



Spectrum High School Board Meeting Minutes

Date: August 31, 2017
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	Present – 6:00 p.m.	
Member	Rob Bergfalk	Present	
Member	Scott Gangl	Absent	
Member	Paula Bernard	Present	
Executive Director	Dan DeBruyn	Present	
Financial Advisor	Nick Taintor, BerganKDV	Present	6:55 p.m.
Staff	Dawn Sorenson	Present	
Guest	Liane Kondrak	Present – 5:50 p.m.	6:06 p.m.

I. Call To Order: 5:30 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, Bernard/Bergfalk, Spectrum High School Board of Directors unanimously approved the August 31, 2017 meeting agenda as presented.

V. Consent Agenda

- A. Interim Financial Transactions – None
- B. Important Documents and Policies
 - VOA Board Meeting Observation Outcomes Form – July 27, 2017

Following discussion, on a motion duly made and seconded, Kemnitz/Bernard, the Spectrum High School Board of Directors unanimously approved the consent agenda items as listed in section B and as presented.

C. Spectrum Board Meeting Minutes – July 27, 2017

On a motion duly made and seconded, Kemnitz/Berfalk, the Spectrum High School Board of Directors unanimously approved the minutes of July 27, 2017 as presented.



VI. Employee Introduction & Recognition
None

VII. Public and Student Input
None

VIII. Old Business

A. Sting Swing Golf Tournament Update

Ms. Kondrak updated the Board on the planning progress for the upcoming Sting Swing Golf Classic, which is scheduled to take place on Friday, September 29, 2017 at the Elk River Golf Course. Ms. Kondrak covered golfer registrations, sponsorships, and the dollar amount received to date. She will continue to update the Board on the progress of the event and will share more information as it becomes available.

IX. Ongoing Business

A. Phase V Expansion Project Update

1. Spectrum High School Reimbursement Resolution

Mr. DeBruyn presented the following resolution, which was drafted by the School’s counsel, for the purpose of soliciting reimbursement of expenses associated with the Phase V bonding project and reads as follows:

“RESOLUTION DECLARING REIMBURSEMENT INTENT IN CONNECTION WITH A PROJECT UNDERTAKEN BY SPECTRUM HIGH SCHOOL AND THE ISSUANCE OF TAX-EXEMPT BONDS TO PROVIDE FINANCING THEREFOR

WHEREAS, Spectrum High School, a Minnesota nonprofit corporation (the “**School**”), is an organization described in Section 501(c)(3) of the Internal Revenue Code, exempt from the payment of income taxes under Section 501(a) of the Code; and

WHEREAS, the School has determined to undertake a project (the “**Project**”) pursuant to Minnesota Statutes, Sections 469.152 to 469.1651, as amended, consisting of the acquisition of a school facility located at in the City of Elk River, Minnesota (the “**City**”); and

WHEREAS, to provide financing for the Project, Spectrum Building Company (the “**Company**”) expects to borrow proceeds of tax-exempt revenue bonds in an original principal amount currently estimated to be approximately \$27,500,000.00 (the “**Bonds**”); and

WHEREAS, the School has agreed to make certain rental payments to the Company pursuant to a Lease Agreement (the “**Lease Agreement**”) between the School and the Company; and

WHEREAS, the School has made and will be advancing payment of certain costs of the Project in advance of the issuance of the Bonds and desires that proceeds of the Bonds be applied to the reimbursement of any of such prior expenditures and desires to express an official reimbursement intention with respect to all such expenditures to be reimbursed from the proceeds of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE SCHOOL, AS FOLLOWS:

1. It is desirable that certain expenditures for or relating to the Project be incurred and paid prior to the issuance of the Bonds;

2. The School reasonably expects to reimburse the above-described expenditures with the proceeds of the Bonds and

3. No funds (from sources other than the Bonds) are, or are reasonably expected to be, allocated on a long-term basis, reserved or otherwise set aside pursuant to the School's budget or financial policies for such expenditures at this time.

I, the undersigned, being a duly qualified and acting officer of Spectrum High School, a Minnesota nonprofit corporation (the "School"), hereby certify that attached hereto is a compared, true and correct copy of a corporate resolution duly adopted on _____, 2017, by the Board of Directors of the School, at a meeting of the Board of Directors duly called and held, and that said resolution has not been modified, amended, rescinded or revoked and has been in full force and effect since its adoption and at all times thereafter, to and including the date hereof.

WITNESS my hand this ___ day of _____, 2017.

Secretary"

Following discussion, on a motion duly made and seconded, Bergfalk/Bernard, the Spectrum High School Board of Directors unanimously approved the Reimbursement Resolution as presented.

2. Amended Purchase Agreement – 10 Acre Parcel of Land Adjacent to the Spectrum Athletic Fields

Mr. DeBruyn provided an in-depth report on the negotiations of the purchase agreement for the 10 acre parcel of land immediately adjacent to the Spectrum Athletic Fields. He shared that negotiations with the owners have gone well. He detailed for the Board the language of the most recent version of the purchase agreement, noting that Spectrum is covering all of the costs associated with the closing of the property, as well as the specifics around the \$10,000 earnest money deposit.

Following discussion, on a motion duly made and seconded, Kemnitz/Bergfalk, the Spectrum High School Board of Directors unanimously approved the amended purchase agreement for the 10 acre parcel of land as identified as Parcel ID: 75-136-3301 and E 1-2 OF SW 1-4 OF SW 104 as presented.

B. Budget Report

1. Finance Committee Meeting Minutes

a. Finance Committee Meeting Minutes – August 25, 2017

Ms. Reed reported that the Committee met on Friday, August 25, 2017. The Committee set as its goals for the 2017-2018 school year:

- Develop a Federal Funds Procurement Policy and either amend the current Procurement Policy or develop a new General Funds Procurement Policy.
- Develop an all-encompassing Fundraising Policy

- Revise the Financial Policy as needed in response to implementation of more timely internal budgeting procedures.

Ms. Reed and Mr. Taintor went on to note that the Committee heard an update on the bonding process in addition to setting goals. The Committee also discussed the possibility of phasing out of the current SCRIP fund raising program and the current composition of the Finance Committee. Mr. DeBruyn commented on the development of an overall fund raising policy which is greatly needed. He noted that currently scholarships and donations, among other items, run through the School's financial accounts. In doing so, these monies become subject to the same financial oversight and regulations as all other public school funding. A 501 (c)3, separate from Spectrum, needs to be created and maintained as a conduit for the handling of these items. Ms. Reed reported on the Swimming Booster Club at Elk River High School and how it is administered, etc. Additional work and research needs to be completed and will be done so in conjunction with the development of an overall Fund Raising Policy for the school. Whether one whole entity or several separate, as in booster clubs, is yet to be determined. More information will be forthcoming as it becomes available; however, it needs to be dealt with sooner rather than later as VOA has encouraged the school to move in this direction.

Following discussion, *on a motion duly made and seconded, Bergfalk/Kemnitz, the Spectrum High School Board of Directors unanimously accepted the August 25, 2017 Finance Committee Meeting Minutes as presented.*

2. June, 2017 Financials

Mr. Taintor began by reporting that the FY17 audit is underway and he is aiming for having it approved at the October board meeting. He then went on to report on the June, 2017 financials noting that the revised budget projected revenues exceeding expenditures in all funds by \$170,491, whereas, the actual (preliminary) activity is reporting an annual surplus of \$290,278. Mr. Taintor shared that the excess will be put toward the fund balance. He noted that the current Financial Policy calls for a range of 20-25% general fund unreserved fund balance as a percentage of yearly general fund expenditures, which the School was on track to reach a 24% fund balance at FY17 yearend; however, with the increase in the annual surplus, the School has met its fund balance goal of 25% and currently has 68 days cash on hand.

Mr. Taintor went on to note that the School was budgeting state revenues based on 655 average daily membership (ADM) and the actual enrollment ended at 662.63. 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 \$33,862, represents funds that have been paid for by the School on behalf of the Building Company. Mr. Taintor stated that the state holdback for 2016-2017 fiscal year is estimated to be a receivable of \$772, 205 at the time of the report. The holdback amount is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2018.

Mr. Taintor also noted that the Statement of Revenue and Expenditures show the original budget, revised budget approved, the working budget, and year to date activity. The following items are worth noting:

1. The School has received funding for 662.63 ADM as compared to 655 budgeted, which resulted in an additional \$100,000 of funding;
2. State Special Education funding was conservatively estimated at a slightly lower funding amount due to recent funding experience with the program. He stated that most expenditures are funded of at least 92%;
3. Salaries and Wages ended up over budget by \$78,565, or 2.8%, due in large part to the increased need in substitutes and hourly custodial staff; and
4. Employee Benefits were higher than projected due to staff who elected to take benefits or add on dependents that originally weren't budgeted, as well as unbudgeted increases in health benefits.

Mr. DeBruyn shared that the School needs to show continued growth in enrollment to meet the requirements of the CSP Grant. Additional students and student lockers were added to the high school building. The lockers will eventually be moved out to the 7/8 building. Through discussion, the Board suggested publishing a piece in the School's newsletter to provide information and/or communication to its stakeholders as to why there is a temporary increase in the number of students at the high school building, etc., and that once the new 7/8 building is open, the crowding will be relieved. Mr. DeBruyn made note of the Board's request and will place a piece in the next edition of the School's newspaper.

Following discussion, *on a motion duly met and seconded, Reed/Bernard, the Spectrum High School Board of Directors unanimously approved the June, 2017 Financials as presented.*

C. Director's Report

Mr. DeBruyn presented the August Director's report. He reported that it was originally hoped to offer the necessary CaSH-level PE/Health courses at spring semester here at Spectrum; however, due to the timing requirements of registering for classes, there would not be enough students available to take the course in the spring at Spectrum. As a result, the course will be offered beginning in the 2018-2019 school year.

Mr. DeBruyn then went on to report on the FY17 Q-Comp goals. He reported that the 2016-2017 school-wide goal was 64.7% in Math. MDE determines whether the school has met its goal by site. SHS 6th grade Math achieved 68.9% and therefore met the school-wide goal. 7-12th achieved 61.6% and did not meet the goal. Overall, the school achieved 64.6%, and therefore the Q-comp disbursements will be made accordingly.

In addition to the items noted in the report, Mr. DeBruyn shared that he has been contacted by Eugene Piccolo of the Minnesota Association of Charter Schools who has requested a time to meet with the School.

Mr. Taintor reported on the recent changes at Beltz, Kes, Darling & Associates and shared that BKDA was recently procured by BerganKDV. As far as services to Spectrum High School, this change has little to no impact on the school and he remains as the School's financial advisor.

Following discussion, on a motion duly made and seconded, Reed/Bernard, the Spectrum High School Board of Directors unanimously approved the August Director's Report as presented.

D. Committee Reports

1. Technology Committee

None

2. School Improvement Team/World's Best Workforce Committee

None

X. New Business

A. FY18 Q-Comp Modified Compensation

Mr. DeBruyn shared the modifications and updates to the 17-18 Q-Comp program that Spectrum is proposing. He stated that in regards to Spectrum's 7-12 site not meeting its Q-Comp goals, a program change is necessary. He went on to describe the proposed changes, stating the Spectrum's approved Q-Comp budget calls for \$600 per teacher compensation if the school meets the schoolwide performance goal for the academic year. In 2016-2017, Spectrum experienced missing the established goal for the first time. The goal was to increase by 2% in Mathematics – from 63.7% to 64.7%. The overall achievement level reached was 64.6%.

Since the school has two sites, the teachers in the 6th grade building did meet the school goal of 64.7%. Their achievement level in Mathematics was 68.9%. As a result, the 6th grade teachers will receive their \$600 for the 2016-2017 school year. On the other hand, the high school building (grades 7-12) achieved 61.6%, and as a result, the high school teachers did not receive their \$600 compensation for the 2016-2017 school year.

Spectrum received all state funding for Q-Comp in 2016-2017. All teachers (6-12) were given the option of how to spend the revenue from 2016-2017 to increase scores in Mathematics for 2017-2018. The options included: hiring staff to work with the students; providing additional professional development; and/or increasing the performance pay for the 2017-2018 school year for all teachers (including 6th grade teachers) proportionate to the amount remaining from 2016-2017.

An anonymous survey was given to all 49 teachers who voted 82% in favor of increasing the compensation for the 2017-2018 school year only. The remaining unspent revenue from 2016-2017 equates to \$22,440. Therefore, the increase to teacher compensation for reaching the school-wide mathematics goal for 2017-2018 only will be $\$600 + \$458 = \$1,058$.

B. FY18 Q-Comp Goals

Mr. DeBruyn provided an in-depth report on the FY18 Q-Comp goals, stating that the percentage of all students enrolled October 1 in grades 6-12 at Spectrum High School who earn an achievement level of

Meets the Standards or Exceeds the Standards in Mathematics on all state accountability tests (MCA and MTAS) will increase from 64.6% in 2017 to 65.6% in 2018. He went on to share why/how the school-wide goal was chosen. He stated that while Spectrum’s Math scores increased in 2016-2017 from 62.7% to 64.6% (+1.9%), the school missed meeting the goal by 0.1%. The goal for 2016-2017 was 64.7% (+2%). As a result, the school intends to continue its work on improving academic achievement in Mathematics.

In addition, Spectrum will continue implementing Data-Driven Instruction in Mathematics, testing students on a standards-based assessment on a quarterly basis, analyzing data to identify areas for improvement, and addressing identified needs in a timely manner with students. 2016-2017 was the first year of implementing DDI and the School believes it will continue to see progress helping students achieve at a higher level and reduce the achievement gap.

C. FY18 Q-Comp Budget

Mr. DeBruyn then went on to explain in detail the budget for the Q-Comp program, noting that in years past, the expenditure for prep time for Q-Comp peer leaders had not been included in the budget and he feels that it is important for the Board to have a thorough understanding of all costs involved. The amount for prep time for peer leaders equates to approximately \$49,000.

Following discussion, *on a motion duly made and seconded, Bergfalk/Bernard, the Spectrum High School Board of Directors unanimously approved the FY18 Q-Comp Modified Compensation Plan, the FY18 Q-Comp Goals, and the FY18 Q-Comp Budget as presented.*

XI. Charter School Updates & Training

None

XII. Board Goals 2017-2018 (approved by the Board on July 27, 2017)

2017-2018 School-Wide/VOA Academic Contract Goals

1. By May, 2018, 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 **64.5%**.
2. By May, 2018, 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 **74.4%**.
3. By May, 2018, 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 **58.4%**.

2017-2018 Board Goals

In addition to the school-wide academic goals stated above, the Board will pursue the following non-academic goals for the 2017-2018 school year:

1. By January, 2018, the Board will develop a succession plan and recruitment procedure for potential board members.
2. By May, 2018, the Board will develop a process for establishing ongoing planning for Charter School Updates and Training to include the specific areas the Board will be trained.
3. By May, 2018, the Board will complete a thorough and in-depth review of the Strategic Plan 2019 for the purpose of amending/adjusting, as needed.

XIII. 2017-2018 Board Calendar and Next Meeting Agenda Input

- A. Board Calendar – no changes or actions needed

XIV. Miscellaneous

None

XV. Adjournment

On a motion duly made and seconded, Bernard/Kemnitz, the Spectrum High School Board of Directors unanimously adjourned the meeting at 7:13 p.m.



Board Secretary Certification, Jessica Kemnitz