



Spectrum Finance Committee Minutes

Date: Monday, December 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 9:00 am.

II. Old Business

None

III. On-Going Business.

A. 2021-2022 Finance Committee Goals

- *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. November 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 824, 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 \$2,382,464, or 24% of expenditures at fiscal year-end. In addition, the Projected Days Cash on Hand for the fiscal year-end is 79 days (minimum is 30 days) with a projected debt service coverage ratio of 1.21 (minimum of 1.10x).

As of month-end, 41.7% of the year is complete, with a cash balance as of the reporting period of \$2,602,024, which is up from the previous month of \$2,591,022. State aids receivable shows a negative (\$62,476). This amount will be adjusted as MDE finalizes their year-end reviews. Spectrum may have been overpaid based on last year's amounts. BerganKDV will continue to monitor this over the next several months. Mr. Taintor went on to note that the current year holdback balance is \$327,278, 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 40.8% as compared to expenditures at 35%, and all is on track when comparing budget to actual.

Mr. Taintor shared that when Ms. Merrill-Myhre returns from leave in December, she will begin work on the budget. An updated version will be presented before March 2022.

Mr. DeBruyn walked through a number of significant capital budget expenses on the horizon, including (but not limited to) remodeling the restrooms to all gender neutral on both floors of the high school, installing a cement pad for the future bus garage at the athletic complex, and replacing scoreboards (or adding to) to allow for implementation of the shot clock for basketball which will be a requirement for the 2023 season.

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.

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

B. November Management Report

The Committee reviewed the November Management Report. It was noted that there was a gap in sequencing of 202100804-202100809. Mr. Taintor will be inquiring with Accounts Payable staff regarding a possible link to sequencing gaps when issuing wires related to PERA and TRA transactions and will report back to the Committee in January.

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

C. November Contracted Services Report

The Committee reviewed the November Contracted Services Report. It was noted that line item “First National Bank Fees” is at 135.3% of budget. Ms. Chaffin conducted research on bank fees. The findings are recorded under Old Business, letter A in the agenda.

In addition, it was noted that E-Rate Consulting Fees was at 209.1% of budget, which accounts for a consultant who was hired to assist the school with its e-rate filings. A \$120,000 technology grant has been received that will be utilized to help offset the cost.

Mr. DeBruyn stated that line item “Non-Instructional Software and License” line item is at 105% of budget. Mr. Taintor reported that in the process of truing up the budget all line items will be reviewed for budget to actual and will be adjusted accordingly. Mr. DeBruyn and Mr. Taintor will meet with Ms. Merrill-Myhre in January to discuss a revised budget, which will be presented to the Committee. It is anticipated that a revised budget will be ready for consideration of approval by the full Board in either January or February of 2022.

D. November Food Service Report

The Committee reviewed the November Food Services Report. Mr. Taintor stated that he will be reaching out to Spectrum’s Food Services Manager to ensure that Spectrum is receiving full reimbursement from the State of Minnesota. The report indicates a loss of (\$9,837.99) for the month of November alone. Mr. Taintor will report back his findings at the January meeting of the Committee.

V. Old Business

A. Follow-up On Bank Fees

As was requested by the Committee in November, Ms. Chaffin researched the increase in bank fees. She reported that the school is being charged a 3.5% transaction fee each time a person chooses to use a credit card (Visa, MasterCard, and/or Discover) to conduct respective school-related purchases. The 3.5% fee is charged by the bank to cover the transaction which in turn is being passed on to the school. Staff is researching the possibility of providing persons a choice of payment – either to pay with a credit card that

will now include an additional 3.5% fee to cover the cost being passed on to the school, or to pay via an e-check for which the person enters their bank routing and account information and then their respective bank completes the transaction. The cost for the second option is 35 cents per e-check. It will need to be determined whether the school would cover this cost. Ms. Chaffin and Mr. DeBruyn will report back in January with additional information on bank fees.

VI. Previously Tabled Items

None

VII. Miscellaneous

None

VIII. Next Meeting Agenda Input – Friday, January 21, 2022 at 9:00 a.m.

IX. Adjournment

The meeting was adjourned at 9:50 am

Respectfully submitted,
Dawn Sorenson