



**Spectrum Finance Committee Minutes**

Date: Friday, September 16, 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).*

<b>Position</b>	<b>Committee Member</b>	<b>Attendance</b>
Joe Thomas	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Bridget Merrill-Myhre	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**

None

**III. On-Going Business.**

**A. 2022-2023 Finance Committee Goals**

- Mr. DeBruyn presented the proposed 2022-2023 Finance Committee goals. He shared the following:
  - *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.*

The Committee then went on to discuss the nuances of each of the proposed goals and how they may be facilitated.

Following discussion, *on a motion duly made and seconded, Marberg/Thomas, the Spectrum Finance Committee unanimously adopted the 2022-2023 Finance Goals as presented.*

**IV. New Business**

**A. FY23 August Financials**

Ms. Merrill-Myhre provided an overview of the Executive Summary of the FY23 August financials. She reported that the FY23 budget is based on 840 Average Daily Membership (ADM) and actual ADM is yet to be realized. Mr. DeBruyn shared that currently, enrollment is at approximately 890-895, which will fluctuate as the year goes on; however, based on current trends, he anticipates that by year end, the ADM should be around 860. Ms. Merrill-Myhre 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 81 days (minimum is 30 days) with a projected debt service coverage ratio of 1.18 (minimum of 1.10x).

As of month-end, 16.7% of the year is complete, with a cash balance as of the reporting period of \$2,273,923, which is slightly up from the previous month of \$1,947,612. Current state holdback balance is \$182,890 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 16.4% as compared to expenditures disbursed at 8.3%. Ms. Merrill-Myhre 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.

Ms. Merrill-Myhre shared that Cash Flow will be looked at in detail sometime in the fall, and an update will be forthcoming as enrollment and spending become more consistent. Lastly, she shared that the FY22 audit is underway and drafts should be available in early October for the Finance Committee to review.

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

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

**B. August Management/Supplement Report**

The Committee reviewed the July Management/Supplement Report. Sequencing skips were noted as follows: 99900315-99900319 and 202200191, as well as 202200198. This may be due to vendor payments being entered and while doing so, a number was accidentally entered twice and the system does not go back and fill in a number that was skipped, or the items had not yet posted for the month and therefore are not noted in the report. It is possible that they will be posted and reported in the subsequent month. No other discrepancies were noted.

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

**C. August Contracted Services Report**

The Committee reviewed the August Contracted Services Report. There was nothing of significance to note.

**D. August Food Service Report**

The Committee reviewed the August Food Service Report for which it was noted that currently the report is showing \$10,279 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. Amended Finance Committee Description**

The Committee reviewed the proposed amendments to the Finance Committee Description. It was noted that member Ms. Marberg may choose to step down from the Committee following the graduation of her daughter in the spring of 2023. Ms. Marberg went on to share that she is willing to consider staying on the Committee. Membership considerations will be discussed next spring.

Following discussion, the Committee recommends the Board consider approval of the amended Finance Committee Description as presented.

**F. FY23 Annual Meeting**

Ms. Sorenson shared that the FY23 Annual Meeting will take place on Thursday, October 27, 2022, beginning at 5:30 p.m. Ms. Merrill-Myhre or Mr. Taintor from BerganKDV will present the school's financials at the meeting via remote means.

## **V. Old Business**

### **A. High School Parking Lot**

Mr. DeBruyn provided a more in-depth report on parking and the entrance/exit of the high school building. He shared that it is now highly likely that construction of the lot will not take place this fall as was originally hoped for. Two different construction companies have been consulted and neither of them said that the project could be completed by year end as time is running out, there is simply too much involved for the project timeline needed of 6 weeks, and cement companies are not available to install curbing. Mr. DeBruyn was hoping that the projected project costs would come in around \$400,000, but the construction companies are indicating a much higher initial amount. A potential temporary work-around for parking would be to remove some of the dirt on the field and put down class 5 gravel. The School's maintenance staff is hesitant as plowing over class 5 will be difficult, not to mention spring time thaw could be troublesome as well. Mr. DeBruyn will continue to keep the Committee up to date on information as it becomes available.

### **B. Land Donation Update**

Mr. DeBruyn updated the Committee on the status of the approximate 4-acre parcel located adjacent to the high school building to the west and north. Mr. DeBruyn shared that the school's attorney, Craig Kepler, whose area of expertise is Commercial Real Estate, has been working with the current land-owner council. He went on to state that Mr. Kepler is recommending a land swap – Spectrum to give 60' access of low-lying land, which isn't useable for the school's needs, in exchange for the part of the 4-acre parcel on which the school may construct a play field. The low-lying land would provide the current owner the necessary access should they choose to construct a digital sign. Mr. DeBruyn anticipates that current bond documents may need to be adjusted in order for the land swap to take place. He will continue to keep the Committee apprised of the progress in this endeavor. In addition, the Committee, as well as the Board should anticipate increased cost in attorney, re-platting, and survey fees.

### **C. Large Ticket Purchases**

Mr. DeBruyn updated the Committee on two large-ticket purchases needed, the first being additional student lockers at the high school building. With the increase in enrollment comes the need for additional lockers. The realization was made later in the summer and so interim provisions were put in place for some of the junior and senior students who are currently using the shelves in the College & Career Center on which to store their items. Cost estimate for the additional lockers is anticipated to be around \$15,000.

Mr. DeBruyn then went on to share that an upgrade in security is needed. Currently, there is no way to be alerted if an exit/entrance door, other than the front entrance at the high school, is opened during the school day. A system will be installed to alert front desk staff when doors are opened with a door-specific light which will illuminate. In this way, they are able to monitor the respective door to see who is coming in/going out during the school day. The cost estimate of the security upgrade is approximately \$4,000.

The high school building will pilot the upgraded security system, and if found to be affective, each school building will be upgraded with the same security system.

## **VI. Previously Tabled Items**

None

## **VII. Miscellaneous**

None

## **VIII. Next Meeting Agenda Input – Wednesday, October 19, 2022 – 8:00 a.m.**

## **IX. Adjournment**

The meeting was adjourned at 8:57 am

Respectfully submitted,  
Dawn Sorenson