



Spectrum School Board Workshop Meeting Minutes

Date: October 5, 2013
 Scheduled Time: 8:00 a.m.

Position	Committee Member	Arrive	Depart
Chair	Dave Lucas	8:10 am	
Vice-Chair	Rob Rogers	Present	
Secretary	Kerry Jerred	Present	
Treasurer	Robin Schelske	Present	
Member	Tony Brunt	Present	
Member	Cori Morrow	Present	
Member	Tom Sagstetter	Present	
Ex-Officio	Vanessta Spark	Present	
Ex-Officio	Nick Taintor	Present	
Attorney	Ellen McVeigh	12:00 pm	
Staff Member	Dawn Sorenson	Present	

1. Meeting called to order at: 8:05 a.m. by Vice Chair Rogers, and a quorum were present.

FINANCE TRAINING

Mr. Taintor took the Board through a very thorough and detailed accounting of Charter School Finance – noting the areas that are both similar and different to traditional public schools. In addition, he covered in detail the revenue changes from the 2013 legislative session.

Mr. Taintor then went on to describe the three areas of most importance, that being enrollment, long range budgeting, and cash flow. Mr. Taintor commented on what the Board should review and analyze in the financial statements such as the balance sheet, statement of revenues and expenses, cash flow projection, and enrollment report. He said that changes in enrollment impact the budget; however, the budget isn't based on the actual number of students at any one point, but rather, on an average number of students enrolled during the year. He then went on to note the characteristics of financial health within the charter school, pointing out that maintaining an adequate fund balance helps with cash flow, especially in the area of state holdback when it was at 40% and could be that high again. He also stated that having a strong fund balance helps avoid short term financing to meet obligations, and unforeseen state aid or local revenue changes during the year, as well as any program expenditures that were not anticipated. Some factors that may require a Board to revise their fund balance policy would be planning for future program and/or school expenses, facility improvements and upgrades, future technology equipment replacements and/or upgrades, and changes in state aid payments or funding levels. In reviewing the fund balance policy, Mr. Taintor pointed out does it provide for enough of a reserve for the school to operate, is it current, based on state funding and aid payments, and does it meet the mission of the school for future programming and school expansion.

Mr. Taintor provided the Board a document entitled, "Financing Education in Minnesota 2012-2013" which provided additional detailed information as it relates to public school/charter school financing in the State of Minnesota.

SUCCESSION PLANNING

The Board discussed a possible School Director Succession Policy. The Board requested that the document be submitted to them at their meeting on October 17, 2013 for further discussion and possible adoption.

AD HOC COMMITTEE OPPORTUNITIES

The Board reviewed the various ad hoc committee opportunities presented. Mr. Sagstetter and Mr. Lucas volunteered to serve on the Nominating Committee; Mr. Rogers and Mr. Lucas stated that they would serve on the Annual Executive Director review process, Ms. Schelske and Ms. Jerred volunteered to help Dawn Sorenson with the Annual Meeting, as well as ongoing policy review.

BOARD GOVERNANCE/EMPLOYMENT TRAINING

Ms. Ellen McVeigh conducted an in-depth and detailed training in the area of Board Governance and Employment Law. She reviewed the required legal structure and applicable Minnesota nonprofit corporation law governing charter school boards of directors, including board members' legal duties. Ms. McVeigh reviewed the provisions of Minnesota State Statute Chapter 13D Open Meeting Law as it is applied to charter schools, the applicable requirements regarding data and public access to information, and the requirements regarding conduct of board meetings. She stated that board members must discharge their duties in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Under the auspices of duty of care, Ms. McVeigh stated that directors provide strategic direction to the school and see that the corporation's activities are carried out in accord with its mission. The directors oversee the organization's achievement of its vision, mission and goals through prudently managing the financial affairs of the organization, overseeing the administrator's performance, conducting regular board self-assessments, ensuring consistent evaluation of student performance, and promoting the engagement of the community and parents and guardians of students. Ms. McVeigh went on to state that the board is legally responsible for financial management of the organization in setting the budget, ensuring that the budget is met, and funds are handled properly. In addition, the Board is legally responsible to ensure that appropriate regulatory filings are made.

In the area of duty of loyalty, Ms. McVeigh shared that board members must ensure that one's personal interests, directly or indirectly, do not cloud decision-making or bring influence to bear in determining how to serve the school's interest. Ms. McVeigh described in detail conflict of interest and how it specifically relates to board members.

Ms. McVeigh then went on to talk about the duty of obedience, noting that it is the board members responsibility to ensure that the corporation complies with all laws, and follows the organization's governing documents and mission. In addition, she covered the Open Meeting Law in Minnesota, closed meetings, special and emergency meetings, etc.

Employment training was then completed by Ms. McVeigh. She provided the board and in-depth presentation on their responsibility in the area of employment matters. She reviewed the concept of "at-will" employment and required criteria for administrative leadership jobs, best practices in hiring, evaluation, personnel policies, personnel records, discipline and termination. She highlighted Minnesota and federal employment law as applicable to Minnesota charter school, such as discrimination, harassment, whistleblower, background checks,

and reference checks. She noted that the board is also responsible for establishing and reviewing employment policies and practices including those pertaining to topics such as hiring, compensation, non-discrimination, discipline, and termination. It is the board's duty to manage the school by overseeing the business and operations of the school, budgeting, curriculum and operating procedures. The board also oversees the management of human resources. Ms. McVeigh reported, though, that the board does not manage the school on a day-to-day basis, but sets policies and manages performance of the Executive Director who directs staff and curriculum.

3. Adjournment: The workshop meeting of the Board adjourned at 2:25 p.m.



Board Secretary Certification, Kerry Jerred