



Special Joint Spectrum High School (SHS) and Spectrum Building Company (SBC) Board Meeting

Date: February 13, 2017
Scheduled Time: 5:30 p.m.
Attendance:

Position	Name	Arrive	Depart
Chair (SHS and SBC)	Dave Lucas	Present	
Vice Chair (SHS and SBC)	Tom Sagstetter	Present	
Secretary (SHS)	Kathy Reed	Present	
Treasurer (SHS)	Paula Bernard	Present	
Member (SHS)	Kerry Jerred	Absent	
Member (SHS and SBC)	Scott Gangl	Present	
Member (SHS)	Jessica Kemnitz	Present	
Ex-Officio	Vanessta Spark	Present	
Financial Advisory	Nick Taintor, BKDA	Absent	
Staff	Dawn Sorenson	Present	
Incoming Executive Director	Dan DeBruyn	Present	
Director of Facilities (SBC)	Rick Peterson	Present	
SBC Board Member (SBC Secretary)	Tony Brunt	Absent	

I. Call To Order: 5:30 p.m.

II. Reading of Vision and Mission Statements

III. Conflict of Interest Check

Chair Lucas called for conflict of interest acknowledgement. None were noted.

IV. Board Agenda

On a motion duly made and seconded, Sagstetter/Bernard, the Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved the February 13, 2017 meeting agenda as presented.

V. Consent Agenda

- A. Interim Financial Transactions – None
- B. Important Documents and Policies
 - December 22, 2016 Special SBC Meeting Minutes
 - January 26, 2017 Special Joint SBC Meeting Minutes

On a motion duly made and seconded, Gangl/Sagstetter, the Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved the items on the Consent Agenda as presented.

VI. Employee Introduction & Recognition

None



VII. Public and Student Input

None

VIII. Old Business

None

CLOSED SESSION pursuant to Minnesota Statutes, section 13D.05, Subdivision 3(b)(3) to develop or consider offers for the purchase of real property.

On a motion duly made and seconded, Reed/Sagstetter, the Joint Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved moving into a closed session for the purpose to develop or consider offers for the purchase of real property.

MOVING OUT OF CLOSED SESSION: On a motion duly made and seconded, Sagstetter/Reed, the Joint Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved moving out of a closed session at 6:20 p.m. for the purpose of taking action on the items discussed within the closed session.

IX. Ongoing Business

A. Phase V Expansion Project Update

1. Purchase agreement for property at 17823 Industrial Circle NW, Elk River, MN

Following discussion, on a motion duly made and seconded, Reed/Kemnitz, the Joint Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved authorizing Spectrum Administration to negotiate, pursue, and offer to purchase the real property pursuant to the parameters established by the Boards of Directors.

X. New Business

A. Engagement Letter for Piper Jaffray, as investment banker and underwriter to tax exempt bonds.

Mr. DeBruyn shared with the Board that Standard and Poors has developed a new rating system under which bonds are now rated. He noted that the yearly review of Spectrum's bonds which took place last fall was under the old rating system and Spectrum's bonds were once again rated at a BBB-. In regards to the new rating system, it is unclear whether Spectrum would continue to receive a BBB- rating. Per the School's bond covenants, the School is not allowed to take on additional debt which could cause the current bonds to be downgraded if the new bond deal was rated lower than BBB-. As such, Mr. Nick Hagen from Piper Jaffray is recommending that the School consider going through an audit opinion process, which would not have an effect on the School's current bond rating, to see if the school would continue to qualify for a BBB- bond rating under the new system; however, the cost to do so is approximately \$20,000.

Mr. DeBruyn went on to state that another option before the Board is to wait until the yearly review of the school by Standard and Poors to see if under the new system the School will retain its BBB- rating. This option, though, would mean basically putting all forward motion on the Phase V expansion on hold until after the bond rating next fall.

Mr. DeBruyn reminded the Board that the approximate \$20,000 fee proposed for the audit opinion is not in the budget and therefore would be deducted from the School's fund balance.

Following an at-length discussion, on a motion duly made and seconded, Ganq/Bernard, the Joint Spectrum Building Company and Spectrum High School Boards of Directors unanimously approved the authorization of Spectrum Administration to proceed with obtaining an opinion for Standard and Poors at a fee not to exceed \$25,000.

The Boards requested that the Engagement Letter from Piper Jaffray be presented for the consideration of approval at the February 23, 2017.

XI. Charter School Updates & Training

None

XII. Board Goals 2016-2017 (approved by the Board on July 28, 2016)

- A. By May 2017, the percentage of students enrolled on October 1 in grades 6-12 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 from 62.7% to 64.7%.
- B. By January 2017, will assist the school in securing an event planner and a fall 2017 date, as well as form a committee to help plan and execute the 3rd Annual Spectrum High School Golf Extravaganza.
- C. By January 2017, update the current process and procedure for holding school board elections with the consideration of moving to an on-line electronic voting procedure.

XIII. 2016-2017 Board Calendar and Next Meeting Agenda Input

- A. Board Calendar
- B. Next Meeting Agenda Input

XIV. Miscellaneous

None

XV. Adjournment

On a motion duly made and seconded, Sagstetter/Bernard, the Spectrum High School and Spectrum Building Company Boards unanimously adjourned the meeting at 6:30 p.m.

