



Spectrum Finance Committee Minutes

Date: Wednesday, November 14, 2022
Scheduled Time: 8:00 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
Bridget Merrill-Myhre	BerganKDV	Absent
Nick Taintor	BerganKDV	Present
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 8:03 am.

II. Old Business

A. FY23 Revised Signature Lawn Care Snow Removal Contract

The Committee reviewed the FY23 revised Signature Lawn Care Snow Removal contract which has been amended to now include the new parking lot at the high school. Specifically, the changes to the contract are:

- 1-6 inch snowfall has changed from \$425 to \$725
- 6 inch plus snowfall changed from \$675 to \$975
- Salting parking lots changed from \$275 to \$550

Following discussion, the Committee recommends approval of the FY23 Revised Signature Lawn Care Snow Removal Contract by the Board as presented.

III. On-Going Business.

A. 2022-2023 Finance Committee Goals

- *The Finance Committee will work with the Business Account Specialist to research, apply for, and track the food commodities application with Premier Kitchen to ensure it is completed by the required timeline and the refund obtained by June 2023.*
- *The Finance Committee will work with administration and BerganKDV to ensure the detailed budget for FY24 is keyed into Skyward by July 2023 leading to more current internal reports for improved and timely decision-making.*

Ms. Chaffin provided a brief update for the Committee noting that the School has received approximately \$20,000 from the Supply Chain Assistance fund. This amount will help to offset the deficit projected in the Food Services fund for FY23.

IV. New Business

A. FY23 October Financials

Mr. Taintor provided an overview of the Executive Summary of the FY23 October financials. He reported that the FY23 budget is based on 840 Average Daily Membership (ADM) and actual ADM is currently 883.

Mr. Taintor then went on to note that currently the school's budgeting a surplus for the year at \$7,983, with a projected cumulative fund balance of \$2,621,541 or 25% of expenditures at fiscal year-end. In addition, the Projected Days Cash on Hand for the fiscal year-end is 103 days (minimum is 30 days) with a projected debt service coverage ratio of 1.18 (minimum of 1.10x).

As of month-end, 33% of the year is complete, with a cash balance as of the reporting period of \$2,891,152, which is slightly up from the previous month of \$2,650,179. State aids receivable shows a negative (\$7,705). This amount will be adjusted as MDE finalizes their year-end reviews. MDE most likely is paying more than expected based on last year's amounts. This will continue to be monitored over the next several months. Current state holdback balance is \$333,720 as of the reporting period. The holdback amount is approximately 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2024. Revenues received at end of the reporting period were 32.7% as compared to expenditures disbursed at 26.4%. Mr. Taintor went on to state that there is nothing of significance to report with regard to revenues and expenditures and that all is on track currently when comparing budget to actual.

The Committee then went on to review the Balance Sheet and Statement of Revenues and Expenditures.

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

B. October Management/Supplement Report

The Committee reviewed the October Management/Supplement Report. Ms. Chaffin shared that she reviewed the report and noted no skips in sequencing.

Following discussion, the Committee recommends the Board consider approval of the October Management/Supplement Report as presented.

C. October Contracted Services Report

The Committee reviewed the October Contracted Services Report. It was noted that the Staff Development & Staff Training line item has been 95% spent as compared to budget due to the following expenses - \$1200 Cognitive Coaching Seminar and \$2366 for Staff Tuition. This budget line will be adjusted as the budget is revised. In addition, Furniture and Other Equipment is over budget due to a \$17,000 bleacher purchase and the purchase of a \$5,000 ice machine. This line item will also be adjusted at the time the budget is revised. It was noted that the bleachers were intended to be purchased in FY22. However, due to supply chain issues, they were delayed until FY23. In addition, the digital sign expenditure originally intended for the FY22 budget, due to supply chain issues, is finally being installed and therefore will be a hit to the FY23 budget.

Mr. DeBruyn shared that within the revised budget and in the FY24 budget, more dollars will need to be allocated to the Staff Development and Staff Training budget as there are a number of employees who are taking advantage of reimbursement for college credits taken to complete master's degrees toward licensure and/or teach C@SH classes.

D. October Food Service Report

The Committee reviewed the October Food Service Report for which it was noted that currently the report is showing \$6,981.13 to the good (due to families loading funds into student lunch accounts at the beginning of the school year); however, as the year goes on, the fund will report a negative balance. It is anticipated, though, that through the raising of the cost of student lunches, plus the commodities reimbursement, the loss in the fund will be less than the previous fiscal year of approximately \$50,000.

E. Preliminary FY22 Audit Results

Mr. Taintor stated that the draft audit is in its final stages. A few minor text edits are yet to be made; however, the report is showing no findings and a clean audit opinion is being rendered. The report is showing an

additional \$358,008 as being added to the school's fund balance from FY22, which is now at 27%. Mr. DeBruyn reported that most of this amount had been allocated to fund capital expenditures in FY22 that went unrealized due to supply chain issues and will now hit the FY23 budget instead. Hopefully, the FY23 budget will be able to absorb the expenditures without going into deficit spending.

F. Health Insurance

Mr. DeBruyn provided an in-depth update on the proposal received for employee health insurance for FY23. He stated that the only viable option is with Medica as other insurance companies that provided bids were too high. With the goal to mitigate cost increase to the employee as well as the school while maintaining similar coverage, three options are available – a wider network option (2023 MHC/Medica Alternate) and two narrower network options (2023 MHC/Medica Vantage Plus and Preferred Network Fairview).

Medica Alternate would increase the monthly amount for the employee-only from \$32.92/mo to \$58.57. Employee + One would increase from \$596.21/mo to \$650.01/mo. Family coverage would increase from \$893.33/mo to \$961.99. Deductible amounts remain the same - \$3,000 for single, and \$6,000 for family. The employer contribution amount of \$480/employee would remain, as well as the yearly HSA contribution.

The two narrower network options have a significant cost savings to the employee and school. For employee-only, the monthly premium would decrease from \$32.92/mo to \$22/mo. Employee + One would decrease from \$596.21/mo to \$524.73/mo. Family coverage would decrease from \$893.33/mo to \$717.81/mo. Again, deductible amounts remain the same - \$3,000 for single and \$6,000 for family. The monthly contribution on the part of the school would be a decrease in cost from \$480/mo to \$435.78/mo. The yearly HSA contribution on the part of the school would remain the same.

Following discussion, the Committee recommends approval of the FY23 Health Insurance options with Medica, as presented.

V. Old Business

A. Land Donation Update

No update at this time. Mr. DeBruyn stated that he anticipates the donation to be complete by year-end. He will follow up with the school's attorney.

VI. Previously Tabled Items

None

VII. Miscellaneous

None

VIII. Next Meeting Agenda Input – Monday, December 12, 2022 – 8:00 a.m. – Due to Winter Break

IX. Adjournment

The meeting was adjourned at 8:58 a.m.

Respectfully submitted,
Dawn Sorenson