



Spectrum Board of Director’s Meeting Minutes

NOTE: Due to current health pandemic of COVID-19, the Spectrum Board of Directors meeting was conducted via electronic means (using Zoom) as is allowed under the auspices of Minnesota State Statutes, section 13D.021, Subdivision 1(4).

Date: May 28, 2020
Scheduled Time: 5:30 p.m.
Attendance:

Name/Position	Monthly Attendance											
	J	A	S	O	N	D	J	F	M	A	M	J
Chair Dave Lucas	P	P	A	A	A	P	P	P	P/VC	P/VC	P/VC	
Vice Chair Tom Sagstetter	P	P	P	P	P	P	P	P	P/VC	P/VC	P/VC	
Secretary Tony Brunt	P	P	P	P	A	P	P	P	P/VC	P/VC	P/VC	
Treasurer Kathy Reed	P	A	A	P	P	A	A	P/VC	P/VC	P/VC	P/VC	
Member Rob Bergfalk	A	P	P	A	P	A	P	P	P/VC	P/VC	P/VC	
Member Jessica Kemnitz	P	P	P	P	P	P	P	A	P/VC	P/VC	P/VC	
Member Bert Sepulveda	P	A	P	P	P	P	A	A	P/VC	P/VC	P/VC	
Exec. Director Dan DeBruyn	P	P	P	P	P	P	P	P	P/VC	P/VC	P/VC	
Finance Adviser Nick Taintor/Tyler Dehne	A	P	P	P	P	P	P	P	P/VC	P/VC	P/VC	
Exec. Admin. Dawn Sorenson	P	P	P	P	P	A	P	A	P/VC	P/VC	P/VC	

P/VC denotes meeting via Video Conferencing in compliance with Minnesota State Statutes 13D, Open Meeting Law.

Guests Present: Nancy Moe and Rob Stark, Spectrum Board members elect

I. Call to Order: 5:30 p.m.

II. Reading of Vision and Mission Statements

III. Conflict of Interest Check

Chair Lucas called for conflict of interest acknowledgement. None noted.

IV. Board Agenda

On a motion duly made and seconded, Sagstetter/Sepulveda, the Spectrum Board of Directors unanimously approved the May 28, 2020 meeting agenda as amended.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda
Voting Nay: None

V. Consent Agenda

A. Interim Financial Transactions – None

B. Important Documents and Policies

- Providence Capitol Lease Contract
- Securly Filter 2 Year Contract

On a motion duly made and seconded, Reed/Brunt, the Spectrum Board of Directors unanimously accepted and approved the items listed in section B as presented.

Role Call Voting Y: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

C. Spectrum Board Meeting Minutes

- April 23, 2020 Regular Spectrum Board Meeting Minutes
- May 13, 2020 Special Spectrum Board Meeting Minutes

On a motion duly made and seconded, Reed/Brunt, the Spectrum Board of Directors unanimously approved the meeting minutes of April 23, 2020 and May 13, 2020 as presented.

Role Call Voting Y: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

VI. Employee Introduction & Recognition

None

VII. Public and Student Input

None

VIII. Ongoing Business

A. Budget Report

1. Finance Committee Meeting

a. Minutes – May 22, 2020

Ms. Reed presented the minutes of the May 22, 2020 Finance Committee meeting, which was conducted electronically via Zoom due to the ongoing COVID-19 pandemic. She shared that the Committee reviewed the April financials.

Ms. Reed went on to note that the Committee reviewed the April Management, Contracted Services, and Food Service reports, and that the Committee is recommending approval of the April Financials and Management Report as presented.

In addition, Ms. Reed shared that the Committee reviewed the proposed FY21 Long Range Budget, as well as the services of The Arbitrage Group, Inc. which is necessary to ensure that Spectrum's bonds remain in compliance with the Internal Revenue Service (IRS) rules, which state that the bond accounts may not earn more interest than what is being paid out. She went on to share that the cost for this service, as per the contract, will not exceed \$5,000. Lastly, Ms. Reed shared that the Committee reviewed the FY21 food service lunch and transportation options, of which both would be addressed later in the Board's agenda.

Following discussion, on a motion duly made and seconded, Brunt/Kemnitz, the Spectrum Board of Directors unanimously accepted the May 22, 2020 Finance Committee Meeting minutes as presented.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

b. April Financials

Mr. Taintor presented the Executive Summary of the April financials. He stated that the school is currently budgeting 775 Average Daily Membership (ADM) and the actual membership as of April 30, 2020 is 768, with a current ADM of 778, which includes fulltime PSEO students attending other institutions for which Spectrum does not get reimbursed from the State. He went on to share that the 2019-2020 working budget projects an annual surplus in all funds in the amount of \$144,738 with a projected cumulative fund balance of \$2,277,459, which is 24% of total budgeted expenditures. He stated that, overall, the school is right on track with 79% of expenditures to date, as compared to 83% of the fiscal year completed. Mr. Taintor shared that the Projected Days Cash on Hand is 62 days (minimum of 30 days) and the Projected Debt Service Coverage ratio is 1.27x (minimum of 1.10x).

Mr. Taintor then went on to report on the school's balance sheet. He noted that the beginning balances shown on the balance sheet are based on the audited ending information as of June 30, 2019. Due from the Building Company, in the amount of \$286,669, represents funds that have been paid for by the school on behalf of the Building Company. He stated that Mr. Dehne had done an analysis of the fund and approximately \$30,000 in expense reimbursements will be made to the School as a result. He went on to state that the State holdback for 2019-2020 fiscal year is estimated to be a receivable of \$626,837, which is approximately 10% of state aids. The remaining holdback amount will be paid back to the school in fiscal year 2021. Mr. Taintor reported that cash flow is good with nothing of significance to report. Mr. Taintor went on to share that currently the State is budgeting a 2% increase in funding to schools for the FY21 school year. To date, all sources are reporting no change is forthcoming; however, there is a Special Session of the Legislature planned for early June to address the now projected State budget deficit due to the COVID-19 pandemic. Mr. Taintor will share additional information as it becomes available.

Finally, Mr. Taintor shared that he and administration recently met to discuss the athletic budget. He went on to note that all spring athletic fee refunds were made to families due to spring sports not being able to take place. Athletic fees cover many of the costs associated with running the program, but the School still contributes approximately \$150,000 from the general budget to run the athletic program. As a result of the refunds and other fixed costs needing to be covered, he wanted to alert the Board that the amount may be closer to \$200,000 this year, and will result in approximately \$17,000 less going into the fund balance.

Following discussion, on a motion duly made and seconded, Reed/Kemnitz, the Spectrum Board of Directors unanimously approved the April financials as presented.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

c. April Management Report

The Board reviewed the April Management Report.

Following discussion, on a motion duly made and seconded, Sepulveda/Reed, the Spectrum Board of Directors unanimously approved the April Management Report as presented.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

d. FY21 Long Range Budget

Mr. Taintor and Mr. DeBruyn both shared that, in light of the additional work needing to be done to review all aspects of the FY20 budget (particularly the athletic, equipment, and building improvements), it may be best for the Board to consider tabling approval of the FY21 Long Range Budget until the June 18th meeting.

Following discussion, on a motion duly made and seconded, Sagstetter/Sepulveda, the Spectrum Board of Directors unanimously approved tabling the approval of the FY21 Long Range Budget to the June 18, 2020 meeting.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

B. Executive Director's Report

Mr. DeBruyn presented the Executive Director's Report for the month of May. In addition to the items presented in the report, Mr. DeBruyn provided an update on the modified graduation ceremony held on Thursday, May 21st. He shared that while the Spectrum Class of 2020 graduation was not typical – families, staff, and students made the best of the limitations with a parade and outdoor stage walk (where 65 of our 73 graduates participated), and a virtual ceremony. He stated that the entire Leadership Team did an excellent job in planning, preparing, and executing the event.

Next, Mr. DeBruyn reported on the Drop Off & Pick Up of materials, etc., for students and families and that it is going extremely well, which is due to the excellent work of the office staff. Currently approximately 720 of the 780 students/families have dropped off and picked up their respective items, and it is anticipated that the others will be done so shortly.

Finally, Mr. DeBruyn reported on the road construction project proposed for 181st Avenue, also known as Sherburne County Road 12, which will include a new entrance into Spectrum's athletic complex. He went on to share that currently the County and the City of Elk River are in negotiations as to cost of the project and subsequent approval. It is anticipated that the City of Elk River will be making a final decision at its meeting the first part of June. Mr. DeBruyn will continue to update the Board as information becomes available.

Following discussion, on a motion duly made and seconded, Bergfalk/Kemnitz, the Spectrum High School Board of Directors unanimously accepted the May Executive Director's Report as presented.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda
Voting Nay: None

C. Committee Reports

1. School Improvement Team/World's Best Workforce Committee (SIT/WBWF)

None

IX. Old Business

None

X. New Business

A. FY21 Northstar Transportation and School Start/End Times

Mr. DeBruyn shared that Spectrum's Transportation Policy was last approved by the Board in August of 2011. He stated that the policy indicates that routes and stops are to be considered based on safety, efficiency, cost effectiveness, and shortest overall ride times. In addition, the policy states that the goal is to establish bus routes so that no student rides for more than one hour (one way).

Mr. DeBruyn went on to state that unfortunately, as the school has grown, the length of the bus rides has continued to increase and are actually closer to 90 minutes. This is in spite of continuing to add routes annually to accommodate the additional students.

Three of the complicating factors in shortening routes have been (1) the size of the geographic area from which Spectrum draws its students, (2) the number of buses required to keep the routes to the goal timeframe, (3) the funding limitations from the Minnesota Department of Education requiring Spectrum to spend approximately \$100,000 from its general fund in addition to the money received from the State for transportation.

Finally, Mr. DeBruyn stated that Spectrum has been working with Northstar Transportation for the past three years to find creative ways to shorten routes while continuing to provide the same level of convenience for students and parents.

As a result, in order to accommodate Spectrum's request to shorten routes closer to an hour while maintaining similar convenience for parents/students, Northstar has proposed adding two routes and tiering with another elementary school. Tiering would require Spectrum to shift its school times from 7:55 a.m. – 3:05 p.m. to 7:40 a.m. – 2:40 p.m. Even though, as noted above, it would mean adding two routes, the cost per route would be less expensive, resulting in a significant cost savings for the school of approximately \$60,000. He went on to share that he is bringing this item up to the Board for discussion, but would also like to provide information to families and staff in case they want to provide feedback for the Board to consider as they anticipate their final decision at the meeting in June.

Following discussion, it was suggested that Mr. DeBruyn put together a summary of the information and send it out to families. Mr. Lucas and Mr. Sagstetter offered to review it prior to sending, if desired..

B. Premier Kitchen 2020-2021 Food Service Contract

Mr. DeBruyn stated that Spectrum recently issued a Request for Proposal to food service providers for the FY21 school year. He reported that Premier's cost per lunch came in at \$0.17/lunch less than what was

quoted by the school's current provider, and therefore will result in an approximate \$3,400 cost savings to the school's lunch program. As a reminder, Mr. DeBruyn noted that the school had to transfer \$30,000 from its general fund to cover costs in the lunch program in FY19.

Following discussion, on a motion duly made and seconded, Reed/Sagstetter, the Spectrum Board of Directors unanimously approved Spectrum's Temporary Distance Learning Grading Policy as presented.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

CLOSED SESSION – All members of the public were excused. Pursuant to Minnesota Statutes, section 13D.05, Subdivision 3(b)(3) the Spectrum Board of Directors moved into a closed session for the purpose of discussing the Executive Director annual review.

On a motion duly made and seconded, Reed/Sepulveda, the Spectrum Board of Directors unanimously approved moving into a closed session at 6:47 p.m.

RECONVENE OPEN MEETING

On a motion duly made and seconded, Reed/Kemnitz, the Spectrum Board of Directors unanimously approved moving out of a closed session at 8:02 p.m. for the purpose of taking action upon the items discussed in the closed session.

The Board requested that Mr. DeBruyn receive the same 2% increase in salary as all Spectrum staff for the FY21 school year, and to utilize the same FY21 Staff Salary Increase Board Resolution wording as it did at its Special Meeting on May 13, 2021 in light of the recent COVID-19 pandemic.

FY21 Staff Salary Increase Board Resolution

Whereas, the Governor of Minnesota issued a state-wide state-at home order in light of the COVID-19 pandemic requiring most businesses to shut down;

Whereas, the Commissioner of Education (under the authority of the Governor) required all schools to implement distance learning beginning March 30 through the remainder of the school year;

Whereas based on current budget projections, the State on Minnesota anticipates a significant deficit;

Whereas the legislature has not yet determined the remedy for the deficit and education makes up a significant portion of the State's budget;

Whereas the Spectrum School Board of Directors recognizes the uncertainty of the current and near future economy and its potential impact on schools (especially schools of choice);

Whereas, the Spectrum School Board of Directors wishes to ensure it is meeting its ongoing obligations to bond holders;

Whereas the Spectrum School Board of Directors wishes to provide competitive and reasonable salary increases to its employees.

Now, therefore, be it resolved that the Spectrum School Board of Directors hereby authorizes the Executive Director to implement a 2% increase for all staff for FY21; and

Be it further resolved that the Spectrum School Board of Directors hereby authorizes the Executive Director to implement an additional 1% increase retroactive to July 1, 2020 IF the state continues to provide the previously approved 2% increase for schools for FY21 and the holdback for FY 21 remains at 10%.

On a motion duly made and seconded, Brunt/Sepulveda, the Spectrum Board of Directors unanimously approved the FY21 Executive Director employee agreement with compensation to align with the FY21 Staff Salary Resolution.

Role Call Voting Yay: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda
Voting Nay: None

XI. Charter School Updates & Training

None

XII. Board Goals 2019-2020 (approved by the Board on October 24, 2019)

1. 2019-2020 Academic Goals (Volunteers of America – Minnesota Contract Goals)

- A. When compared to local schools with similar demographics that students might otherwise attend (grade levels and subject areas), Spectrum students will perform as well or better on state accountability tests.
- B. When compared to local schools with similar demographics that students might otherwise attend (grade levels and subject areas), Spectrum students will perform as well or better on the ACT test.
- C. Spectrum will maintain an average state-determined minimum growth score of -0.5.
- D. The difference between the “all-students” proficiency rate at Spectrum and any reportable subgroup proficiency rate on state accountability tests (MCA, MOD, MTAS) will be reduced over the term of the contract in both reading and math.

2. 2019-2020 School Board Non-Academic Goals

In addition to the school-wide academic goals stated above, the Board will pursue the following non-academic goals for the 2019-2020 school year:

- A. The School Board will work with the Executive Director and Captivate Media to define Spectrum’s unique programs for marketing purposes resulting in four video presentations by November, 2019. **Captivate Media videos are complete and one was viewed by the Board.**
- B. The School Board will work with the Executive Director, in collaboration with the School Improvement Team/World’s Best Workforce (SIT) Committee, to research a process for updating the strategic plan to begin in September, 2020. **Completed as of the April 23, 2020**

meeting with the approval of utilizing MSBA to assist the School in the next 5-year strategic planning cycle.

XIII. 2019-2020 Board Calendar and Next Meeting Agenda Input

A. Board Calendar

None

B. Next Meeting Agenda – June 18, 2020

- FY21 Long Range Budget
- FY21 Northstar Transportation Contract
- FY21 School Day Start and End Times
- Amended Admissions and Enrollment Policy

XIV. Adjournment

On a motion duly made and seconded, Kemnitz/Bergfalk, the Spectrum Board of Directors unanimously adjourned the meeting at 8:08 p.m.

Role Call Voting Y: Lucas, Sagstetter, Brunt, Reed, Bergfalk, Kemnitz, and Sepulveda

Voting Nay: None

Anthony C. Brunt

Board Secretary Certification, Tony Brunt