



Spectrum Board of Director’s Meeting Minutes

Date: December 20, 2018
Scheduled Time: 5:30 p.m.

Attendance:

Position	Name	Arrive	Depart
Chair	Dave Lucas	Absent	
Vice Chair	Tom Sagstetter	Present	
Secretary	Jessica Kemnitz	Present	
Treasurer	Kathy Reed	Absent	
Member	Rob Bergfalk	Absent	
Member	Scott Gangl	Present	
Member	Bert Sepulveda	Present	
Executive Director	Dan DeBruyn	Present	
Financial Advisor	Nick Taintor, BerganKDV	Absent	
Staff	Dawn Sorenson	Absent	

I. Call to Order: 5:33 p.m.

II. Reading of Vision and Mission Statements

III. Conflict of Interest Check

Vice Chair Sagstetter called for conflict of interest acknowledgement. None noted.

IV. Board Agenda

On a motion duly made and seconded, Sepulveda/Gangl, the Spectrum High School Board of Directors unanimously approved the December 20, 2018 meeting agenda as presented.

V. Consent Agenda

A. Interim Financial Transactions – None

B. Important Documents and Policies

- Jostens’ Three-Year Yearbook Agreement
- Minnesota Association of Charter Schools Membership Renewal

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

C. Spectrum Board Meeting Minutes – November 15, 2018

On a motion duly made and seconded, Kemnitz/Gangl, the Spectrum Board of Directors unanimously approved the minutes of the November 15, 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 project. He shared that the project is mostly finished with the exception of just a few small items yet to be completed. A final payment meeting is pending.

B. College & Career Center Update

Mr. DeBruyn provided an update on the College and Career Center. He stated that the College & Career Center opened to students the first week in December. Students are making good use of the space and are enjoying working, using the small group rooms, and eating in the space. There are a few minor construction items that are still being worked on and the water wall was delivered and will be installed soon.

C. Budget Report

1. Finance Committee Meeting Minutes – December 14, 2018

Mr. DeBruyn presented the minutes of the December 14, 2018 Finance Committee meeting. The Board noted that the Committee received updates on its 2018-2019 goals, reviewed the November financials in detail, as well as the November management report. The Committee also discussed at length the various costs associated with students choosing the post-secondary enrollment option (PSEO) off campus. In addition, the Committee reviewed the draft proposed Friends of Spectrum, Inc. Articles of Incorporation and Bylaws, as well as received an update on the analysis that is being conducted regarding to teacher pay. Lastly, the Committee reviewed the credentials of Annalise Marberg as a potential additional member and recommends approval by the Board.

Mr. DeBruyn reported that a Manual Checks Report will be added to the monthly financials to help note where and why there may be gaps in check sequencing, which is due to the use of manual checks being written and the way they are able to be coded into Skyward.

Mr. DeBruyn then went on to share the results of the analysis that has been done regarding teacher pay. He stated that the Big Lake school district is most similar to Spectrum in terms of size, although even they are 4.5 times larger. When compared, on average, Spectrum's teacher pay is 92% of Big Lake's; however, there is a range of 70% up to 114% when compared individually by teacher. The initial goal of the analysis is address anomalies within teacher pay across the school – meaning those who fall below a certain pay range when compared to others within the school. After the comparison, the goal will be to ensure all Spectrum teachers are paid no lower than 90% of the Big Lake district up to \$60,000 annually. Through the analysis, 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 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. Mr. DeBruyn stated that the next step in the process is to develop an overall salary matrix to identify starting salaries for teachers being hired at Spectrum. He will be contacting all teachers in January on an individual basis to inform them of how their salary compares to Big Lake, and if needed, how their salary will increase.

Following discussion, on a motion duly made and seconded, Kemnitz/Gangl, the Spectrum High School Board of Directors unanimously accepted the December 14, 2018 Finance Committee meeting minutes as presented.

2. November Financials

Mr. DeBruyn presented the Executive Summary of the November 2018 financials. He noted that the 2018-2019 working budget projects an annual deficit (expenditures to exceed revenues) in all funds in the amount of \$75,442. The School is currently budgeting 740 Average Daily Membership (ADM) and the actual ADM as of December 1st was 744, which includes the 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 39.4% of expenditures spent year to date, compared to 41.7% of the fiscal year completed.

Mr. DeBruyn went on to state that 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 \$301,499, represents funds that have been paid for by the School on behalf of the Building Company. This amount is due to a payment being made to the School's contractor and architect in November for the College and Career Center construction project.

The State holdback for 2018-2019 fiscal year is estimated to be a receivable of \$757,052 and 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 the Minnesota Department of Education.

Finally, Mr. DeBruyn shared, on the Statement of Revenues and Expenditures, the following is worth noting:

- There is another round of the expansion grant that continues into FY19, which resulted in an additional revenue and expense of \$225,000 and has no impact on the annual surplus.
- The REAP grant was carried over from the previous year, which resulted in additional revenues and expenditures of over \$50,000 and has 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 construction started 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 the year. There was a \$135,515 payment made for PSEO classes taken by students attending other colleges and/or universities. The current budgeted amount was \$150,000. As a result, \$125,000 is being added to this line item as a budget adjustment in anticipation of costs for second semester.

Mr. DeBruyn also shared that the FY19 Lease Aid Application had not yet been filed as the construction on the 7/8 building needed to be finalized. Otherwise, the overall budget is on target. December financials may show a deficit due to the unforeseen increase in PSEO costs that are over budget.

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

3. November Management Report

The Board reviewed the November Management Report.

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

4. Friends of Spectrum, Inc. (FoSI) Articles of Incorporation and Bylaws

Mr. DeBruyn shared the draft Articles of Incorporation (AoI) and Bylaws with the Board. He stated that the AoI are straightforward and reference the Bylaws, as is best practice. He went on to share that the Spectrum Board has control over the FoSI entity as it is required to approve the majority of the Board members. Ideally, at the January meeting of the Spectrum Board, a slate of three to seven individuals will be put forward for consideration of approval. Once the members have been seated on the FoSI Board, they will begin to meet and develop policies and procedures to govern the organization and its interactions with Spectrum. The policies and procedures will determine how money is generated, allocated, and spent. During the months of February through June will be the time when the organization gets up and running. Then, beginning in July, implementation will take place, including educating all groups about fundraising, where and to whom (the FoSI organization) checks should be written, etc.

Following discussion, *on a motion duly made and seconded, Sepulveda/Gangl, the Spectrum Board of Directors unanimously approved the Friends of Spectrum, Inc. Articles of Incorporation and Bylaws as presented.*

5. Appointment of Additional Finance Committee Member, Annalise Marberg

The Board reviewed Annalise Marberg's bio. They noted that she has had 12 years of consulting experience working within the financial industry through development of processes and controls for compliance, data management, customer service, and wholesale business products.

Following discussion, *on a motion duly made and seconded, Kemnitz/Gangl, the Spectrum Board of Directors unanimously approved adding Annalise Marberg to the Finance Committee.*

D. Executive Director's Report

Mr. DeBruyn presented the Executive Director report for the month of December. He noted that, in addition to items detailed in the report, in the area of Marketing, the school is feeling good about the turnout and interest in the Information and Tour nights. He shared that interest and attendance tend to be greater at the ones held toward the end of January.

Mr. Gangl suggested that, in addition to the CaSH program, the school consider highlighting the athletic and other extracurricular opportunities as a marketing strategy – as Spectrum is a great opportunity for students looking for quality extracurricular activities in a setting where there opportunity to participate at a high level may be greater.

Mr. DeBruyn went on to share that the City of Elk River has approved putting up an ice rink at Spectrum's Athletic Complex. Spectrum is continuing to negotiate on payment for boards. This will require additional investment on Spectrum's part as well – in terms of parking and lighting. In addition to increasing exposure to the community and meeting the need for a rink on the east side of 169, the rink could lead to potential extracurricular opportunities for Spectrum students in the future.

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

E. Committee Reports

1. School Improvement Team/World's Best Workforce Committee – December 7, 2018

The Board reviewed the minutes of the December 7, 2018 SIT/WBWF Committee meeting. It was noted that the Committee is in the process of updating the Strategic Plan 2019 with FY18 outcomes, as well as to make suggestions for change to the plan. Mr. Sepulveda commented that he has learned a tremendous amount about the school participating on this committee and highly recommends it for any incoming board members.

Following discussion, on a motion duly made and seconded, Gangl/Kemnitz, the Spectrum Board of Directors unanimously accepted the December 7, 2018 SIT/WBWF Committee minutes as presented.

2. Board Development Team – November 29, 2018

The Board reviewed the November 29, 2018 meeting minutes. It was noted that the Team met to review a list of potential candidates for the upcoming election. Both Mr. Lucas and Mr. Gangl have chosen to run again as incumbent candidates in the upcoming election. The Board also discussed the need to discern composition as membership rolls change from that of a parent to community member once their students graduate.

Following discussion, on a motion duly made and seconded, Kemnitz/Sepulveda, the Spectrum Board of Directors unanimously accepted the November 29, 2018 Board Development Team minutes as presented.

IX. Old Business

None.

X. New Business

A. MCAA Conference Update

Mr. DeBruyn shared that the MCAA will be changing the term Christian in their name and will now be known as the Minnesota Classic Athletic Association. Spectrum will remain as a part of this conference unless another opportunity presents itself. Mr. Peterson has been working diligently at getting Spectrum the best outlook for sports as possible. He shared that there are many factors at play in conferences choosing which schools they will allow to join.

B. FY19 Student/Family Handbook Change – Scheduled Late Arrival/Early Release and Senior Release Updates

Mr. DeBruyn shared the proposed changes to the handbook as it relates to the attendance policy to better reflect an 8-period day versus a block day with tardies and absences.

Following discussion, on a motion duly made and seconded, Gangl/Sepulveda, the Spectrum Board unanimously approved the FY19 Student/Family Handbook changes to Scheduled Late Arrival/Early Release and Senior Release as presented.

C. FY19 Student/Family Handbook Change – Graduation Requirements Update

Mr. DeBruyn shared that there isn't any change or adjustment to the credit requirements; simply, a moving of a course to a different requirement area. The Linear Algebra requirement will be moved to the beginning of the FY20 school year.

Following discussion, on a motion duly made and seconded, Gangl/Sepulveda, the Spectrum Board unanimously approved the FY19 Student/Family Handbook changes to the Graduation Requirements as presented.

D. FY19 Student/Family Handbook Change – Post-Secondary Enrollment Option (PSEO) Off Campus Course Dropping

Mr. DeBruyn noted that Spectrum has become aware of numerous students dropping PSEO courses during the semester. This is quite concerning as it often puts those students at risk for not graduating due to low credits and parents and the school are not notified in a timely manner. It also causes students to fall below full-time status, which is a Spectrum requirement. After researching what a number of other school districts have done to address these concerns, and put practices in place to support student success, Spectrum is proposing that students work carefully with the college counselors to consider and register for a reasonable schedule of classes they intend to complete. Administration and the Spectrum counseling staff are recommending that, beginning January 2, students who drop a PSEO class after the add/drop date for that college receive an "F" for the course on their high school transcript – regardless of whether the college considers it as a withdrawal (W) on the college transcript. If a student does drop a class prior to the add/drop deadline, they will need to add a class if needed to fill a full time schedule.

Following discussion, on a motion duly made and seconded, Gangl/Sepulveda, the Spectrum Board of Directors unanimously approved the language change regarding Post-Secondary Enrollment Option (PSEO) Off Campus Course Dropping language as presented.

XI. Charter School Updates & Training

A. January 10-11, 2019 VOA-MN Network Annual Conference

Mr. DeBruyn shared the agenda for the January 10-11, 2019 VOA-MN Network Annual Conference, which will take place at the Holiday Inn hotel in Otsego, MN. Mr. DeBruyn and Mr. Sepulveda will attend the conference from Spectrum and Mr. DeBruyn will be presenting on Service Learning. Thank you, Bert!

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 – January 24, 2019
 - None

XIV. Adjournment

On a motion duly made and seconded, Sepulveda/Gangl, the Spectrum Board of Directors unanimously adjourned the meeting at 7:00 p.m.



Board Secretary Certification, Jessica Kemnitz