



District Office
 17796 Industrial Circle NW, Elk River, MN 55330
 Phone: (763) 241-8703 Fax: (763) 633-1380
www.spectrumhighschool.org

Finance Committee Meeting Minutes
 March 15th, 2024

Committee Member	Position	Attendance
Joe Thomas	School Board Treasurer	Present
Bridget Merrill-Myhre	Creative Planning, Outsourced Controller	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Ben Slater	Parent Representative	Absent
Daniel Parke	Parent Representative	Present
Jennifer Linn	Executive Administrative Assistant	Present

I. Call to Order

The meeting was called to order at 8:05 a.m.

II. Old Business

- A. Line of credit follow-up – The LOC was dissolved.
- B. Follow up on FY25 contract discussions with Northstar
 No increase for the FY25 contract. Northstar suggested adding another route which would be 10%. Increase - \$65,000 to add additional buses. We are still in discussion and should have a contract soon.

III. On-Going Business

A. Update on School Meal Program

- *There is a delay in payments for school breakfast from MDE.*

B. Update on Construction Plans and Timeline – Including bonding construction plans, amount, and underwriter approved by School Board and Spectrum Building Company on March 14th.

Mr. DeBruyn updated the committee on both the Field House and Performing Arts Center plans after meeting with architect. The School and Spectrum Building Company Boards met last night. He shared that the Boards approved moving forward with Piper Jaffray as the underwriter for the upcoming bonds due to familiarity with Spectrum and lower cost of issuance.

IV. New Business

A. Finance Reports – Bridget Merrill-Myhre provided data for the month of February. The committee reviewed the reports and is recommending acceptance.

- a. **February Financials** – Summary of Key Financial Indicators Average Daily Membership (ADM) Overview – Budgeted 895: Actual: 874.
- b. The school's budgeted surplus for the year is \$0. A projected cumulative fund balance of \$2,993,760 or 25% of expenditures at fiscal year-end.
- c. Projected Days Cash on Hand for the projected fiscal year-end is 66 days. Above 30 days meets minimum bond covenants.
- d. Projected Debt Service Coverage Ratio at fiscal year-end is 1.22. Above 1.10x meets minimum bond covenants.
- e. As of month-end 67% of the year was complete.
- f. Cash balance as of the reporting period is \$2,791,539, up from the previous month of \$2,773,732.
- g. The current year holdback balance is estimated at \$629,386 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 2025.
- h. Revenues received at the end of the reporting period were 65%
- i. Expenditures disbursed at end of the reporting period were 60.2%

2. February Management/Supplemental Report

- 202300328 was a January wire entered after January reports were run for GIS Benefits \$10,213.62.
- 202300343-202300474 skipped wires due to Skyward system flaw. If anything is changed with a pending voucher (removed, payment type updated from wire to check/manual/single, etc.) it will not register that a prior number was unused and goes on to the next number. It is a known issue and is something Skyward has no urgency around fixing. Any number that is actually used, even if it is voided, will show up on reporting.

3. February Food Services Report

The Committee reviewed the Food Services Report. February showed revenue at \$49,720.84 and total expenditures of \$47,174.87, which created an overall surplus of \$2,545.97 for the month. A \$40-\$50,000 deficit is still anticipated at year end minus the prior year carryover.

4. February Contracted Services Report

No concerns noted.

B. Proposed Pay Increase for FY25

Mr. DeBruyn worked with Creative Planning to provide 3 scenarios to review for pay increases. While Spectrum has traditionally approved 3% increase. It is proposed that for FY25 it would be 2%. This is due to the state giving 2%, the upcoming construction projects, and significant increases in transportation (minus \$240,000 of general fund) and food service costs (minus \$50,000 of general fund).

Scenario 1 – 1% - (Surplus of \$15,438)

Scenario 2 - 2% - (\$46,396 deficit)

Scenario 3 – 3% - (\$108,230 deficit)

The committee reviewed and all agreed to propose scenario #2.

C. Additional Items

1. Potential future of adding a 5th grade – Mr. DeBruyn mentioned that it is important for the school to stay current of what is taking place in local districts and potential program changes that could solidify short and long-term enrollment for Spectrum. 5th grade is not currently being considered by the Board.

V. Next Meeting Agenda – The next scheduled meeting is on Friday April 19th, 2024 @ 8:00 a.m.

VI. Adjournment

Respectfully submitted,
Jennifer Linn – Executive Administrative Assistant