



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

Date: March 23, 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	Absent	
Treasurer (SHS)	Paula Bernard	Absent	
Member (SHS)	Kerry Jerred	Present	
Member (SHS and SBC)	Scott Gangl	Present	
Member (SHS)	Jessica Kemnitz	Present	
Ex-Officio	Vanessta Spark	Absent	
Financial Advisory	Nick Taintor, BKDA	Present	7:00 p.m.
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	
Guest	Nancy Moe	Present	5:45 p.m.

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 noted.

IV. Board Agenda

On a motion duly made and seconded, Kemnitz/Sagstetter, Spectrum High School Board of Directors unanimously approved the March 23, 2017 meeting agenda as presented.

V. Consent Agenda

- A. Interim Financial Transactions – None
- B. Important Documents and Policies
 - Bus Transportation Policy
 - Minnesota Public Fee Policy
 - VOA Governance Site Visit Report – February 23, 2017

Following discussion, On a motion duly made and seconded, Sagstetter/Gangl, the Spectrum High School Board of Directors unanimously approved the amended policies and VOA Governance Site Visit Report as presented.

VI. Employee Introduction & Recognition

Mr. DeBruyn read a letter of thanks and gratitude to Ms. Nancy Moe for her dedication and service to Spectrum High School in the area of Special Education at the 6th Grade Building.

VII. Public and Student Input

None

VIII. Old Business

None

RECESS Chair Lucas called for a motion to temporarily recess the Spectrum High School Board of Directors Meeting.

On a motion duly made and seconded, Saqstetter/Kemnitz, the Spectrum High School Board of Directors unanimously moved to recess the meeting.

CONVENE Special Joint Spectrum Building Company and Spectrum High School Board of Directors meeting. Chair Lucas called the meeting to order at 6:15 p.m.

IX. Ongoing Business

A. Phase V Expansion Project Update

1. Purchase Agreement for property located at 17823 Industrial Circle NW, Elk River – overview.

Mr. DeBruyn provided the Board with an in-depth update on the status of the expansion project. Mr. Peterson reported that the Conditional Use Permit information has been submitted to the City for the Elk River City Planning Commission meeting, which is scheduled for Tuesday, March 28th. Both Mr. Peterson and Mr. DeBruyn shared that the overall feeling coming from City Staff is positive. The City Council meeting is slated for a date in April and they make the final decision.

Then Mr. DeBruyn went on to provide the Board with a thorough update on the status of the bonding process with Standard and Poors. He shared that the School went through the review process with S&P's new rating criteria and heard last Friday that our current bonds will remain rated at a BBB-, which was excellent news. However, on Monday, we learned that, if the School were to pursue the new bond deal, taking on additional debt, the new bonds would be rated at a BB+ which would downgrade our current bonds and, according to the current bond covenants, the School is not able to take on additional debt that would downgrade these bonds. So, we have been told that bonding, for now, is not an option that the School may pursue.

Mr. DeBruyn shared that he inquired about the possibility of using non-rated bonds; however, the complication with non-rated bonds is that in order to do so, the current bonds would all need to be paid off first. Piper Jaffray has indicated that this would be cost prohibitive and therefore is also not an option for the School at this time.

The next option to consider is using a third party, similar to what the School did when it utilized Charter School Property Solutions to build out the current high school building; however,

utilizing a different third party than CSPS. Mr. DeBruyn shared that Craig Kepler, the School's legal council, is checking with Charter School Development Corporation (CSDC) to see if they would be interested in taking on the project. There is a cost to doing so; however, Mr. Taintor shared that when considering the fees associated with the bonding process and the debt service requirements that must be maintained, the cost of the third party option may not be as expensive as first thought.

The last option to be considered is the possibility of approaching the owner of the building to see if he would consider doing the build-out for the School.

Mr. DeBruyn will keep the Board abreast of the various options available and will continue to provide information to the Board for their consideration as information becomes available.

Mr. DeBruyn then went on to present the purchase agreement for property at 17823 Industrial Circle NW, Elk River, MN, which was included in the meeting packet as a point of reference.

2. Amended Lease Agreement

Mr. DeBruyn presented the Amended Lease Agreement, which is an addendum to the above-mentioned purchase agreement. Mr. DeBruyn shared that the School's legal council recommended approval by the Board as the changes made were significant and therefore in need of Board approval.

Following an in-depth discussion, *on a motion duly made and seconded, Kemnitz/Gangl, the Spectrum Building Company and Spectrum High School joint Boards of Directors unanimously approved the Amended Lease Agreement to the purchase agreement for the property located at 17823 Industrial Circle NW, Elk River, as presented.*

- B. Special Joint SBC and SHS Board Meeting Minutes – February 23, 2017
On a motion duly made and seconded, Sagstetter/Gangl, the Spectrum High School Board of Directors unanimously approved the Special Joint SBC and SHS Board Meeting Minutes from February 23, 2017 as presented.

ADJOURN having no further business before the joint Spectrum Building Company and Spectrum High School Boards of Directors, Chair Lucas called for a motion to adjourn the joint meeting.

On a motion duly made and seconded, Gangl/Sagstetter, the Spectrum Building Company and Spectrum High School Boards of Directors unanimously adjourned the joint meeting at 6:55 p.m.

RECONVENE Chair Lucas reconvened the open regular Spectrum High School Board of Directors meeting.

C. Budget Report

1. Finance Committee Meeting Minutes

a. Finance Committee Meeting Minutes

- February 17, 2017 Finance Committee meeting minutes. Mr. Taintor reported that the majority of the discussion was focused on the sub pay rate. Mr.

DeBruyn stated that Spectrum High School has been paying the lowest rate as compared to the local district and surrounding charter schools. It is recommended that the sub rate of pay be raised from \$120/day to \$135/day and this amount will be reflected in the long range budget.

Following discussion, on a motion duly made and seconded, Sagstetter/Jerred, the Spectrum High School Board of Directors unanimously accepted the February 17, 2017 Finance Committee Meeting minutes as presented.

- March 17, 2017 Finance Committee meeting minutes. Mr. Taintor shared that the Committee reviewed the February 2017 financials as well as the salary line for the 2017-2018 long range budget. The Committee is recommending a 3% increase in salary for employees.

Following discussion, on a motion duly made and seconded, Kemnitz/Gangl, the Spectrum High School Board of Directors unanimously accepted the March 17, 2017 Finance Committee Meeting minutes as presented.

b. FY18 Salaries Budget

The Board discussed the FY18 salaries budget. Mr. DeBruyn shared that he would like to take the money that is being allocated for the salary of Ms. Spark and hire a Curriculum and Data Driven Instruction Coordinator. Currently, the Principal and Administrative Dean have been devoting a large amount of their time for these efforts. Hiring the Curriculum and DDI position would have a significant positive impact to the work load for the Principal and Admin. Dean. In addition, Mr. DeBruyn shared that he would also like to allocate some of the funds to ensure comparable wages for the Principal and Admin. Dean. Discussion also ensued regarding employee benefits. Mr. DeBruyn shared that it is anticipated that we will hear back from the broker sometime in April regarding insurance costs. It is projected that the School will see an increase in cost associated with insurance; however, Mr. DeBruyn is asking that the broker be creative in finding a way to mitigate the cost increase to the School and subsequently to the staff. He will continue to update the Board as information becomes available.

Following discussion, on a motion duly made and seconded, Sagstetter/Jerred, the Spectrum High School Board of Directors unanimously approved the FY18 salary line only of the long range budget in the amount of \$3,020,090.

c. Spectrum High School 2015 Form 990

The Board reviewed the Spectrum High School 2015 990. Mr. Sagstetter questioned Mr. Taintor regarding an entry for Robin Schelske who is not an employee of Spectrum High School. Mr. Taintor will have his office revise the document as noted.

Following discussion, on a motion duly made and seconded, Jerred/Kemnitz, the Spectrum High School Board of Directors approved the 2015 Form 990 as amended.

d. Spectrum Building Company 2015 Form 990

The Board reviewed the Spectrum Building Company 2015 Form 990.

Following discussion, on a motion duly made and seconded, Sagstetter/Jerred, the Spectrum High School Board of Directors unanimously approved the Spectrum Building Company 2015 Form 990 as presented.

2. February, 2017 Financials

Mr. Taintor presented the Executive Summary of the February, 2017 financials. He noted that the Finance Committee reviewed the financials at the March 17th meeting and is recommending approval by the Board.

Mr. Taintor went on to report that overall the working budget projects revenues exceeding expenditures in all funds by \$170,498. The budgeted state revenues are based on 655 students. Year to date, 62.5% of expenditures have been spent, which is normal for this time of year. The School is 66.7% of the way through the fiscal year.

The beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2016. Due from the Building Company, in the amount of \$179,531, represents funds that have been paid for by the School on behalf of the Building Company. Mr. Taintor stated that funds are now available and he will be transferring them over from the Building Company to the School shortly.

The State holdback for 2016-2017 fiscal year is estimated to be a receivable of \$479,048 and is approximately 10% of state aids. This amount will be paid back to the School in fiscal 2018.

Finally, Mr. Taintor reported that Mr. DeBruyn has asked him to identify any opportunities within the budget and present them to the Finance Committee at their meeting in April. The Finance Committee will make a recommendation to the Board at their meeting in April as to whether to spend the monies or add them to the fund balance.

Following discussion, on a motion duly made and seconded, Kemnitz/Jerred, the Spectrum High School Board of Directors unanimously approved the February, 2017 financials as presented.

D. Director's Report

Mr. DeBruyn presented the March Director's Report. Mr. DeBruyn shared that he has chosen to include more detail in the report for the areas where the Board is allocating significant funds (i.e., AVID and CaSH). The Board appreciated the additional detail. He went on to state that the manner in which the School reports its waiting list numbers to Standard and Poors will be adjusted to more accurately reflect activity as wait lists vary depending upon the time of year. A more accurate measurement is to look at the total number of applications received each year per grade.

Mr. DeBruyn also shared that the Elk River Rotary is once again hosting the Taste of Elk River event on May 18th. He encouraged the Board to participate. Registration and ticket purchases will be available soon.

Finally, Mr. DeBruyn shared that a slight modification was necessary for the 17-18 calendar that the Board approved in December. The April 27th date has been changed to be a non-student contact day and will instead be a staff development day. The number of student contact days remains at 175, and the number of staff days remains at 190, as previously approved by the Board.

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

E. Committee Reports

1. Technology Committee

None

2. School Improvement Team/World's Best Workforce Committee – March 9, 2017

Mr. DeBruyn reported on the March 9th meeting. He stated that the Committee is reviewing the results of each goal area of the Strategic Plan 2019 with the intent to have the Board approve any revisions needed to the Strategic Plan 2019 either in May or June.

Following discussion, on a motion duly made and seconded, Jerred/Kemnitz, the Spectrum High School Board of Directors unanimously accepted the March 9, 2017 SIT/WBWF Committee minutes as presented.

3. Strategic Planning Committee

None

X. New Business

A. RESOLUTION: First National Bank Signing Authority

First National Bank of Elk River is requesting the Board consider approval of a resolution to transfer the signing authority from Ms. Spark to Mr. DeBruyn for each of the financial instruments held at the bank on behalf of Spectrum High School.

Following discussion, on a motion duly made and seconded, Saqstetter/Jerred, the Spectrum High School Board of Directors approved the following RESOLUTION:

RESOLVED, that the Board of Directors of Spectrum High School does hereby authorize and empower Mr. Dan DeBruyn, Incoming Executive Director, full signing authority on the following financial instruments: School Checking Account, School Money Market Savings, and the Spectrum Building Company Checking Account, on behalf of Spectrum High School, held at First National Bank of Elk River.

B. Sting Swing Golf Classic Board Discussion on Sponsorships

The Board reviewed the possible sponsorships for the Sting Swing Golf Classic, which is scheduled for Friday, September 29, 2017 at the Elk River Golf Club. The members of the Board identified the various establishments for whom they will contact regarding sponsorships.

C. Minnesota Public School Fee Law – Notice of Public Hearing

Mr. DeBruyn shared that in order for the School to be in compliance with the Minnesota Fee Law regarding the requirement for families to purchase the middle school binder and the binder contents from Spectrum, a notice of public hearing to do so must be made. The notice was published in the School's March newsletter announcing that at the April meeting of the Spectrum High School Board of Directors meeting the Board will hold a public hearing regarding this fee.

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%. In process
- 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. Completed
- 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. Completed

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

- A. Board Calendar – no changes or actions needed
- B. Next Meeting Agenda Input
 - 1. Results of the Board Self Evaluation

XIV. Miscellaneous

None

XV. Adjournment

On a motion duly made and seconded, Sagstetter/Kemnitz, the Spectrum High School Board of Directors unanimously adjourned the meeting at 7:40 p.m.



Board Secretary Certification, Kathy Reed