



Spectrum High School Board Meeting Minutes

Date: October 25, 2018

Scheduled Time: At the adjournment of the 18-19 Annual Meeting

Attendance:

Position	Name	Arrive	Depart
Chair	Dave Lucas	Present	
Vice Chair	Tom Sagstetter	Present	
Secretary	Jessica Kemnitz	Present	
Treasurer	Kathy Reed	Present	
Member	Rob Bergfalk	Present	
Member	Scott Gangl	Present	
Member	Bert Sepulveda	Absent	
Executive Director	Dan DeBruyn	Present	
Financial Advisor	Nick Taintor, BerganKDV	Present	7:40 p.m.
Staff	Dawn Sorenson	Present	
Guest	Rod Haneke, VOA	Present	

I. Call to Order: 6:50 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/Kemnitz., the Spectrum High School Board of Directors unanimously approved the October 25, 2018 meeting agenda as presented.

V. Consent Agenda

A. Interim Financial Transactions – None

B. Important Documents and Policies

- 18-19 Athletic/Activities Handbook
- Amended 18-19 Student/Family Handbook
- Amended Finance Policy

Mr. Gangl commented that even with the change in language to the 18-19 Athletic/Activities Handbook, and the mirrored language in the Amended 18-19 Student/Family Handbook, for improvement of grades in order to be academically eligible following academic suspension is too stringent.

On a motion duly made and seconded, Sagstetter/Bergfalk, the Spectrum High School Board of Directors approved the Consent Agenda Items listed in section B (5 years and 1 nay-Mr. Gangl).

C. Spectrum Board Meeting Minutes – September 27, 2018

On a motion duly made and seconded, Reed/Sagstetter, the Spectrum High School Board of Directors unanimously approved the minutes of the September 27, 2018 meeting as presented.

VI. Employee Introduction & Recognition

None

VII. Public and Student Input

Spectrum teachers, Mrs. Mackereth, Mr. Cook, and Ms. Churchill were present for the meeting.

VIII. Ongoing Business

A. Phase V Expansion Project Update

Mr. DeBruyn reported that the majority of the PE equipment has now been installed in the gym at the 7/8 building. Final punch list items are being addressed. Mr. DeBruyn reported that a final budget meeting has yet to be scheduled between RJM and the School, but will be needed in order to determine final budget outcomes. Mr. DeBruyn will continue to keep the Board apprised as information becomes available.

B. College & Career Center Update

Mr. DeBruyn provided an update on the College and Career Center. He shared that although some progress continues, the overall project is at a standstill until the woodwork is delivered. It is now anticipated that it will arrive sometime around the first part of November with a final possible completion date of mid-November. Ms. Kemnitz inquired about the delay of the project and whether or not there was a financial penalty for RJM for the delays. Mr. DeBruyn indicated there are no delay penalties detailed in the contract – nor are there any incentives to complete the project prior to the projected timeline..

C. Budget Report

1. Finance Committee Meeting Minutes – October 22, 2018

Ms. Reed and Mr. Taintor presented the minutes of the October 22, 2018 Finance Committee. They noted that the Committee reviewed the September financials and Management Report in detail and are recommending approval by the Board.

They reported that the Committee discussed the overall investment strategy for the School. The Committee noted that it currently has \$450,000 invested in a Money Market account, as well as \$450,000 in CD's. The current fund balance for the School sits at just over \$2,000,000. In accordance with the Finance Policy, it was requested that a transfer of additional funds be made from the checking/savings account into the investment account in order to capitalize on investment income.

Mr. Taintor went on to share that the Committee reviewed the VOA School Finance Contract Renewal Report Points with Revised Standards. He shared that following review of the rubric, the Committee had some clarifying questions for VOA and would be reaching out for additional information.

Following review of the VOA rubric, the Committee went on to hear an update on the separate 501(c)(3) organization. He shared that Mr. DeBruyn had questions with regard to the proposed Articles of Incorporation and Bylaws submitted by the attorney and will be seeking further information. Mr. DeBruyn noted that he and Ms. Sorenson had a productive phone meeting with

the attorney following the Finance Committee meeting. He reported that during the phone meeting, it was determined that the attorney would draft the Articles and Bylaws from the perspective of a stand-alone entity rather than the parent/child (Spectrum High School and Spectrum Middle School/Friends of Spectrum, Inc.) perspective that had been put forward. He will review the newly revised and submitted Articles and Bylaws and anticipates that they will be reviewed by the November meeting of the Finance Committee and submitted to the full Board for approval at the November Board meeting.

Following discussion, on a motion duly made and seconded, Reed/Sagstetter, the Spectrum High School Board of Directors unanimously accepted the October 22, 2018 Finance Committee meeting minutes as presented.

2. September 2018 Financials

Mr. Taintor presented the Executive Summary, noting that the working budget for 2018-2019 projects an annual surplus of revenues over expenditures in all funds in the amount of \$34,632. The School is currently budgeting 740 Average Daily Membership (ADM). Overall, the school is right on track with 20.3% of expenditures spent year to date, as compared to 25% of the fiscal year completed.

Mr. Taintor then went on to explain the Balance Sheet noting that beginning balances shown are based on the un-audited ending information as of June 30, 2018. Due from the Building Company, in the amount of \$38,041, represents funds that have been paid for by the School on behalf of the Building Company. Mr. Taintor shared that the Building Company has the funds available to pay the School back; however, he recommends waiting until the building projects are complete before doing so.

The School will receive the State Holdback for FY 2017-2018 of \$227,266 over the next several months. State holdback for 2018-2019 fiscal year is estimated to be a receivable of \$471,843 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. Lease aid will be paid retroactive from July 1 to the date it is approved by MDE. The remaining holdback will be paid back to the School in fiscal year 2020.

On the Statement of Revenue and Expenditures, Mr. Taintor shared that the following changes to the working budget are 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 there is no impact to the annual surplus.
- The REAP grant was carried over from the previous year. This resulted in additional revenue and expenditures of over \$50,000. 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 and Career Center started construction in FY19 and the School will recognize those expenditures in FY19. This resulted in an additional \$50,000 of expenditures, which decreased the surplus by that same amount.

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

3. September Management Report

The Board reviewed the September Management Report.

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

4.501(c)(3) Update

Mr. DeBruyn reiterated what was reported during the October 22, 2018 Finance Committee. He anticipates that the revised Articles of Incorporation and Bylaws will be ready for review at the November Finance Committee meeting and subsequently submitted for consideration of approval by the full Board at the November meeting.

D. Executive Director’s Report

Mr. DeBruyn presented the Executive Director’s Report. Mr. Gangl inquired about the decisions made when adding enrollment. Mr. DeBruyn reported that many things are taken into consideration when determining the timing of adding students, including the timing in a semester and budgetary needs.

Ms. Reed inquired about the success of the Youth Frontiers Retreats being held for students. Mr. DeBruyn reported that he has received extremely positive feedback from both students and staff. Overall, he feels that the implementation of the retreats has had a positive outcome on school climate and culture.

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

E. Committee Reports

1. Technology Committee

None

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

None

IX. Old Business

A. Employee Exit Interview Summary Update

Mr. DeBruyn shared the Employment Tracking information is regularly gleaned from employees leaving Spectrum as a standard practice. Employees are given the opportunity to have an exit interview or to complete an exit interview form. However, not all employees choose to utilize this option. He shared that the reasons for leaving employment are personal and confidential in nature and often include many variables – both within and outside the school’s control. He shared that caution should be used when drawing conclusions based on the summary of information provided.

The discussion turned toward salary and competitive pay. Mr. DeBruyn shared that he continues to work on a pay matrix; however, he is waiting until the 7/8 building and high school College & Career Center projects are completed to ensure budget accuracy. He did go on to note that in the comparative analysis done to date, there were only a handful of teachers for which he may recommend a relative pay adjustment if funds are available this year.

Mr. DeBruyn shared that, in addition to less local funding being received for charter schools from levies and referendums, teacher salaries are directly related to student/teacher ratios. Large school districts,

such as Anoka-Hennepin #11 and Elk River #728, have larger overall class sizes and therefore are able to pay higher salaries. Spectrum desires to maintain relative low class sizes, which is one of the reasons why parents choose Spectrum to educate their children.

B. Rate of Pay for Summer Conference Attendance

Mr. DeBruyn shared a draft of a policy on Paid Professional Development. He indicated that he would like feedback from the Board and will also seek feedback from staff. The Board discussed the draft at length. Mr. DeBruyn will continue to refine the policy and will present it to the Board for consideration of approval when ready.

X. New Business

A. Lead in Drinking Water Testing Policy

Mr. DeBruyn presented a draft Lead in Drinking Water Testing Policy, noting that it is a requirement to comply with Minnesota Statutes, section 121A.335, the Minnesota Department of Health (MDH) guidelines, and the Minnesota Department of Education (MDE) guidelines. He went on to share that some testing of Spectrum's drinking water/faucets has been completed as required by the July 1, 2018 deadline.

Following discussion, on a motion duly made and seconded, Reed/Bergfalk, the Spectrum Board of Directors unanimously approved the Lead in Drinking Water Testing Policy as presented.

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 – It was noted that BerganKDV will be assisting the School with the necessary filings to ensure continued non-profit status. These compliance items have been added to the Board’s calendar.
- B. Next Meeting Agenda – November 15, 2018
- Ongoing Finance Training – Nick Taintor, BerganKDV

XIV. Adjournment

On a motion duly made and seconded, Kemnitz/Sagstetter, the Spectrum High School Board of Directors unanimously adjourned the meeting at 8:05 p.m.



Board Secretary Certification, Jessica Kemnitz