on the timeline needed in order to get an online program up and running for the fall of FY23. He shared that the Online Program Coordinator has just been hired and will begin working on Monday, October 25th. In addition to the timeline, Mr. DeBruyn shared about space needs (i.e., classroom and parking).

C. PSEO and Concurrent Enrollment Work

As mentioned earlier in the meeting, this work is ongoing and is being completed in a timely manner than in years previous. The data gleaned will be used to meet the FY22 Finance Committee goal. Mr. DeBruyn will continue to update the Committee, and subsequently the Board, as more information becomes available.

VI. Previously Tabled Items

None

VII. Miscellaneous

None

VIII. Next Meeting Agenda Input – Monday, November 15, 2021 at 9:00 a.m.

IX. Adjournment

The meeting was adjourned at 10:12 a.m.

Respectfully submitted,
Dawn Sorenson