

Spectrum High School Finance Committee Minutes

Date: April 20, 2018
 Scheduled Time: 9:00 a.m.

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Present
Nick Taintor	BerganKDV/Financial Advisor	Present
Dan DeBruyn	Executive Director	Present
Dawn Sorenson	Exec. Asst.	Present

I. Call to Order

The meeting was called to order at 9:00 a.m.

II. Old Business

None

III. On-Going Business.

A. 2017-2018 Finance Committee Goals

- Develop a Federal Funds Procurement Policy and either amend the current Procurement Policy or Develop a new General Funds Procurement Policy **Completed 11.1.17**
- Develop an all-encompassing Fundraising Policy **In process – has been slated for June, 2018.**
- Revise the Financial Policy as needed in response to implementation of more timely internal budgeting procedures. **Completed 11.13.17**

Mr. DeBruyn shared that the third goal is comprised of two parts . . . the revision of the Finance Policy, which has been completed, and the “timely internal budgeting procedures” piece, which is ongoing. It is anticipated that by the start of the 18-19 school year a more timely internal budgeting procedure will be in place as a means to aid the school in making purchasing decisions. He will continue to update the Committee as additional information becomes available.

IV. New Business

A. March Financials

The Committee reviewed the March financials in detail. Enrollment was an area of focus with Mr. DeBruyn sharing that a trend analysis on why students leave Spectrum has been completed and will be presented for the full Board at the April 26th meeting. As a result of the analysis, the School is looking to implement a couple of different programming pieces as a means of attracting and retaining students.

Mr. Taintor stated that the working 2017-2018 budget is still projecting an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$196,076. The School is currently budgeting 680 Average Daily Membership (ADM) whereas actual is at 682.93 ADM. The ADM also includes a few students who choose to attend a PSEO program at an institution that counts the student as their member and therefore

Spectrum will not receive any funding for these students. As of April 1, 2018, the Attendance & Enrollment Report shows ADM at 667 students.

Overall, the School is right on track with 66% of expenditures spent year to date, compared to 75% of the fiscal year completed. Of note, Mr. Taintor stated that the CSP Expansion grant has not yet been expended. Mr. DeBruyn reported that the School received confirmation that an updated CSP Grant Summary from the Planning Year (2016-2017) has been submitted and approved, which means the School will be receiving the next \$150,000 in grant monies for items previously purchased. Mr. DeBruyn also stated that he will be submitting an updated CSP budget for consideration of approval. Once complete, the School will be able to move forward in its CSP planning for purchases for the new 7/8 building.

Mr. Taintor then went on to share that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2017. Due from the Building Company, in the amount of \$23,455, represents funds that have been paid for by the School on behalf of the Building Company.

Mr. Taintor also shared that the State holdback from the 2016-2017 school year has been fully reimbursed, and that the 2017-2018 fiscal year is estimated to be a receivable of \$542,202 at the time of the report. He went on to state that the holdback amount is approximately 10% of total state aids and this amount will be paid back to the School in fiscal year 2019.

Finally, Mr. Taintor shared that, on the Revenue and Expenditures statement, which shows the original budget approved, the revised budget approved, the working budget, and year to date activity, he adjusted a few items so that they align better with the coding. There was nothing else of significance to report regarding the March financials.

Following review, the Committee recommends approval of the March financials as presented.

B. March Management Report

The Committee reviewed the March management report.

Following review, the Committee recommends approval of the report as presented.

C. March Contracted Services Report

The Committee reviewed the Contracted Services Report. They focused in on concurrent enrollment. Mr. DeBruyn shared that this item is difficult to budget as it varies widely year to year depending on where students choose to attend PSEO classes and what number of students choose PSEO. Currently, it appears that the Concurrent Enrollment category will be approximately \$35,000 short.

D. March Food Services Report

The Committee reviewed the Food Services Report. Mr. Taintor shared that the commodities check that is to be received by the School for its food services will help to offset costs. The commodities check will be a receivable of \$11,600, which will certainly aid in offsetting cost; however, the School is still anticipating a \$3,000 shortfall to end the year. This amount is still better than the ending amount for the FY17 budget.

E. FY19 Budget/Employee Benefits Review

The Committee reviewed in detail the proposed 18-19 proposed budget, noting that the salary line had already been addressed/approved by the Board at its meeting on March 22, 2013. Mr. DeBruyn went on to state that the School just received the proposals for employee health insurance benefits. He stated that

only two companies chose to bid – Healthpartners, which came in with a 29% increase in cost to the School, and PEIP (Public Employees Insurance Program), which came in with a 11% decrease in cost to the School – or an approximate \$40,000 cost savings. Mr. DeBruyn went on to explain the PEIP proposal in detail. Following discussion, the Committee recommends approving the PEIP HSA plan that includes the School contributing \$1,000 to the employee-only HSA; \$1,500 HSA contribution to the employee plus 1; and \$2,000 HSA contribution for family coverage. In addition, it proposes that the School no longer cover short-term disability; however, will continue to make it available for employees with the employee bearing the cost of the insurance. Lastly, it proposes that the School contribute to reduce the maximum cost to Administration of \$250 a month.

The Committee then went on to look at the current proposed FY19 budget. Mr. Taintor noted that additional work is forthcoming and Mr. DeBruyn suggested that the draft be submitted to the Board for discussion, with the exception of employee salaries (approved at the March 22, 2018 meeting of the Board) and benefits, which needs to be submitted for approval in order for staff to complete enrollment prior to the end of the FY18 school year.

Following discussion, the Committee recommends submitting the FY19 LRP Draft Budget for discussion, with the exception of the Employee Benefits line, which it is recommending approval by the Board.

F. FY18 Proposed Audit Fee

Mr. Taintor presented the RFP proposals submitted by ABDO Eick & Meyers, Clifton Larson Allen, and Redpath and Company. All three proposals include auditing services for the Spectrum Building Company, as well as the completion of 990's for both entities as well. It was noted that Spectrum has been with Redpath and Company for 12 years and are grateful for the work that has been done to date.

Following discussion, the Committee recommends approval of the Clifton Larson Allen proposal for auditing services for a three year period beginning with FY18.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input

None

VIII. Adjournment

The meeting was adjourned at 10:45 am

Respectfully submitted,
Dawn Sorenson