

## Spectrum Board of Director's Meeting Minutes

**Date:** January 24, 2019

**Scheduled Time:** 5:30 p.m.

**Attendance:**

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

**Guests Present:** None

**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/Reed, the Spectrum High School Board of Directors unanimously approved the January 24, 2019 meeting agenda as presented.*

**V. Consent Agenda**

**A. Interim Financial Transactions – None**

**B. Important Documents and Policies**

- Minnesota Association of Charter Schools Membership Acknowledgement – FY19 Calendar Year

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

### C. Spectrum Board Meeting Minutes – December 20, 2018

On a motion duly made and seconded, Sagstetter/Reed, the Spectrum Board of Directors unanimously approved the minutes of the December 20, 2018 meeting as presented.

### VI. Employee Introduction & Recognition

None

### VII. Public and Student Input

None

### VIII. Ongoing Business

#### A. Phase V Expansion Project Update

Mr. DeBruyn presented a brief update on the 7/8 building. The project has not yet been closed-out due to a few remaining punch list items needing to be addressed.

#### B. College & Career Center Update

Mr. DeBruyn presented a very brief update on the College & Career Center. He shared that students are utilizing and enjoying the space. He went on to share that having the school counseling staff officed in the same location has proven to be very beneficial.

#### C. Budget Report

##### 1. Finance Committee Meeting Minutes – January 18, 2019

Ms. Reed presented the January 18, 2019 Finance Committee meeting minutes. She noted that the Committee welcomed new parent member, Annalise Marberg, and reviewed the December financials and management report. In addition, the Committee reviewed the December Contracted Services Report, Food Service Report, and reviewed a preliminary revised FY19 Long Range Budget. Ms. Reed stated that additional work on the revised budget is forthcoming and it is anticipated that it will come before the Board for consideration of approval at the February meeting.

In addition to the above, Ms. Reed shared that the Committee heard an update report of the status of the separate Friends of Spectrum, Inc. 501(c)(3) fundraising organization. She noted that the next step in the process is to develop a slate of potential Board members for consideration of approval by the Spectrum Board of Directors as is called for in the Friends of Spectrum, Inc. Bylaws.

The Committee also received an update on the work to date on the Teacher Salary Analysis, which will be presented to the Board later in the meeting. Next, the Committee reviewed draft Cash Management Procedures in relation to opening an investment account with Charles Schwab to take advantage of the earnings potential of utilizing treasury bills as an investment vehicle for the School. More work on this initiative will be forthcoming at the February Committee meeting, with plans for presenting to the full Board for consideration of approval at that time.

Lastly, Ms. Reed reported that the School conducted its annual bond investor's call, which went well, as well as its call with Standard & Poors regarding its bond rating, which is currently rated at an investment grade of BBB- with a stable outlook.

Following discussion, on a motion duly made and seconded, Sagstetter/Bergfalk, the Spectrum High School Board of Directors unanimously accepted the January 18, 2019 Finance Committee meeting minutes as presented.

## **2. December Financials**

Mr. DeBruyn presented the Executive Summary report of the December Financials. He stated that the 2018-2019 working budget currently projects an annual deficit (expenditures to exceed revenues) in all funds in the amount of \$75,442; however, this is mostly due to funds that were allocated in FY18, but were not spent until FY19. Mr. DeBruyn shared that he will be working with Mr. Taintor on a revised budget for the Finance Committee to review at their February meeting and will be presented to the Board for consideration of approval in February as well. Mr. DeBruyn stated that he is confident that there is room within the budget to present closer to a balanced budget. He then went on to briefly discuss the PSEO program, noting that it is an extremely difficult item to budget as there are so many variables that need to be considered. As the school has grown, the number of PSEO students has increased proportionately and thereby resulting in higher costs to the program. The school and the Finance Committee continue to watch this item carefully in an effort to come in closer to the budgeted amount.

Mr. DeBruyn then went on to share that the School is currently budgeting 740 Average Daily Membership (ADM), and that the actual ADM as of January 2, 2019, was 741, which includes full time PSEO students attending other institutions for which the School does not get reimbursed from the State. Overall, the School is right on track with 47.4% of expenditures spent year to date, as compared to 50% of the fiscal year completed.

The beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2018. Due from the Building Company, in the amount of \$314,086, represents funds that have been paid for by the School on behalf of the Building Company. A portion of this will be paid back to the School this fiscal year and an update will be made available in the spring. Mr. DeBruyn shared that the FY19 Lease Aid application was just recently filed with MDE as the 7/8 building project needed to be mostly complete prior to filing. Lease Aid is retroactive to July 1 of the fiscal year and will be paid out accordingly as soon as the application is approved.

Mr. DeBruyn also shared that the State holdback for 2018-2019 fiscal year is estimated to be a receivable of \$917,307 at the time of the report. The holdback amount is approximately 10% of total state aids, as well as an additional receivable for lease aid. The remaining holdback amount will be paid back to the School in fiscal year 2020.

On the Statement of Revenue and Expenditures, Mr. DeBruyn shared that the report shows the original budget approved, the working budget, and year to date activity. Per review, the following is worth noting:

- There is another round of the expansion grant that continues into FY19. This resulted in an additional revenue and expense of \$225,000 and no impact to the annual surplus.
- The REAP grant was carried over from the previous year. This resulted in an additional revenue and expenditure of over \$50,000 and there was no impact to the annual surplus.
- The School did not spend any of the allotted budget for capital improvements that were budgeted in FY18. The College & Career Center started construction in FY19 and the

School will recognize these expenditures in FY19. This resulted in an additional \$50,000 of expenditures, which decreased the surplus by that same amount.

- Contracted services is high for this time of year due to the \$135,515 payment made for PSEO classes taken by students attending other colleges and universities. School leadership will be looking into this program in more detail, and an update has been made to the budget to project the additional cost.

Following discussion, on a motion duly made and seconded, Kemnitz/Sagstetter, the Spectrum Board of Directors unanimously approved the December, 2018 financials as presented.

### **3. December Management Report**

The Board reviewed the December Management Report.

Following discussion, on a motion duly made and seconded, Kemnitz/Sagstetter, the Spectrum Board of Directors unanimously approved the December Management Report as presented.

### **D. Friends of Spectrum, Inc. (FoSI) Articles of Incorporation and Bylaws**

Mr. DeBruyn reported on the next steps in the process to get Friends of Spectrum, Inc. up and running. He shared that a slate of potential candidates will be presented to the Spectrum Board for consideration of approval as is required by the FoSI Bylaws. Mr. DeBruyn anticipates that a potential slate of candidates will be ready by the February Board meeting. The Board suggested that administration put together a solicitation announcement to be sent out to families as a means to find potential board members. Mr. Gangl stated that he would be willing to sit on the FoSI Board if another Spectrum teacher steps forward to run for the Spectrum Board of Directors. He has been in communication with other Spectrum teachers to see if another may be interested. He suggested that administration reach out to Mr. Brunt to determine his interest in possibly running for election.

### **E. Executive Director's Report**

Mr. DeBruyn presented the Executive Director report for the month of January. He shared that there are currently 161 applications in place for the 2019-2020 school year and it is anticipated that the school will receive quite a few more prior to the February 15<sup>th</sup> lottery. The enrollment goal for FY20 is 775, which is only an increase of 41 more students. He went on to share that administration is debating on whether to add an additional section of 9<sup>th</sup> grade, due to demand, in an effort to meet the enrollment goal. The strategy remains to overenroll from the lottery as enrollment tends to balance out over the summer.

Mr. DeBruyn shared that the Volunteers of America yearly site visit is scheduled to take place on Monday, January 28<sup>th</sup>. He anticipates that contract renewal will be discussed at that time as the current 5-year contract comes to a close at the end of FY19. He went on to share that the School did receive a letter of intent for renewal from VOA and anticipates no issues with renewal.

Next, Mr. DeBruyn commented on an article that recently ran in the Elk River Star News regarding district growth. Elk River ISD #728 recently conducted a demographic study of the surrounding areas which reaffirms the outcomes that were presented when Spectrum conducted its own study back when planning for the Strategic Plan 2019. This most recent study, though, predicts faster growth, which is positive news regarding potential student enrollment.

Lastly, Mr. DeBruyn shared that, at the recently held VOA Network Conference, a company who assesses an organization's social media content for the purpose of discerning effectiveness at reaching its targeted

marketing pool presented on what and how they may be of benefit to organizations. As a result of the presentation, Spectrum has asked them to do an assessment of the School's social media outreach. They will be presenting their findings within a week. In addition, Sue Matheson is researching marketing firms for the purpose of defining a marketing strategy for the School. Mr. DeBruyn will continue to update the Board on the School's marketing efforts as information becomes available.

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

#### F. Committee Reports

##### 1. School Improvement Team/World's Best Workforce Committee – January 4, 2019

The Board reviewed the minutes of the January 4, 2019 SIT/WBWF Committee meeting. Mr. DeBruyn shared that the Committee spent time reviewing the 2<sup>nd</sup> goal area of the Strategic Plan, which is focused on Technology and Integration. Mr. DeBruyn shared that the plan is being updated goal area by goal area, with a plan to bring the entire updated Strategic Plan back to the Board at its meeting in May for approval. Mr. DeBruyn went on to share that one of the key updates being proposed is to rename it "Strategic Plan 2020" as it was the intent that it would be a 5 year strategic plan at its inception; however, it wasn't fully implemented until 2016 and therefore the School is really only three years in. Rather than re-writing an entire new plan, it makes most sense to continue to update along the way and allow for the entire five years as originally intended. He went on to share that it seems to make most sense to spend the School's financial resources on marketing the school rather than on hiring someone to help with a new strategic plan at this time.

Mr. Sepulveda remarked how beneficial it has been for him as a Board member to sit on this Committee as it has provided great insight into the School's evolution, as well as to provide him with perspective as to the School's direction. He personally felt that it would be beneficial for all new Board members, if possible, to have an opportunity to sit on this committee.

Following discussion, on a motion duly made and seconded, Reed/Kemnitz, the Spectrum Board of Directors unanimously accepted the January 4, 2019 SIT/WBWF Committee minutes as presented.

#### IX. Old Business

None.

#### X. New Business

##### A. Calendar Modification to Student Days for 2018-2019

Mr. DeBruyn shared the proposed changes to the FY19 school calendar. He stated that administration is recommending dropping Tuesday, May 28 (the day after Memorial Day) as a student day. This would adjust student days from 173 to 172, which remains well within the statutorily required instructional hours. May 28 would remain as a teacher contract day. He went on to state that there have been no consequences for non-attendance by students on this day, which has traditionally been the school-wide trip to Valleyfair, and therefore the School is unable to justify it as a student school day. In addition, due to the size of the school, it has become increasingly more difficult to handle the logistics of a school-wide trip. The staff at the middle and high schools will be working on a plan for the last week of school.

Following discussion, on a motion duly made and seconded, Gangl/Reed, the Spectrum Board of Directors unanimously approved the amended 2018-2019 school calendar as presented.

**B. Proposed 2019-2020 Key Calendar Dates**

Mr. DeBruyn presented the key calendar dates for the 2019-2020 school calendar. He shared that approval is being sought for the purpose of completing student course registration, and that a final and complete calendar, including the key dates being presented here, will be submitted for approval in the spring. Spectrum's actual FY20 calendar is not up for approval at this time and will likely have numerous changes prior to the proposed approval.

Mr. DeBruyn went on to state that Minnesota Statutes, section 120A.41 requires 935 instructional hours for grade 6 and 1,020 hours for grades 7-12. At Spectrum, based on 6 hours and 50 minutes (410 minutes) of instruction time per day, 137 days for grade 6 and 150 days for grades 7-12 are required. Spectrum far exceeds the statutorily required minimum instruction time, but closely aligns with the local district. In order to align long breaks (for convenience of our families and staff), Spectrum is awaiting ISD #728 school board's approval of their FY20 calendar. Any significant or unexpected shifts in breaks in the ISD #728 calendar may require reconsideration of the following proposed dates:

- 1<sup>st</sup> Quarter: Monday, August 26 – Friday, October 25, 2019 (approximately 42 instructional days)
- 2<sup>nd</sup> Quarter: Tuesday, October 29 – Friday, January 17, 2020 (approximately 46 instructional days)
- 3<sup>rd</sup> Quarter: Tuesday, January 21 – Friday, March 20, 2020 (approximately 43 instructional days)
- 4<sup>th</sup> Quarter: Tuesday, March 24 – Friday, May 22, 2020 (approximately 40 instructional days)

The above stated includes between 165 – 173 student contact days, not more than 190 teaching staff contact days, with the first day of school for students being Monday, August 26, 2019 and the last day of school for students being Friday, May 22, 2019.

Following discussion, on a motion duly made and seconded, Reed/Sagstetter, the Spectrum Board unanimously approved the FY20 Key Calendar Dates as presented.

**C. 2018-2019 Board Self Evaluation Results**

The Board discussed, at length, the results of the 2018-2019 Board Self Evaluation. It noted several questions that may be in need of re-wording for 2019-2020. The Board felt that highlighting better how the School is doing in moving forward with the Strategic Plan would be of benefit.

Following discussion, on a motion duly made and seconded, Sepulveda/Sagstetter, the Spectrum Board unanimously accepted the 2018-2019 Board Self Evaluation Results as presented.

**D. 2017-2018 Worlds Best Workforce Summary Report**

The Board reviewed the 2017-2018 World's Best Workforce Summary Report as presented by Mr. DeBruyn. Mr. DeBruyn shared that there wasn't anything of significance presented in the report that wasn't already included in the 2018-2019 Annual Report (and World's Best Workforce) that was presented to the Board last September. Mr. DeBruyn stated that the report format does a nice job of breaking down the student sub-group populations for more in-depth analysis of MCA test scores, which has helped the school to identify populations that are in need of additional resources. In addition, he

shared that the goals are written as a 5-year trends rather than an annual goal, which is especially good for the School since it is already scoring above the annual VOA stated goals.

Following discussion, on a motion duly made and seconded, Sepulveda/Sagstetter, the Spectrum Board of Directors unanimously approved the 2017-2018 Worlds Best Workforce Summary Report as presented.

#### E. Summary of Compensation Adjustments for Teaching Staff

Mr. DeBruyn presented the analysis that has been completed to date with regard to the teaching staff compensation. He stated that the Big Lake School District is most similar to Spectrum in terms of size, although it is still 4.5 times larger. When compared, on average, Spectrum's teacher pay is approximately 90% of Big Lake's; however, there is a range between 70% and 114% when compared individually by teacher. The initial goal of the analysis is to address anomalies within teacher pay across the school – meaning, those who fall below a certain pay range when compared to others in the school. The initial goal will be to ensure all Spectrum teachers are paid no lower than 90% of the Big Lake district up to \$60,000. Through this analysis, around 16 teachers have been identified who are below the 90% threshold and will receive an increase in salary (in two steps). First, they will receive an increase of half the difference during the second semester of FY19 (ranging between \$150 and \$3,400), depending upon where they fall in relation to the 90% of Big Lake. The total impact to Spectrum's general budget for FY19 will be just under \$40,000. Then, in FY20, a second same amount increase will be given to bring the affected salaries within the 90% pay range.

#### F. Proposed Pay Matrix for Starting Teacher Salaries

Mr. DeBruyn shared that another key piece of the overall teacher pay analysis is for the purpose of developing a salary matrix to identify starting salaries for teachers being hired at Spectrum. Mr. DeBruyn shared that he hopes to have a matrix to present to the Board for consideration of approval in the coming months.

### XI. Charter School Updates & Training

None

### XII. Board Goals 2018-2019 (approved by the Board on July 26, 2018)

#### 1. 2018-2019 School-Wide/VOA Contract Goals

- A. By May, 2019, 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 **66.0%**.
- B. By May 2019, 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 **76.4%**.
- C. By May 2019, 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 **60.4%**.

#### 2. 2018-2019 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 2018-2019 school year:

- A. By October 2018, the School Board will finalize and begin implementing a plan for establishing ongoing training for charter school board members (as required by Minnesota Statutes, section 124E, Subdivision 7).
- B. By December 2018, the School Board will begin the process of evaluating, revising, and revamping its strategic plan 2019-2024. By June 2019, the School Board will have a draft strategic plan ready for review.

**XIII. 2018-2019 Board Calendar and Next Meeting Agenda Input**

- A. Board Calendar
  - None
- B. Next Meeting Agenda – February 28, 2019
  - None

**XIV. Adjournment**

*On a motion duly made and seconded, Reed/Sagstetter, the Spectrum Board of Directors unanimously adjourned the meeting at 7:49 p.m.*



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Board Secretary Certification, Jessica Kemnitz