



Spectrum High School Board Meeting Minutes

Date: October 26, 2017
Scheduled Time: 5:30 p.m.

Attendance:

Position	Name	Arrive	Depart
Chair	Dave Lucas	Present – 5:45	
Vice Chair	Tom Sagstetter	Absent	
Secretary	Jessica Kemnitz	Present	
Treasurer	Kathy Reed	Present	6:30 p.m.
Member	Rob Bergfalk	Present – 5:35	
Member	Scott Gangl	Present	
Member	Paula Bernard	Present	
Executive Director	Dan DeBruyn	Present	
Financial Advisor	Nick Taintor, BerganKDV	Present	7:15 p.m.
Staff	Dawn Sorenson	Present	
Guest – Auditor	Jackie Kotilinek, Redpath	Present	5:45 p.m.

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

II. Reading of Vision and Mission Statements

III. Conflict of Interest Check

Treasurer Reed called for conflict of interest acknowledgement. None noted.

IV. Board Agenda

Mr. DeBruyn inquired about re-ordering the agenda to allow for Ms. Kotilinek from Redpath to present the FY17 Audit report first. .

On a motion duly made and seconded, Bernard/Gangl, the Spectrum High School Board of Directors unanimously approved the October 26, 2017 meeting agenda as amended.

V. Consent Agenda

A. Interim Financial Transactions – None

B. Important Documents and Policies

- Amended Data Practices Policy – Members of the Public
- Amended Data Practice Policy – Data Subjects
- 2017-2018 Amended Executive Director Review Policy and Timeline

Mr. DeBruyn informed the Board that he met with Mr. Lucas and Mr. Bergfalk to discuss the Executive Director Review Policy and Timeline. The amended and condensed policy before the Board is now an accurate reflection of the process for the annual review of the Executive Director.

Following discussion, on a motion duly made and seconded, Gangl/Kemnitz, the Spectrum High School Board of Directors unanimously approved the consent agenda items as listed in section B and as presented.

C. Spectrum Board Meeting Minutes – September 28, 2017

On a motion duly made and seconded, Gangl/Kemnitz, the Spectrum High School Board of Directors unanimously approved the minutes of September 28, 2017 as presented.

VI. Employee Introduction & Recognition

None

VII. Public and Student Input

None

VIII. Old Business

None

IX. Ongoing Business

A. Phase V Expansion Project Update

Mr. DeBruyn stated that School received excellent news from S&P (Standard and Poor's) in that they have affirmed a BBB- rating for the project. He stated that this was due to the fact that the School improved its financial position in all areas, including meeting its fund balance goal of 25%. In addition, the interest rate has improved from what was estimated on the last bond run provided by Piper Jaffray for which the School must consider choosing one of two options: 1. Consider utilizing the additional \$1,200,000 in funds available and put it into the project, which would require a minimum student enrollment of 855, or 2. Continue with the \$6,200,000 project fund as originally planned, which would require a minimum enrollment of 810 students. Mr. DeBruyn went on to state that the School would continue to enroll more students than budgeted and the additional dollars would be maintained in the Capital Improvement account for future projects, such as the planned College and Career Center.

Mr. DeBruyn stated that it is anticipated that the interior of the project will be completed by July 20th and the gym by August 20th. Mr. DeBruyn will be sharing details of the project with staff as they become available. Mr. Gangl commented that he is hearing from teaching staff that they would like input into room setup, etc., if possible.

Following discussion, on a motion duly made and seconded, Bergfalk/Kemnitz, the Spectrum High School Board of Directors unanimously chose to retain the \$6,200,000 project fund, which requires a minimum enrollment of 810 students through the year 2020.

B. Budget Report

1. Finance Committee Meeting Minutes

a. Finance Committee Meeting Minutes – October 18, 2017

Mr. Taintor and Ms. Reed presented the October 18, 2017 Finance Committee meeting minutes. They reported that they reviewed the September, 2017 Financials in detail and the FY17 Audit. The Committee also reviewed a proposed Federal Funds Procurement Policy, a Group Health Insurance Purchasing Policy, and a Chromebook Use Policy. In addition, the Committee heard a report from Mr. DeBruyn regarding a recent check fraud situation that was brought to the School's attention. Mr. DeBruyn stated that the School learned of the fraudulent check on Friday, October 13th. A gentleman from another state contacted the School as his wife had received a check in the amount of a little over \$2,000 made out to her, but was from Spectrum High School, and he was suspicious. Upon investigation, the check was indeed fraudulent and the School notified the bank

who put an immediate stop to all activity on the account. The School is in the midst of transferring all ACH payments from the old account to the new. It is not known how the check was procured; however, a police report has been filed. Likewise, the man who called the School to report the check has turned the information over to the FBI. It is hoped that there will be no adverse effects from having to close the account and open a new one, and the School will continue to keep the Board apprised of any findings should they occur.

Finally, the Committee is recommending Board approval of the September, 2017 Financial, September, 2017 Management Report, FY17 Audit, the Group Health Insurance Purchasing Policy, and the Chromebook Use Policy.

Following discussion, *on a motion duly made and seconded, Bergfalk/Bernard, the Spectrum High School Board of Directors unanimously accepted the October 18, 2017 Finance Committee Meeting Minutes as presented.*

2. September, 2017 Financials

Mr. Taintor presented the Executive Summary for the September, 2017 financials. He stated that the working budget for 2017-2018 projects an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$231,009. The School is currently budgeting 685 Average Daily Membership (ADM). Mr. DeBruyn asked that the projected budget be modified based on current enrollment to 680 students. Nick will be making the necessary changes. The Committee will address an amended FY18 budget at its November, 2017 meeting. Mr. Taintor went on to state that overall the school is right on track with 18% of expenditures spent year to date, compared to 25% of the fiscal year completed.

Mr. Taintor stated that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2017. Due from the Building Company, in the amount of \$79,154, of which a large portion is earnest money for the purchase of the new building and land, represents funds that have been paid for by the School on behalf of the Building Company.

State holdback for 2016-2017 fiscal year is a receivable of \$203,374 at the time of the report. The holdback amount will be paid to the school through the next several months. State holdback for 2017-2018 fiscal year is currently estimated to be a receivable of \$182,574. The holdback amount is approximately 10% of total state aids. This amount will be paid back in fiscal year 2019.

Mr. Taintor then went on to comment on the Statement of Revenue and Expenditures, noting that the report shows the original budget approved, revised budget approved, the working budget, and year to date activity. Per review, the following points were worth noting:

- Repairs and Maintenance expense includes mainly bus repair and maintenance for the year. Mr. DeBruyn commented on the current bussing situation, noting that the school will continue to monitor options available for the purpose of discerning how to best serve students and families with reliable, safe, and convenient bus service in

addition to ensuring the most economic option for the school. Mr. DeBruyn will continue to update the Committee as information becomes available.

- Tech Equipment is high for this time of the year; however, purchases are supported with e-rate funding, etc.

Again, school leadership will be looking at the current budget and will adjust as necessary.

Mr. Taintor reported that cash flow is excellent and there is nothing significant to report.

Finally, Mr. Taintor reported on the Lunch Services Account, which was over budget by approximately \$7,000. Mr. DeBruyn asked Mr. Taintor to look into the overage and he reported that his research points to staffing as a main contributing factor; however, other areas are being explored as well, and there were a couple of new pieces of equipment that were purchased, which could have also led to the overage.

Following discussion, on a motion duly met and seconded, Kemnitz/Reed, the Spectrum High School Board of Directors unanimously approved the September, 2017 Financials as presented.

3. September, 2017 Management Report

Following discussion, on a motion duly made and seconded, Kemnitz/Reed, the Spectrum High School Board of Directors unanimously approved the September, 2017 Management Report as presented.

4. FY17 Audit Report

Ms. Kotilinek from Redpath and Company presented a summary of the FY17 audit results for Spectrum High School, which includes the Spectrum Building Company.

Ms. Kotilinek stated that Redpath performed an audit of the School's 2017 finance statements following generally accepted auditing standards and government auditing standards. She stated that they verified the 2017 financial statements and footnotes are presented in accordance with the requirements of the governmental accounting standards board, and those of the Minnesota Department of Education. In the process, they considered the School's internal controls in order to plan audit procedures; however, internal controls were not audited. In addition, they determined whether the School complied with certain state statutes, as listed in an audit guide published by the Office of the State Auditor.

Ms. Kotilinek went on to report on the results of the audit, sharing that an unmodified opinion was provided, otherwise known as a clean opinion. This means that all amounts and disclosures were fairly presented, in all material aspects, in the 2017 financial statements. She stated that no deficiencies related to internal controls were noted during the audit, and there were no compliance findings noted.

Overall, she reported that general fund revenues exceeded the budget by \$59,000 and general fund expenditures were under budget by \$55,000. The general fund balance increased by \$276,000; whereas the budgeted increase was \$170,000. The food service fund balance remained at \$0 following a transfer of \$7,660 from general funds.

She went on to note that the Building Company’s fund balance increased \$23,000. Total fund balance is approximately \$1,200,000, although \$7,700,000 (all but \$59,000) is restricted for capital and debt service.

Following discussion, on a motion duly made and seconded, Kemnitz/Bergfalk, the Spectrum High School Board of Directors unanimously accepted the FY17 Audit Report as presented.

5. FY17 Audit Management Report

Following discussion, on a motion duly made and seconded, Kemnitz/Bergfalk, the Spectrum High School Board of Directors unanimously accepted the FY17 Audit Management Report as presented.

C. Executive Director’s Report

Mr. DeBruyn presented the October Executive Directors report. He shared that Liane Kondrak will be at the November Board meeting to report on the details of the Sting Swing Golf Classic. Mr. Taintor and Mr. Gangl reported that, in their opinion, it was a very well run tournament and they were extremely pleased with the turnout of golfers.

Mr. DeBruyn also shared that the National Honor Society recently held a blood drive. The blood drive was completely full and some people couldn’t even get in to donate. He noted that this speaks to the character of our students, staff, and families.

Mr. DeBruyn went on to note that he has responded to Ms. Manders from VOA-MN regarding her concerns and that all Board members should have received a copy of the response letter.

He went on to state that the trial breakfast program will be stopped as of Friday, October 27th due to low participation. A letter will be sent out to families in the spring of 2018 to gauge interest and, if in demand, another trial program will be run as required by federal guidelines.

Finally, interviews for open positions continue and the School is committed to finding the best candidates for the position.

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

D. Committee Reports

1. Technology Committee

None

2. School Improvement Team/World’s Best Workforce Committee

None

X. New Business

A. Chromebook Use Policy

Mr. DeBruyn stated that the Chromebook Use Policy is the first step in a multi-stepped process for implementing a robust 1:1 program at Spectrum High School. The full roll-out timeline of the 1:1 program is still unknown; however, progress is being made beginning with the approval of the Chromebook Use Policy.

Following discussion, on a motion duly made and seconded, Gangl/Bergfalk, the Spectrum High School Board of Directors unanimously approved the Chromebook Use Policy as presented.

B. Weighted Grades Policy

Mr. DeBruyn shared that the Weighted Grades Policy wording is taken directly out of the Student Handbook (with the addition of PSEO) and is consistent with current practice. The policy is required by law, and is also required to be posted on the School's website.

Following discussion, on a motion duly made and seconded, Kemnitz/Bergfalk, the Spectrum High School Board of Directors unanimously approved the Weighted Grades Policy as presented.

C. Group Health Insurance Purchasing Policy

Mr. DeBruyn reported that the Group Health Insurance Purchasing Policy is another policy required by law and to be posted on the School's website. He shared that the School's insurance broker has reviewed the wording of the policy and is in agreement.

Following discussion, on a motion duly made and seconded, Gangl/Bernard, the Spectrum High School Board of Directors unanimously approved the Group Health Insurance Purchasing Policy as presented.

D. Federal Funds Procurement Policy

Mr. DeBruyn shared that the School has been working diligently on a robust and comprehensive Federal Funds Procurement Policy that will be presented to the Board for consideration of approval at its meeting in November. He shared that through a Special Education audit that was recently conducted (FY17), it was found that our current procurement policy needs to be brought into alignment with federal guidelines and therefore a more comprehensive policy is needed. He went on to share that the School is working with Gigi Krause of Indigo, who is the School's Special Education Director, to revise the policy. The School must respond to MDE by November 1st with a draft of the policy.

E. Minnesota Association of Charter School Membership

The Board discussed at length possible membership with the Minnesota Association of Charter Schools. The Board will consider the information provided and will take action at its meeting in November on whether or not to join the organization.

XI. Charter School Updates & Training

None

XII. Board Goals 2017-2018 (approved by the Board on July 27, 2017)

2017-2018 School-Wide/VOA Academic Contract Goals

1. By May, 2018, the percentage of all students enrolled on October 1 in grades 6-11 at Spectrum High School who earn an achievement level of Meets the Standards or Exceeds the Standards on all **Math** state accountability tests (MCA, MOD, MTAS) will increase by **1.5 percentage points** to a minimum score of **64.5%**.

2. By May, 2018, the percentage of all students enrolled on October 1 in grades 6-11 at Spectrum High School who earn an achievement level of Meets the Standards or Exceeds the Standards on all **Reading** state accountability tests (MCA, MOD, MTAS) will increase by **2 percentage points** to a minimum score of **74.4%**.
3. By May, 2018, the percentage of all students enrolled on October 1 in grades 6-11 at Spectrum High School who earn an achievement level of Meets the Standards or Exceeds the Standards on all **Science** state accountability tests (MCA, MOD, MTAS) will increase by **2 percentage points** to a minimum score of **58.4%**.

2017-2018 Board Goals

In addition to the school-wide academic goals stated above, the Board will pursue the following non-academic goals for the 2017-2018 school year:

1. By January, 2018, the Board will develop a succession plan and recruitment procedure for potential board members.
2. By May, 2018, the Board will develop a process for establishing ongoing planning for Charter School Updates and Training to include the specific areas the Board will be trained.
3. By May, 2018, the Board will complete a thorough and in-depth review of the Strategic Plan 2019 for the purpose of amending/adjusting, as needed.

XIII. 2017-2018 Board Calendar and Next Meeting Agenda Input

- A. Board Calendar – no changes or actions needed
- B. Board Succession Plan and Recruitment Procedures will be on the November agenda for discussion and possible approval. Ms. Bernard stated that she would be willing to help with the execution of this goal.

XIV. Miscellaneous

None

XV. Adjournment

On a motion duly made and seconded, Gangl/Kemnitz, the Spectrum High School Board of Directors unanimously adjourned the meeting at 7:40 p.m.



Board Secretary Certification, Jessica Kemnitz