

Spectrum School Board Minutes

Date: June 18, 2015

Scheduled Time: 5:30 p.m.

Attendance:

Position	Committee Member	Arrive	Depart
Chair	Dave Lucas	Present	
Vice-Chair	Tom Sagstetter	Present	
Secretary	Kerry Jerred	Present	
Treasurer	Jeff Uecker	Present – 5:35 p.m.	
Member	Jessica Kemnitz	Present	
Member	Robin Schelske	Present	6:55 p.m. – returned at 7:20 p.m.
Member	Tony Brunt	Present	
Ex-Officio	Vanessta Spark	Present	
Ex-Officio	Nick Taintor, BKDA	Present	7:30 p.m.
Advisor	Rick Peterson	Absent	
Staff Member	Dawn Sorenson	Present	
Guest	Derek D. Villars, BLWM	Present	6:10 p.m.

1. Meeting called to order with a quorum present at: 5:30 p.m.
2. Reading of Mission and Vision Statement
3. Conflict of Interest
None
4. Consent Agenda
 - Agenda
 - Interim Financial Transaction
 - School Contribution Increase from \$350 to \$375 for Employee Insurance
 - May 14, 2015 Regular Board Meeting minutes
 - May 22, 2015 Special Board Meeting minutes

Following discussion, *on a motion duly made and seconded, Brunt/Sagstetter the Spectrum High School Board of Directors unanimously approved the agenda, the School Contribution Increase for Employee Insurance, the May 14, 2015 regular Board of Directors meeting minutes, and the Special Board of Directors meeting minutes of May 22, 2015 as presented.*

5. Public Input
 - None
6. Spectrum Student Input
 - None

7. Executive Director Retirement Benefits

Ms. Spark presented the retirement benefits proposal that was drafted with the assistance of Jenny Wiederholt-Pine of Onyx Benefit Advisors, LLC and Derek D. Villars, of Boulevard Life Cycle Wealth Management, whose services were solicited on behalf of Jenny Widerholt-Pine. Ms. Spark noted, and Mr. Villars confirmed, the lack of precedence for charter school Executive Director's retirement because so few have retired to date. Ms. Spark stated that currently, her anticipated date of retirement is June 30, 2017. She presented the proposal in detail, noting that the proposal includes back compensation for unused Flex Time which she was never able to use due to the extreme demands of the position in setting up the school. The proposed package includes a payout over a 4 year period of time as it would be most beneficial for the school, and Mr. Taintor confirmed that the school is in an excellent financial position to handle the proposal.

Following the detailed presentation, Mr. Villars offered that the Board could look at the proposal as a tool for recruiting the right candidate for the future Executive Director. In addition, he further offered that by offering the School to cover the cost of the health, dental, etc. insurance premiums from date of retirement to medical retirement age is a good-will gesture on the part of the school to thank Ms. Spark for the years of service and self-sacrifice she provided for the school. Mr. Sagstetter stated, although he feels that the proposal seems rather sparse, he would like to have retirement information from other schools as a means to compare as well as defend Spectrum's proposal.

Following discussion, *on a motion duly made and seconded, Schelske/Sagstetter, the Spectrum High School Board of Directors unanimously approved the proposed retirement package for Ms. Spark contingent upon documentation from two other traditional public schools who offer something similar.*

Research will be conducted and supporting information will be presented at the July Board of Directors meeting for final approval of the retirement proposal.

8. Employee Recognition

- Ms. Spark read a letter of appreciation written on behalf of Spectrum teacher employee and Board member Jessica Kemnitz. Ms. Spark thanked her for her dedication to the students, as well as her service on the Spectrum High School Board of Directors. She noted that Jessica is always a team player and willing to assist and help whenever and wherever she can, which is very much appreciated. Spectrum is very fortunate to have such a teacher and dedicated Board member at its school. Thank you, Jessica!

9. Old Business

9.1 Facilities Update

In Mr. Peterson's absence, Ms. Spark presented the Facilities Report as prepared by Mr. Peterson. She noted that the Board has authorized the school to spend down the School Improvement Fund to \$1,000,000 and so those monies are being spent on several different improvement projects over the summer.

Mr. Lucas went on to note that now that the building projects have been completed, and the School is in more of a maintenance mode, the Facilities Update will be removed from Old Business on the agenda. Mr. Lucas stated that any type of facility update can be captured in the Executive Director's report moving forward.

Following discussion, *on a motion duly made and seconded, Sagstetter/Brunt, the Spectrum High School Board of Directors unanimously accepted the Facilities Update Report as presented.*

10. Budget Report

10.1 Finance Committee Minutes

Mr. Uecker presented the Finance Committee meeting minutes of June 12, 2015. He noted that the Committee reviewed the recent check writing incident that resulted in 70 checks being written with Spectrum High School on the check but was accidentally printed with the wrong account number which made the checks null and void. Several vendors were upset; however, Ms. Jorris has been working diligently with them to make sure that any fees incurred as a result are covered, as well as to ensure them that this wasn't the fault of Spectrum. Mr. Uecker stated that the check writing company has been extremely apologetic and is working to cover all of the fees, as well as to compensate Spectrum for Ms. Jorris' time due to their error. Mr. Uecker stated that he anticipates a favorable resolution to the situation, but will be more comfortable once all of the fees incurred, etc., have been covered by the check writing company.

Mr. Uecker went on to note that the Committee reviewed the financials for the months of April and May, and that the Committee recommends approval. He then went on to note that the Finance Committee reviewed the audit proposal submitted by Redpath and Company. He reported that the School is into year three of a three year proposal, which included a 2.5% increase in cost that had been spelled out in the proposal received back in 2013. He shared that the Committee agreed that a bid process should be discussed in February/March of 2016 for the next several years. Finally, he stated that the proposal, as written, is acceptable on the part of the Committee, and the Committee recommends approval.

Mr. Uecker stated that the Committee conducted a yearly review of the various insurance policies held by the School. Mr. Krane from RJ Ahman provided an overview of the various policies, noting that there was an increase of \$16,000 in premiums for workers compensation due to the high claims experience from the previous year. The Committee did inquire with Mr. Krane as to whether there would be any possible reduction, for which Mr. Krane was able to do a side by side comparison on coverages from various companies and was able to get the amount reduced to \$8,000. Mr. Uecker reported that Mr. Krane shared that the premiums for the overall package, commercial auto and umbrella stayed virtually the same or decreased in terms of cost. Mr. Uecker stated that the proposal from Hanover includes some coverage from E&O/EPLI. Mr. Krane is going to go back and do some research to see if this particular coverage could replace the separate policy currently in place through Darwin National Assurance.

The Board then reviewed an email message that was received from Mr. Krane which outlined the coverage proposals from Hanover vs Darwin.

Following discussion, *on a motion duly made and seconded, Schelske/Kemnitz, the Spectrum High School Board of Directors unanimously approved Hanover Insurance Company as the School's provider of the insurance package, which includes umbrella, auto, excess, WC(SFM) and E&O/EPLI, and to terminate the Darwin policy due to duplication of coverages.*

Finally, Mr. Uecker reported that the Committee looked briefly at the Amended Financial Policy, and reported that it is being moved forward for the Board's consideration and input as the Committee themselves could not come to consensus on wording.

Following discussion, *on a motion duly made and seconded, Schelske/Brunt, the Spectrum High School Board of Directors unanimously accepted the June 12, 2015 Finance Committee meeting minutes as presented.*

10.2 Redpath and Company Audit Proposal Contract
The Board discussed the proposed contract.

Following discussion, *on a motion duly made and seconded, Kemnitz/Brunt, the Spectrum High School Board of Directors unanimously approved the Redpath and Company audit proposal for the 14-15 school year as presented.*

10.3 Proposed Amended Financial Policy

The Board discussed at length the wording of the Financial Policy and how it should be stated so that it protects the interests of the school, but at the same time doesn't micromanage the Executive Director. Following discussion, the Board proposed the following wording: Section 4. Fund Balance Requirements, second paragraph will now read, "It will be the policy of Spectrum High School to achieve a 25% general fund unreserved fund balance as a percentage of yearly general fund expenditures." Section 4. Fund Balance Requirements, third paragraph will now read, "Excess annual year-end budget surpluses will not be allocated in the following year budgets until the target fund balance is achieved, unless specifically directed by the Board of Directors, with the exception of fundraising accounts for various school activities."

Section 5. Budgets, first paragraph will now read, "The Spectrum High School Board of Directors shall set a budget for the next fiscal year no later than the current fiscal year end. The budget shall attempt to estimate the enrollment of the school and the costs required to teach the students at that enrollment level. The Board will review and approve the salary budget category for staff by using Full Time Equivalents (FTEs) as a guide to determine the total amount of the salary budget category. It is within the purview of the Executive Director to allocate the FTEs as needed so long as the total dollar amount doesn't exceed the Board approved salary budget category."

Section 6. Expenditure Process. Letter B will now read, "The Executive Director has the spending authority to spend up to the amounts approved on the latest approved budget by the Board of Directors." Letter C will now read, "The Spectrum High School Board of Directors must be notified by the next available regular Board meeting when projected spending on any individual line of the budget exceeds 10% of the existing budget line or \$20,000 above existing budget line, whichever is less." Letter D will now read, "The Spectrum High School Board of Directors may authorize the school's Executive Director to pay recurring, fixed expense such as rent payments or payroll. Contracts for recurring expenses in excess of \$20,000 need Board approval prior to execution."

Section 9, Non-Sufficient Funds and Student Activity Purchases will now read, "In the event of a returned check (NSF, closed account, etc.) from a lending institution, the family account may receive at the discretion of the Executive Director or their designee a status change to CASH ONLY for the

remainder of the current school year. The family is responsible for paying any NSF fees that are incurred. Student activities and purchases may stop until cash is received to reconcile the account.”

Following discussion, *on a motion duly made and seconded, Sagstetter/Uecker, the Spectrum High School Board of Directors unanimously approved the Financial Policies and Procedures, #801, as amended.*

10.4 and 10.5 April and May, 2015 Financials

Mr. Taintor provided an overview of the Executive Summary on the School’s financials for the months of April and May, 2015. He noted that overall, the working budget projects revenues exceeding expenditures in all funds by \$157,190, and State revenues are budgeted on 605 students. Year to date, 88.5% of expenditures have been spent, and 91.7% and 100% of the way through the fiscal and school year, respectively.

Mr. Taintor went on to report that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2014. Due from the Building Company, in the amount of \$39,086, represents funds that have been paid for by the School on behalf of the Building Company. As funds become available from the Building Company, payments will be made to the School. The state holdback for 2014-2015 fiscal year is estimated to be a receivable of \$371,787 at the time of this report. The amount will be paid back during the fiscal year 2016.

Salaries and Wages Payable represents the proportion amount as of this reporting period owed to staff who receive a paycheck during the summer. This is an estimate as actual will be calculated on or near June 30th. Mr. Taintor reported that at the end of the reporting period, the following long term debt and other long term obligations were outstanding; however as of the end of October 2014, Spectrum had paid the full amount of principal payments owed on the FFE loan through June 2015. The rest of the debt owed will be paid in July/August 2015, which will end the obligation on this loan. The amount yet outstanding is \$99,717.

Following discussion, *on a motion duly made and seconded, Brunt/Jerred, the Spectrum High School Board of Directors unanimously approved the April and May, 2015 financials as presented.*

11. Directors Report:

11.1 DIRECTORS REPORT

Ms. Spark presented her June Director’s Report. She requested the Board’s direction on the following items for the Finance Committee: 1. An evaluation of the CaSH Program, 2. Budgeting Process and Timeline, as it is her desire that the at-will letters for the following year be ready and disseminated at the end of March, and 3. An analysis of Administrative Salaries and Benefits. The Board indicated its desire to have the Finance Committee work on the above-stated matters in conjunction with its ongoing work and oversight of the monthly financials.

Ms. Spark then went on to state that the IXL mathematics program that was implemented this past year as a tutorial for those students who did not meet proficiency on testing showed a 12% increase in student test scores, which was very favorable. Next year, though, some changes will be made in that all

students will need to first use the IXL program in school with the assistance of teacher instruction before the student is allowed to utilize the IXL program at home.

Ms. Spark also stated that she is looking at restructuring duties and responsibilities of several different administrative positions to better meet the needs of the School. As the number of employees has increased with the growth of the school, the duties and responsibilities associated with Human Resources alone has become a part-time position. She is looking at the possibility of creating a new marketing and HR position, and noted that it is possible that she'll be adding 1 FTE but in doing so, would still remain below the budget line. Mr. Uecker recommended that the Finance Committee look at the position and then bring it to the Board for the Board's consideration.

Finally, Ms. Spark noted that the decision has been made to cancel the Sting Swing Golf Classic as the event didn't generate the fund-raising income that had been hoped. Ideas for fundraising will continue to be explored.

Following discussion, on a motion duly made and seconded, Jerred/Kemnitz, the Spectrum High School Board of Directors unanimously accepted the June 2015 Director's Report as presented.

12. New Business

COMMITTEE REPORTS

- 12.1 Technology Committee

The Board reviewed the Technology Committee meeting minutes of May 27, 2015.

Following discussion, on a motion duly made and seconded, Brunt/Jerred, the Spectrum High School Board of Directors unanimously accepted the May 27, 2015 Technology Committee meeting minutes as presented.

- 12.2 School Improvement Team Committee

The Board reviewed the May 5, 2015 Committee meeting minutes.

Following discussion, on a motion duly made and seconded, Kemnitz/Sagstetter, the Spectrum High School Board of Directors unanimously accepted the May 5, 2015 School Improvement Team Committee minutes as presented.

12.3 Annual Organizational Meeting – Board Officer Elections

BOARD OFFICER ELECTIONS – all nominations were taken from the floor.

BOARD CHAIR: Board member Dave Lucas was nominated for the position of Board Chair. On a motion duly made and seconded, Sagstetter/Jerred, the Spectrum High School Board of Directors unanimously elected Dave Lucas to the position of Board Chair.

VICE CHAIR. Board member Tom Sagstetter was nominated for the position of Vice Chair. On a motion duly made and seconded, Kemnitz/Brunt, the Spectrum High School Board of Directors unanimously elected Tom Sagstetter to the position of Vice Chair.

SECRETARY: Board member Kerry Jerred was nominated for the position of Secretary. On a motion duly made and seconded, Lucas/Sagstetter, the Spectrum High School Board of Directors unanimously elected Kerry Jerred to the position of Secretary.

TREASURER: Board member Robin Schelske was nominated for the position of Treasurer. On a motion duly made and seconded, Uecker/Jerred, the Spectrum High School Board of Directors unanimously elected Robin Schelske to the position of Treasurer.

SET MEETING DATE: The Spectrum High School Board of Directors discussed and stated that the monthly Board meetings would move to the 4th Thursday of every month, beginning at 5:30 p.m.

12.4 Amended Confidentiality Agreement

At the April meeting of the Spectrum High School Board of Directors, it was requested that the Confidentiality Agreement that was originally drafted by the HR attorney at Synergy, and signed by Board members in March of 2015, be amended to reflect only non-public data is to be covered by the agreement. The amended agreement was presented to the Board as requested. Board members each signed the newly drafted document, and are on file at the School. The previously signed agreements will be shredded.

12.5 2014-2015 Safety Drill Reporting – 6th Grade Building

The Board reviewed the various safety drills that were conducted at the 6th Grade building during the 2014-2015 school year.

Following discussion, on a motion duly made and seconded, Brunt/Kemnitz, the Spectrum High School Board of Directors unanimously approved the 2014-2015 Safety Drill Reporting at the 6th Grade building as presented.

12.6 Amended Executive Director Performance Evaluation Policy, Procedure and Timeline

Ms. Jerred stated that she went through, in detail, the Executive Director Performance Evaluation Policy and Timeline and updated it to reflect the most current practice and corresponding dates.

In compliance with the respective timeline and as required, Mr. Lucas appointed the Board members who will serve on the 2015-2016 Executive Director Evaluation Committee. They are: Kerry Jerred, Dave Lucas, and Robin Schelske.

Following discussion, on a motion duly made and seconded, Schelske/Sagstetter, the Spectrum High School Board of Directors unanimously approved the amended Executive Director Performance Evaluation and Policy as presented.

12.7 2014-2015 Q-Comp Annual Report

The Board reviewed the 2014-2015 Q-Comp Annual Report.

Following discussion, on a motion duly made and seconded, Brunt/Sagstetter, the Spectrum High School Board of Directors unanimously approved the 2014-2015 Q-Comp Annual Report as presented.

12.8 Strategic Planning Update

Ms. Schelske reported that the School has been in contact with Jeanne Melancon regarding Strategic Planning. A contract for her services in assisting the School and Board with this process has been signed and the process is underway. A meeting will take place on July 23rd with Ms. Melancon, Ms. Schelske, Ms. Jerred, and Ms. Spark. More information will be available after that time. Mr. Uecker stated that a Succession Plan for the school, in his opinion, is more important and should be worked on first before the Strategic Plan. At the meeting in July, Ms. Melancon will be consulted with regard to having her help Succession Planning as well. More information will be disseminated as it becomes available.

12.9 2014-2015 VOA Governance Report

Ms. Spark and Ms. Sorenson presented the 2014-2015 VOA Governance Report. It was noted that the items originally marked "MET, WITH CONCERN" have all been now marked "MET" and a new report has been submitted to VOA.

Following brief discussion, *on a motion duly made and seconded, Schelske/Uecker, the Spectrum High School Board of Directors unanimously accepted the 2014-2015 VOA Governance Report as presented.*

12.10 Proposed 2015-2016 Executive Director Goals

The Board briefly discussed the proposed 2015-2016 Executive Director Goals that were presented. The goals will be finalized at the July Board meeting.

13. Charter School Updates and Training

None

14. Board Calendar – 2014-2015

The Board reviewed the final calendar of the 2014-2015 school year. No changes were noted.

On a motion duly made and seconded, Shelske/Kemnitz, the Spectrum High School Board of Directors unanimously approved the final 2014-2015 Board Calendar.

15. Board Goals 2014-2015 (Adopted September 18, 2014)

- By May, 2015, the percentage of students enrolled 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 from 42.5% to 44.5% in 2015. (Increase of 2 percentage points.)
- By the regularly scheduled Board meeting in January, 2015, develop a strategic marketing plan that maximizes enrollment capacity of 625 students.
- By the regularly scheduled Board meeting in June, 2015, develop a draft 5 year long range strategic plan, which aligns with the school's mission and vision. 3. By the regularly scheduled meeting in June, 2015, develop a draft 5 year long range strategic plan, which aligns with the school's mission and vision.

The Board will discuss and approve the 2015-2016 Board goals at its meeting in July, 2015.

16. Previously Tabled Items

- 16.1 Finance Committee Charter
Mr. Uecker presented the amended Finance Committee Charter per the direction of the Board at its meeting in May.

Following discussion, *on a motion duly made and seconded, Kemnitz/Brunt, the Spectrum High School Board of Directors unanimously approved the Finance Committee Charter as presented.*

17. Miscellaneous

- Mr. Uecker presented a list of accomplishments for the 2014-2015 Finance Committee, as well as examples of other charter schools who also have Finance Committee charters. Following, Mr. Uecker's presentation, Mr. Uecker resigned his position on the Spectrum High school Board of Directors. The Board and Ms. Spark thanked Mr. Uecker for his service on the Board and Finance Committee. The Board and administration will reach out to Spectrum's parent community and invite those interested in serving out Mr. Uecker's term to the July meeting of the Board.

18. Next Meeting Agenda Input

- Review of Standing Committees and Committee Assignments
- Board Training Workshop Date
- Executive Director and Board 2015-2016 Goals
- Executive Director Retirement Package Finalization

19. Adjournment

On a motion duly made and seconded, Sagstetter/Brunt, the Spectrum High School Board of Directors unanimously adjourned the meeting at 9:11 p.m.



Board Secretary Certification, Kerry Jerred