



Spectrum Board of Director’s Meeting Minutes

Date: February 28, 2019
Scheduled Time: 5:30 p.m.
Attendance:

Name/Position	Monthly Attendance											
	J	A	S	O	N	D	J	F	M	A	M	J
Chair Dave Lucas	P	P	A	P	P	A	P	P				
Vice Chair Tom Sagstetter	P	P	P	P	P	P	P	P				
Secretary Jessica Kemnitz	P	A	P	P	P	P	P	P				
Treasurer Kathy Reed	P	A	P	P	P	A	P	A				
Member Rob Bergfalk	P	A	P	P	A	A	P	P				
Member Scott Gangl	A	P	P	P	P	P	P	P				
Member Bert Sepulveda	P	P	P	A	P	P	P	P				
Exec. Director Dan DeBruyn	P	A	P	P	P	P	P	P				
Finance Adviser Nick Taintor	A	P	A	P	P	A	A	A				
Exec. Admin. Dawn Sorenson	P	P	P	P	P	A	P	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, Sepulveda/Sagstetter, the Spectrum High School Board of Directors unanimously approved the February 28, 2019 meeting agenda as presented.

V. Consent Agenda

A. Interim Financial Transactions – None

B. Important Documents and Policies

- CSP Grant Monitoring Update
- FY20 Enrollment Lottery Results

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

C. Spectrum Board Meeting Minutes – January 24, 2019

On a motion duly made and seconded, Sagstetter/Bergfalk, the Spectrum Board of Directors unanimously approved the minutes of the January 24, 2019 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. He shared that the School is still waiting on finalizing the project as there are still outstanding items needing to be addressed. There are three rooms on the southwest corner of the building having HVAC issues that must be resolved as some rooms are too warm and others too cold. He stated that this is due to the zone heating/cooling system that was installed. He went on to state that he doesn't anticipate finalizing the project before May as the School is also waiting on making sure that the grass seed that was spread on the adjacent field last fall will grow in this spring.

B. College & Career Center Update

Mr. DeBruyn presented a very brief update on the College & Career Center. He stated that the space is mostly finished with just a few remaining items such as signage and completion of the vending area. He went on to share that the students continue to enjoy the space, and that the space has proven to be very versatile for hosting various school presentations and meetings.

C. Budget Report

1. Finance Committee Meeting Minutes – February 22, 2019

Mr. DeBruyn presented the February 22, 2019 Finance Committee meeting minutes. He shared that the Committee reviewed in detail the January financials, as well as the Management Report, Contracted Services, and Food Services reports. The Committee is recommending approval of the January financials and Management Report as presented. In addition, the Committee reviewed the revised FY19 Long Range Budget, a draft of the Flex Time Donation Policy that the Board will be discussing later on the agenda, as well as the proposed Cash Management Procedures. The Cash Management Procedures do not require Board approval as they are in line with the School's current Finance Policy, but are being brought to the Board for information purposes should the Board choose to move forward with the opening of a Charles Schwab investment account, for which the Committee is recommending approval.

Following discussion, on a motion duly made and seconded, Bergfalk/Kemnitz, the Spectrum High School Board of Directors unanimously accepted the February 22, 2019 Finance Committee meeting minutes as presented.

2. February Financials

Mr. DeBruyn presented the Executive Summary report of the January Financials, which are currently projecting an annual deficit (expenditures to exceed revenues) in all funds in the amount of \$75,442. This is mostly due to construction funds that were allocated in FY18 but not spent until FY19, in addition to the unforeseen increased cost for the PSEO program, as well as the hit to budget for snow removal. Mr. DeBruyn shared that the Board will be considering an adjustment of other line items within the budget as part of the midyear revised budget later on in the agenda.

Mr. DeBruyn then shared in detail regarding school enrollment for FY19 from a budget perspective. He noted that the FY19 budget was based originally on an Average Daily Membership (ADM) of 740 and it is anticipated that the School will end the year at 735 ADM. He then went on to state that enrollment fluctuates throughout the school year, but is most fluid at semester break. He reiterated that opportunities have been identified within the budget to reallocate funds between budget lines, which will mitigate the loss in enrollment. The strategy moving forward for the FY20 school year will be to overenroll in greater numbers, where available, which will assist the School in dealing with fluctuating enrollments.

Mr. DeBruyn shared that all of the necessary paperwork has been submitted to MDE for lease aid reimbursement and is anticipating receiving the retroactive payment, back to July 1, no later than March 15th.

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 \$228,347, 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 also shared that the State holdback for 2018-2019 fiscal year is estimated to be a receivable of \$1,037,305 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 once approved by the Minnesota Department of Education. The remaining holdback amount will be paid back to the School in fiscal year 2020.

Finally, Mr. DeBruyn reported on the Statement of Revenue and Expenditures. He shared that the report shows the original approved budget, 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. Contracted services are also high due to excessive snow plowing expenses.

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

3. January Management Report

The Board reviewed the January Management Report.

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

4. FY19 Revised Budget

Mr. DeBruyn presented the midyear revised budget for consideration of approval. He shared that Mr. Taintor presented the changes within the Statement of Revenue and Expenditures, and called attention to the notations made as to why the adjustments were being recommended. Mr. DeBruyn reiterated some of the budget items already discussed within the meeting; namely, the decrease in enrollment, the higher than budgeted costs for the PSEO program, as well as the higher than budgeted amount for snow removal. Finally, he shared that although there is deficit spending of \$78,098 being projected, the amount is lower than what had been originally anticipated earlier in the year and allows the Board to remain well within the budgeted fund balance.

Following discussion, on a motion duly made and seconded, Sepulveda/Bergfalk, the Spectrum Board of Directors unanimously approved the revised FY19 budget as presented.

5. Opening of Charles Schwab Account

Mr. DeBruyn presented the Charles Schwab account information for consideration of approval by the Board. He noted that the Finance Committee reviewed the information in detail and is recommending approval by the Board. Mr. Sagstetter inquired about whether the School's calculation of days cash on hand would be affected, which is a known key component for S&P when calculating the bond rating. Mr. DeBruyn shared that the investments in treasury bills remain fluid and therefore would not be counted against the School's calculation of days cash on hand.

Following discussion, on a motion duly made and seconded, Gangl/Bergfalk, the Spectrum Board of Directors unanimously approved opening a Charles Schwab account for the purpose of utilizing treasury bills as an investment instrument for the School.

D. Executive Director's Report

Mr. DeBruyn presented the Executive Director Report for the month of February. He shared that the number of applications for the 2019-2020 is now closer to 217. The enrollment goal for FY20 is around 780, but will budget at 775. He went on to share that administration is debating on whether to add an additional section of 9th 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.

Ms. Kemnitz inquired about the C@SH (College @ Spectrum High) information meeting that was recently held and whether or not it may affect the numbers of students choosing to enroll as full time

PSEO students. Mr. DeBruyn shared that he felt the meeting went very well and hopefully will encourage students to remain on Spectrum’s campus. In addition, he shared that Spectrum is looking at ways it may increase the number of elective courses offered that will satisfy one of the 8 goal areas required to complete the requirements of the Minnesota Transfer Curriculum or Associate of Arts degree. He shared that each institution determines what goal area their respective course satisfies and that it is different for each college and/or university, which requires Spectrum to remain strategic and creative in finding courses to satisfy each of the goal areas.

Mr. DeBruyn shared that the Volunteers of America yearly site visit is scheduled to take place on Monday, March 4. 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.

Mr. DeBruyn also shared that all of the teaching faculty salary adjustment information has now been disseminated and the comparable wage adjustments for this school year will take place on the March 15 paycheck.

Finally, Mr. DeBruyn shared with the Board his plans for vacation. He’ll be gone from March 7-19; however, has put in place all of the necessary coverage needs in his absence.

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

E. Committee Reports

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

None.

IX. Old Business

None.

X. New Business

A. Proposed Student Make-up Days – FY19

Mr. DeBruyn shared the proposed changes to the FY19 school calendar to make up 2 of the 6 student contact days missed due to weather closures. He stated that currently the dates of Monday, March 18 and Friday, April 19 are slated as non-student professional development days. However, due to the number of days that have been missed already this school year, it is being proposed that these two dates be converted to student contact days. Staff were given opportunity to provide feedback on the proposal a he shared that he did receive one message of concern from a staff member regarding the Friday, April 19th date as it is Good Friday.

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

B. Proposed Draft Flex Time Donation Policy

Mr. DeBruyn presented the draft Flex Time Donation Policy for the Board’s discussion. He shared that the contracted human resources firm with whom the School works provided the template used in drafting the policy; however, is not in favor of implementing such a policy for a variety of legal reasons. He is aware that there are places of employment and other school districts who do something similar in an effort to balance compassion while at the same time mitigating risk for the School. The Board discussed at length the draft policy with various members of the Board sharing the policy/procedures in place at

their respective places of employment around this very same topic. Mr. DeBruyn recorded the various suggestions and will take them under advisement in determining next steps as to whether or not to recommend implementation of such a practice at Spectrum. Mr. DeBruyn will keep the Board apprised as information becomes available.

C. Marketing Proposal

Mr. DeBruyn presented the marketing firm proposal received from Captivate Media & Consulting. In addition to #SocialSchool4EDU, who has been retained to handle the School's social media content. Mr. DeBruyn reported that the overall marketing strategy is to hire an outside marketing firm to help more clearly identify and market the unique programs at each of our facilities. Mr. DeBruyn pointed out in the proposal that there are three different cost options stated; however, he doesn't anticipate the cost being greater than what is stated and therefore is hoping to receive a "not to exceed" amount from the Board as a means of providing maximum flexibility in these important marketing efforts.

Following discussion, on a motion duly made and seconded, Gangl/Sepulveda, the Spectrum Board unanimously approved a not to exceed amount of \$15,000 to be spent on the services of Captivate Media + Consulting.

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. My 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 – March 28, 2019

- Friends of Spectrum, Inc. Slate of Board Member Candidates

XIV. Adjournment

On a motion duly made and seconded, Sagstetter/Sepulveda, the Spectrum Board of Directors unanimously adjourned the meeting at 7:03 p.m.



Board Secretary Certification, Jessica Kemnitz