



Special Joint Spectrum High School (SHS) and Spectrum Building Company (SBC) Board Meeting

Date: July 27, 2017

Scheduled Time: 5:30 p.m.

Attendance:

Position	Name	Arrive	Depart
Chair (SHS and SBC)	Dave Lucas	Present	
Vice Chair (SHS and SBC)	Tom Sagstetter	Present – 5:45 p.m.	
Secretary (SHS)	Jessica Kemnitz	Present	
Treasurer (SHS)	Kathy Reed	Present	
Member (SHS)	Rob Bergfalk	Present	
Member (SHS and SBC)	Scott Gangl	Present	
Member (SHS)	Paula Bernard	Present	
Executive Director	Dan DeBruyn	Present	
Financial Advisor	Nick Taintor, BerganKDV	Present	7:25 p.m.
Staff	Dawn Sorenson	Present	
SBC Board Member (SBC Secretary)	Tony Brunt	Present	
SBC Board Member	Rick Peterson	Absent	
Guest	Rochel Manders – VOA Finance	Present	
Guest	Liane Kondrak	Present	5:50 p.m.
Guest	Andrew Krane, Associated Benefits & Risk Consulting	Present—6:00 p.m.	7:10 p.m.

I. Call To Order: 5:35 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, Kemnitz/Bernard, Spectrum High School Board of Directors unanimously approved the July 27, 2017 meeting agenda as presented.

V. Consent Agenda

- A. Interim Financial Transactions – None
- B. Important Documents and Policies
 - Amended Exit Interview Policy #303
 - Booth Law Group, LLC Annual Renewal Agreement

Following discussion, *on a motion duly made and seconded, Reed/Bergfalk, 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 – June 22, 2017
On a motion duly made and seconded, Kemnitz/Reed, the Spectrum High School Board of Directors unanimously approved the minutes of June 22, 2017 as presented.

VI. Employee Introduction & Recognition

None

VII. Public and Student Input

Chair Lucas welcomed Ms. Manders to the meeting. She provided a brief overview of her past work history and her areas of expertise.

VIII. Old Business

- A. Sting Swing Golf Tournament Update

Ms. Kondrak updated the Board on the planning progress for the upcoming Sting Swing Golf Classic, which is scheduled to take place on Friday, September 29, 2017 at the Elk River Golf Course. Ms. Kondrak covered golfer registrations, sponsorships, and the dollar amount received to date. She will continue to update the Board on the progress of the event and will share more information as it becomes available.

RECESS Chair Lucas called for a motion to temporarily recess the Spectrum High School Board of Directors Meeting.

On a motion duly made and seconded, Reed/Bernard, the Spectrum High School Board of Directors unanimously moved to recess the meeting at 5:55 p.m.

CONVENE Special Joint Spectrum Building Company and Spectrum High School Board of Directors meeting. Chair Lucas called the meeting to order at 5:55 p.m.

IX. Ongoing Business

- A. Phase V Expansion Project Update

1. Updated 17823 Industrial Circle NW Purchase Agreement – Second Amendment to Real Estate Purchase Agreement

Mr. DeBruyn shared that upon the recommendation of Piper Jaffray and bond counsel, the school communicated with Mr. Chad Johnson to inquire about the possibility of pushing back the closing date to October 31, 2017 for the 17823 Industrial Circle NW property. The confines of the Minnesota Department of Education’s (MDE) timing within its Review & Comment, the application for affidavit with VOA (and subsequently MDE, as well as the overall bonding process, simply necessitates additional time. It is the desire of all to close sooner rather than later; however, the additional time provides for a “worst-case scenario” if needed. Mr. DeBruyn went on to report that Mr. Johnson was amenable to the extended closing date of October 31, 2017 at the additional sum of \$10,000 at closing. If the extension of time is needed, the purchase price will be increased to \$1,848,500.00.

Following discussion, on a motion duly made and seconded, Reed/Sagstetter, the Spectrum High School Board of Directors unanimously approved the Second Amendment to Real Estate Purchase Agreement as presented.

Following discussion, on a motion duly made and seconded, Sagstetter/Gangl, the Spectrum Building Company Board of Directors unanimously approved the Second Amendment to Real Estate Purchase Agreement as presented.

2. Overview and Review of 17823 Industrial Circle NW Building Plans

Mr. DeBruyn provided a copy of the building plans for the Board's review. He walked the Board through the plans in detail, noting that there still could be some changes forthcoming. He noted that storage is an issue for the entire school and so the architect is working to achieve storage areas wherever possible, etc. In addition, with the current elevation, either a large amount of fill will be needed so that the addition of the gym may be on the same level or there will be a need for an elevator to be installed. Both are expensive and therefore, to remain within the tight \$6.2 construction budget, the least expensive option will be necessary. Mr. DeBruyn will continue to update the Board as more information becomes available.

3. Overview of Contractor Selection Process

Mr. DeBruyn shared that Administration and the architect met with four different construction companies regarding the upcoming construction project. As reported at the last Board meeting, due to tight time constraints, it has been recommended to proceed with a design/build process where the construction company is brought in earlier in the process rather than waiting for final construction drawings.

Mr. DeBruyn reported that following the four presentations, one construction company is being recommended due to their professionalism, past charter school experience, experience with the design/build process, and price (least expensive). Administration is recommending that the Boards consider RJM Construction as the construction company of choice. Mr. Gangl stated that he has had past experience with RJM Construction and he also found them to be an excellent company with which to work.

Following discussion, on a motion duly made and seconded, Kemnitz/Reed, the Spectrum High School Board of Directors unanimously affirms its intention to proceed with RJM Construction Company as its contractor for the new 7/8 building pending a positive Review & Comment from the Minnesota Department of Education and the 20 day posting period requirement.

Following discussion, on a motion duly made and seconded, Brunt/Sagstetter, the Spectrum Building Company Board of Directors unanimously affirms its intention to proceed with RJM Construction Company as its contractor for the new 7/8 building pending a positive Review & Comment from the Minnesota Department of Education and the 20 day posting period requirement.

4. Minnesota Department of Education Review & Comment

Mr. DeBruyn presented the draft Review & Comment document which was prepared as required by the Minnesota Department of Education in regards to our pending construction project. Mr. DeBruyn went on to share that according to State Statute, MDE has 60 days from receipt to provide a response, and a positive response is necessary in order to move forward with the project. Mr. DeBruyn stated that he has submitted the Review & Comment to Nick Hagen of Piper Jaffray for his review for the purpose of providing feedback and/or changes to the document, if necessary, and is recommending that the Boards consider approval of the document, inclusive of feedback from bond counsel and Piper Jaffray following their review which will commence sometime after the Board's adjourn their meeting this same evening.

Following discussion, *on a motion duly made and seconded, Reed/Kemnitz, the Spectrum High School Board of Directors unanimously approved the Review & Comment as presented, inclusive of feedback from bond counsel and Piper Jaffray, and to be submitted to the Minnesota Department of Education.*

Following discussion, *on a motion duly made and seconded, Sagstetter/Brunt, the Spectrum Building Company Board of Directors unanimously approved the Review & Comment as presented, inclusive of feedback from bond counsel and Piper Jaffray, and to be submitted to the Minnesota Department of Education.*

5. Update on the 10 acre parcel of land adjacent to the Spectrum Athletic Fields and Amended Purchase Agreement

Mr. DeBruyn shared with the Board that the school just recently learned that the person whom it had been working with, whom the school was lead to believe was the owner of the 10 acre parcel of land for which it wishes to purchase, was actually not the owner. Therefore, a new purchase agreement was needed listing the actual owners of the property. Mr. DeBruyn went on to note that when meeting with the actual owners, they requested that the School assist them with all of the processes, procedures, and fees needed in dealing with the City of Elk River/Sherburne County to subdivide the 10 acre parcel of land from the remaining land they own. He went on to note that the purchase price remains the same at \$200,000, and the owners have requested a \$10,000 down payment in earnest money, which will be credited toward the purchase price upon closing.

Following discussion, *on a motion duly made and seconded, Reed/Bernard, the Spectrum High School Board of Directors unanimously approved Administration signing the new purchase agreement for the 10 acre parcel of land as presented.*

Following discussion, *on a motion duly made and seconded, Sagstetter/GanqI, the Spectrum Building Company Board of Directors unanimously approved Administration signing the new purchase agreement for the 10 acre parcel of land as presented.*

6.S&P Bond Rating Engagement Letter, Dated 7.25.17

Mr. DeBruyn presented the S&P Bond Rating Engagement Letter, dated 7.25.17. He noted that the cost for the rating is listed at \$38,000, which does include the \$5,000 discount as promised when the School asked S&P to conduct a mid-cycle rating evaluation earlier in the year. In order to proceed with the bonding process, the Spectrum High School and Spectrum Building Company Boards of Directors need to approve Administration moving forward with this process.

Following discussion, *on a motion duly made and seconded, Reed/Kemnitz, the Spectrum High School Board of Directors unanimously approved the S&P Bond Rating Engagement Letter, dated 7.25.17, as presented.*

Following discussion, *on a motion duly made and seconded, Gangl/Brunt, the Spectrum Building Company Board of Directors unanimously approved the S&P Bond Rating Engagement Letter, dated 7.25.17, as presented.*

B. Nonprofit Directors & Officers Liability and Employment Practices Liability Coverage

Mr. Andrew Krane presented the renewal insurance quote for the Nonprofit Directors & Officers Liability and Employment Practices Liability Coverage, which is the insurance needed for the Spectrum Building Company Boards of Directors. Mr. Krane explained the coverage provided under the opuses of the policy, noting that this is a separate policy from the D&O policy that covers the Spectrum High School Board of Directors. Finally, he noted that the annual premium cost is \$800 for the policy period 10/16/2017 to 10/16/2018, which is paid out of the Spectrum Building Company budget.

Following discussion, *on a motion duly made and seconded, Saqstetter/Brunt, the Spectrum Building Company Board of Directors unanimously approved the Nonprofit Directors & Officers Liability and Employment Practices Liability Coverage as presented.*

C. Special Joint SBC and SHS Board Meeting Minutes – May 25, 2017

On a motion duly made and seconded, Brunt/Saqstetter, the joint Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved the Special Joint SBC and SHS Board Meeting Minutes of May 25, 2017 as presented.

ADJOURN Having no further business before the joint Spectrum Building Company and Spectrum High School Boards of Directors, Chair Lucas called for a motion to adjourn the joint meeting.

On a motion duly made and seconded, Reed/Gangl, the Spectrum Building Company and Spectrum High School Boards of Directors unanimously adjourned the joint meeting at 6:40 p.m.

RECONVENE Chair Lucas reconvened the open regular Spectrum High School Board of Directors meeting.

D. Budget Report

1. Finance Committee Meeting Minutes

a. Finance Committee Meeting Minutes

- None. The Finance Committee didn't meet in the month of July.

2. June, 2017 Financials

June financials will be presented at the August, 2017 meeting. The FY17 audit is currently underway and therefore all resources at BerganKDV are focused on the audit and, again, the June financials will be presented at the August meeting.

E. Director's Report

Mr. DeBruyn presented the July Director's report. He shared that twelve staff members attended the AVID Summer Institute training in Minneapolis, July 25-27, 2017 and the training was excellent. He went on to note that Spectrum has done a good job of implementing some of the AVID strategies across the school; however, after attending additional training, it is apparent that the focus needs to be on consistency in implementation school-wide.

Mr. DeBruyn went on to note that he has posted for the Coordinator of Curriculum and Development position and called the Board's attention to the job description that was included in the meeting packet. Mr. DeBruyn shared that part of this position will also have responsibility for the Service Learning program, which should help to provide cohesiveness to the program.

Mr. DeBruyn also shared that Mark Leland has been hired as the new high school principal as former principal, Josh Anderson, recently resigned to take a Technology Directorship position within another district. Mr. DeBruyn went on to share how much he is looking forward to working with Mr. Leland in this new role, and feels strongly that Mr. Leland will do an exceptional job in this position.

Then, Mr. DeBruyn reported that Greg Heinecke has been hired as the Middle School Principal. Mr. Heinecke most recently served as Curriculum Specialist with the Elk River ISD #728 school district, following 18 years of classroom experience as an English teacher. Mr. Heinecke holds a Bachelor of Arts degree from Concordia College in Moorhead, MN, a Masters of Education degree from Saint Mary's University in Minneapolis, MN with a focus in Literacy and the Media, as well as a Sixth Year Licensure Program from St. Cloud State University in St. Cloud, MN with a K-12 administrative and superintendent's licensure.

Finally, Mr. DeBruyn asked Ms. Sorenson to give a brief overview on the bonding process timeline to date. She reported on the work in progress, noting that weekly conference call meetings are taking place. She stated that Mr. John Utley, bond counsel from Kennedy-Graven, has been hard at work putting the pieces in place for the bonding process. One of the first steps in the process was to meet with the Anoka County Board who is considering giving consent to the paying off of the current bonds held with the county, which took place earlier in the day on Thursday, July 27th. She reported that at the time of the conference call, Mr. Utley shared that he hadn't heard anything regarding the outcome of the meeting; however, he doubted that there would be any opposition to the paying off of the bonds.

Then, on August 3rd, a meeting with the City of Bethel will take place for the purpose of conducting a public hearing on a resolution to host the bonds, for which Mr. Utley, Mr. Hagen, and Mr. DeBruyn plan to attend.

The next meeting to take place will be on August 21, 2017 in which Spectrum High School is on the agenda for the Elk River City Council meeting where PILOF (Payment In Lue Of Fees) will be discussed. Again, Mr. Utley, Mr. Hagen, and Mr. DeBruyn plan to attend the meeting, and as with the meeting for Anoka County, there are no foreseeable issues.

Ms. Sorenson then shared that a tentative bond rating call is scheduled with S&P for Wednesday, August 9, 2017. Mr. Hagen has been in contact with them and will be forwarding the necessary documentation for the call.

Following discussion, on a motion duly made and seconded, Kemnitz/Sagstetter, the Spectrum High School Board of Directors unanimously approved the July Director's Report as presented.

F. Committee Reports

1. Technology Committee

None

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

None

X. New Business

A. Insurance Overview – Mr. Andrew Krane

Mr. Krane provided an in-depth overview of the current insurance policies and coverages in place for the School. Mr. DeBruyn shared that he signed a renewal for the FY18 coverages on June 29, 2017, which was included in the meeting packet, as the coverages were set to expire at the beginning of July. He went on to note that with the timing of the regularly scheduled Board meetings and when the notification of renewal was communicated, there wasn't time to wait. In the future, the School and Mr. Krane will work more closely to provide adequate timing for renewal so that the coverages may be presented to the Board for its consideration of approval in advance of the expiration date. Mr. Krane shared that although the renewal has been signed, changes to the policy coverages still may be made for FY18 should the Board choose to do so.

Mr. Krane went on to note that the overall coverages went up 4.1% in cost from FY17 to FY18. Notably, this was due in part to two auto claims, an increase in workers' compensation claims, and an increase in general liability due to an increase in the number of students. Mr. DeBruyn shared that the 4.1% increase is accounted for in the FY18 long range budget that was approved earlier in the year.

Overall, the various insurance coverages and respective cost for FY18 is \$86,320.00.

Following discussion, on a motion duly made and seconded, Bernard/Reed, the Spectrum High School Board of Directors unanimously approved the FY18 insurance coverages and cost of \$86,320.00 as presented.

The Board went on to request that Mr. Krane requote a Cyber Insurance coverage policy for the School and to submit it for the Board's consideration of approval at a later meeting.

B. 2017-2018 Executive Director Performance Evaluation Policy, Procedure and Timeline Policy

The Board reviewed the Executive Director Performance Evaluation Policy, Procedure and Timeline, noting that the timeline needs to be updated with the dates for the 2017-2018 school year. Mr. Lucas requested that Ms. Sorenson schedule a meeting for he and Mr. Bergfalk to meet with Mr. DeBruyn to discuss the timeline and Executive Director job description and to bring a revised policy to the Board for consideration of approval at the September Board meeting.

C. Proposed 2017-2018 School-Wide, Board, and Executive Director Goals

The Board reviewed the proposed goals, which are as follows:

2017-2018 School-Wide/VOA 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.

2017-2018 Executive Director Goals

1. By May, 2018, Work with staff to pursue the school-wide academic goals stated above.
2. By May, 2018, work with staff to implement Data Driven Instruction interim assessments in all grades, in the content areas of Language Arts (Literature) and Social Studies.
3. By May, 2018, attend at least two Elk River Chamber of Commerce events for the purpose of building Spectrum's positive reputation and networking.
4. By May, 2018, complete the AVID District Director trainings as available.
5. By May, 2018, seek appointment on the Anoka-Ramsey Community College Advisory Board/Council.

Following discussion, *on a motion duly made and seconded, Bernard/Reed, the Spectrum High School Board of Directors unanimously approved the FY18 School-wide and Board Goals as presented.*

Following discussion, *on a motion duly made and seconded, Reed/Bernard, the Spectrum High School Board of Directors unanimously approved the FY18 Executive Director Goals as presented.*

D. Annual Review of the Spectrum Building Company Board of Director's Roster

The Spectrum High School Board of Directors reviewed the Spectrum Building Company Board of Directors and re-appointed Mr. Rick Peterson to a three year term on the SBC.

Following discussion, *on a motion duly made and seconded, Saqstetter/Kemnitz, the Spectrum High School Board of Directors unanimously approved the Spectrum Building Company Board of Directors Rosters as presented, including the re-appointing of Mr. Rick Peterson to a three year term through 2020.*

XI. Charter School Updates & Training

The Board discussed briefly Charter School Updates & Training for the FY18 school year. Further discussion will take place. It was noted that Mr. Bergfalk will be in need of training in Governance, Employment Matters and Finance no later than January 2018.

XII. Board Goals 2016-2017 (approved by the Board on July 28, 2016)

- A. By May 2017, the percentage of students enrolled on October 1 in grades 6-12 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 from 62.7% to 64.7%. In process
- B. By January 2017, will assist the school in securing an event planner and a fall 2017 date, as well as form a committee to help plan and execute the 3rd Annual Spectrum High School Golf Extravaganza. Completed
- C. By January 2017, update the current process and procedure for holding school board elections with the consideration of moving to an on-line electronic voting procedure. Completed

Mr. DeBruyn shared that the embargoed test scores will be available from MDE on Friday, August 4, 2017. The scores will then be released to the public on Monday, August 7, 2017. We'll know shortly whether or not the school met its school-wide goal of increasing all Math state accountability tests (MCA, MOD, MTAS) from 62.7% to 64.7% at that time.

XIII. 2016-2017 Board Calendar and Next Meeting Agenda Input

- A. Board Calendar – no changes or actions needed

XIV. Miscellaneous

Mr. DeBruyn shared that originally the plan for the 1:1 Chrombook program rollout was hoped for at the beginning of this school year. However, the program isn't ready to go and feels that it would be much wiser to wait to ensure that all pieces are in place, teachers and staff have been adequately trained and given time



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to adjust lessons plans, etc., prior to launching the program. He will continue to apprise the Board of progress with this program as staff work diligently to ensure that it is ready to launch successfully.

XV. Adjournment

On a motion duly made and seconded, Sagstetter/Kemnitz, the Spectrum High School Board of Directors unanimously adjourned the meeting at 7:50 p.m.

Board Secretary Certification, Jessica Kemnitz