

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
December 5, 2016**

**Carl T. Secor Administration Building – Board Conference Room
Immediately following the Reorganization Meeting which begins at 5:30 p.m.**

Minutes

- I. The Chairman, Gary Summers, called the Finance Committee meeting to order at 6:07 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. Board Committee members present were: Ronald Bradley (arrived at 6:10 p.m.), Debbie Kulick, Gary Summers and Lisa VanWhy.

Board Non-Committee members present were: Robert Gress and Judy Summers

School Personnel Present: Jeff Bader, Marjory Gullstrand, Fred Mill, Ryan Moran, Bobbi Nordmark, John Rosado, Patricia Rosado and Bob Sutjak.

Community members present: Dale Umbenhauer - Maillie

III. APPROVAL OF AGENDA AND MINUTES

Motion was made by Debbie Kulick to approve the agenda for December 5, 2016, and with members of the Committee reserving the right to add to the agenda and take further action in the best interest of the District. Motion was seconded by Lisa VanWhy and carried unanimously, 3-0.

Motion was made by Debbie Kulick to approve the minutes of the November 14, 2016, meeting. Motion was seconded by Lisa VanWhy and carried unanimously, 3-0.

IV. ITEMS FOR DISCUSSION:

a. 2015-16 Audit Report

Mr. Dale Umbenhauer, Maillie LLP, presented the Annual Financial Report of the year ended June 30, 2016 as follows:

Page 3 through page 5 included the Independent Auditors' Report (Report on the Financial Statements, Management's Responsibility for the Financial Statements, Auditors' Responsibility, Opinions, Emphasis of Matter, Other Matters, Other Information and Other Reporting Required by Government Auditing Standards.

Page 6 through 12 included Management's Discussion and Analysis (Unaudited).

Page 13 – Statement of Net Position – Governmental Activities resulted in a Total Net Position of (\$108,161,124) and Business-Type Activities (\$3,380,367), which includes 4 million of Food Services Fund. Totals are (\$111,541,491).

Page 14 – Statement of Activities, which include Government Activities, (Instruction for regular, special and vocational programs) Support Services, Facilities acquisition, Operation of non-instructional services, etc. Totals (\$103,585,095). General Revenues include (\$646,109).

Page 15 – Balance Sheet Governmental Funds total \$71,925,205. Liabilities total \$15,378,354 and Deferred inflows of Resources of \$10,737,768 because funds were not

coming in within 60 days that is allowed by GASB. Fund balances includes \$271,158 of restricted funds and \$24,545,532 of Committed Funds.

Page 16 – Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities. Total New Position of Governmental Activities of (\$108,161,124).

Page 17 – Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds which include General Fund \$45,831,621, Capital Projects Fund \$12,364,533, Special Revenue Fund \$271,158 and Total Governmental Funds \$58,467,312.

Page 18 – Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities, which includes net change in funds of (\$1,195,046) and Change in Net Position (\$646,109).

Mr. Summers asked a question relevant to the information on page 17. If we would have had \$535,899 of less expense or additional revenue the Excess (Deficiency) of Revenues over Expenditures would have been a zero. Mr. Umbenhauer said Mr. Summers is correct.

Page 19 – Statement of New Position Proprietary Fund with Total Assets of \$921,327. Net Position Unrestricted (\$3,518,963) and Total Net Position (\$3,380,367)

Page 20 – Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Fund. Food Service Revenue \$1,301,845; total expenses \$4,399,600, Non-Operating Revenues \$2,864,649 with a change in net position of (\$233,106)

Page 21 – Statement of Cash Flows – Proprietary Fund includes all cash in and out for the year.

Page 22 – Statement of Fiduciary Net Position – Fiduciary Funds includes Total Assets \$215,247, Total Liabilities \$74,433 and Net Position of \$141,814.

Page 23 – Statement of Changes in Fiduciary Net Position – Fiduciary Funds which includes \$33,549 for scholarships awarded and fees paid.

Pages 24 through 59 – Notes to the Basic Financial Statements which include Capital Assets, Investments, Pension, etc.

Mr. Summers asked if there is anything that would cause concern. Mr. Umbenhauer said nothing except for what has already been spoken about PSERS.

Pages 60 through 61 – Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards which states no record, no single findings and no instance of non-compliance.

Pages 62 through 64 – Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards in Accordance With the Uniform Guidance.

Pages 65 through 66 – Schedule of Expenditures of Federal Awards include details of how much they were expended. There is no SEFA but it is required to be included in report.

Page 67 – Notes to the Schedule of Expenditures of Federal Awards which includes the Basis of Accounting.

Page 68 – Schedule of Findings and Questioned Costs which includes Unmodified Opinion, no Non-compliance and no findings in Child Nutrition Cluster.

Mr. Umbenhauer also presented a letter which includes Maillie’s Responsibility in Relation to the Financial Statement Audit, Planned Scope and Timing of the Audit, Compliance with all Ethics Requirements Regarding Independence, Qualitative Aspects of the Entity’s Significant Accounting Practices, Significant Difficulties Encountered During the Audit, Uncorrected and Corrected Misstatements and Disagreements with Management, Representations Requested from Management, Management’s Consultations with Other Accountants, Other Significant Matters, Findings or Issues, Modification of the Auditors’ Report. There were only 2 corrected mistakes which is included in the last page. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters. Mr. Summers asked if Mr. Umbenhauer is speaking about the journal entry that were made. Mr. Umbenhauer said that is correct. Mr. Summers asked if the Board will need to take action on this report at Monday’s Board meeting. Mr. Bader said the Finance Committee would need to recommend to the Board that the Financial Report be accepted.

b. Bus Bid Results

Mr. Robert Sutjak presented the Bid Tabulation for the Bus bid results. He said the lowest bidder is highlighted in yellow. He arranged the amounts to see what is best for the district. The district tried to compare all bids in an apples-to-apples form. They added performance bonds to all three manufacturers. The district asked for bumper to bumper and towing warranty for five years. Brightbill towing cost included \$3,070 per bus. The district asked them to take this out since it totaled \$92,000. The district would have to do a lot of towing to equal this amount. Mr. Sutjak said he asked all manufacturers to take out towing but kept in bumper to bumper warranty. He called Pocono Mountain School District to see how many times a year they need to use the towing service. They said they have had to utilize the towing service about 6-10 times a year. Mr. Bradley asked how much would Pocono Mountain School District spend on the tows. Mr. Sutjak said about \$300 per tow. Brightbill is the lowest bidder for the 72 passenger buses because Wolfington adds an additional 1% to the cost of each bus to provide a performance bond. Mr. Sutjak said that the bid results for cost per bus is as follows:

72 Passenger Buses (30 Units)
Brightbill - \$85,470.00
72 Passenger Bus w/storage bins (6 Units)
Wolfington \$87,644.69
48 Passenger Bus w/lift (6 Units)
Brightbill - \$96,305.00
30 Passenger Bus (10 Units)
Rohrer - \$69,636.00

Mr. Bradley asked why is Wolfington the lowest for the 72 passenger buses with the storage bins. Mr. Bader said each manufacture makes their own price. Mr. Sutjak said they questioned Brightbill as to why they were lower for the 72 passenger buses without the storage bins, but not on the buses with the bins and they said because their bins do not

leak. The district would like to have storage bins on some buses for when athletic teams have to travel. Mr. Bradley asked if the bins are enclosed. Mr. Sutjak said they are enclosed and locked. Ms. Kulick asked if the buses are higher with the storage bins. Mr. Sutjak said "No, the bins are mounted under the buses". Mr. Bader said there are four bins on each side similar to the Martz buses. This will save the district some money by not having to take more buses to carry equipment. Mr. Bradley said that on the 72 passenger buses he does not see much of a difference in the prices except for the buses with storage bins. Mr. Sutjak they tried to figure out alternate bids and final cost for all manufacturers. Mr. Summers said that it is clear to see which are the lowest responsible bidders as indicated on the spreadsheet provided by Mr. Bader and Mr. Sutjak. Mr. Bradley said some items do not add up. Ms. Kulick said the less you order the more it cost and then you have to add the bins to each bus. Mr. Sutjak said that the Transportation Department would like to purchase all the buses from Brightbill. Since the district would need to maintain them, it helps not have different brands of buses. Otherwise, they would need to have various different parts on stock. Mr. Summers asked what is the difference between Blue Bird and Brightbill. Mr. Sutjak said that Blue Bird is the name of the bus and Brightbill is the name of the Company. Mr. Bradley suggested that we deal with one bus company. Mrs. Summers asked where is Brightbill located. Mr. Bader said they are near Lancaster, PA. Mr. Summers asked if there would be a problem with Rohrer or Wolfington if we don't accept their bid. Mr. Bader said there could be issues but there may be some provisions for the bus quality. Mr. Bradley said that one item to look at is the engines. Mr. Bader said that Wolfington is International and Rohrer carries Thomas buses. Mr. Sutjak said that the district had each manufacturer bring a bus for the district personnel to inspect for two weeks. The Transportation Department had ten bus drivers take a survey and Bluebird got 9.8 out of 10. Wolfington got 7.3 and Rohrer got 8.6. They also had the mechanics look at them and they said that the Blue Bird engine is set forward where Rohrer and Wolfington is set backwards. The mechanics also said that the Blue Bird bus is more structurally sound. Mr. Bradley said he toured the buses and had a problem with Wolfington. Mr. Sutjak said we asked students and they found Blue Bird buses to be much quieter. Mr. Bradley asked if the engines on the buses would suffer some blockage during winter months. Mr. Sutjak said propane buses would not have this problem. The propane buses would start in 10 degree weather and no idling would occur. Mr. Summers asked when will a final decision need to be made. Mr. Bader said they would need to decide this month in order to place the order and to get the prices locked in. In January, the factory would need to receive our bus order to be able to get the buses in time for the new school year. Mr. Summers asked what is the district recommending that the Board do. Mr. Bader said that they would like to purchase all buses from Brightbill or get the lowest prices from the 3 different manufacturers. Transportation prefers to get all buses from Brightbill but the Committee needs to understand that they were not the lowest bidder on all buses. Mr. Summers suggest speaking to legal counsel, Tom Dirvonas and Chris Brown to see what can be done. Ms. Kulick suggested that speaking to all vendors and letting them know of all prices that were bided. Mr. Sutjak said you cannot do this. The district would need to rebid. Mr. Bader said this can be done for next year but it would be too late for this upcoming school year. Ms. Kulick said they received feedback from students and drivers; therefore, they need to select responsibly. Mr. Sutjak said that the Transportation Department priced the buses at about \$92,000 each and all bids came in lower. Ms. Kulick suggested that the district seek a legal opinion before a final decision can be made. Mr. Summers also recommended that the district get advice from legal counsel.

c. Library Curriculum & Spending Plan

Mrs. Bobbi Nordmark thanked the Board members for the funds that were allotted to them for K-12 needs. She said that they have a document, which the Board received, that discusses Library Goals and their Spending Allocation Plan.

Mrs. Marjory Gullstrand said that every library has a Dewey collection. They are trying to balance the collections along with the curricular needs. They are reviewing books, vendors and matching grants. Deadlines need to be checked. Some E-books are free with a purchase of a book. They are trying to stretch each cent as much as possible.

Mrs. Nordmark said that in the Elementary level, K-5, they need to purchase items with a lot of story. The document they provided includes how they will help teachers meet their needs. Follett is a vendor that provides print video and Google maps to help students. This is a weak area in the schools.

Mr. Bradley asked what is being done to provide minority history amongst the materials they are purchasing. Mrs. Nordmark said that the 900s material, which would include this information, is also a weakness in the schools but they are aware and are working on getting material. Mr. Bradley asked if this is included in the 900 series. Mrs. Nordmark said, "Yes", and it includes the biography series.

Mr. Summers said that he would like to see Mrs. Gullstrand and Mrs. Nordmark back in May 2017 to give an update on how the money has been spent. He would also like to see the full details on the money that was spent on Follet. Mr. Bader can provide this update at an upcoming meeting.

d. Basic Ed Funding Formula

Mr. Summers provided a two page document regarding the Basic Education Funding (BEF) formula. He said that this is the formula that PDE is planning to use for the next five years. We need to know how it will apply to our district. It will be based on student count x median household income index x local effort/capacity index = total student weighted average daily membership x \$120.48 =. This is how they determine how much our district will get. The \$120.48 comes from the additional funding money that was made available. The more students we have, the more money we get. The issue is that there was 5.9 billion dollars that came to the districts but only 6% went to the formula. For ESASD – $8,823.298 \times 0.9046 \times 1.85 = 14,765.877 \times \$120.48 = \$1,779,033$. Our share of the additional BEF for 2016-2017 + \$13,203,911 (14-15 base) = \$14,982,944 (ESASD BEF for 16-17). The more money our district spends the number goes down. Mr. Summers brought a Total Weighted Student Count comparison for three comparable school districts: ESASD, Lower Merion and York City. This is a real advantage for poor districts. This formula was good for needy districts but in his opinion, it does not help our school district or Pocono Mountain School District. We should have received more. This formula is for the next five years and it's based only on the additional funding. It does not apply on all of the money because then it would open up a can of worms. Pleasant Valley received 9 million dollars more. The Legislators need to come up with more money every year. They need to put at least 2 million dollars more next year and every year. We have a funding formula set in place but we are not going to get more money. Mr. Bradley asked if

schools in Philadelphia will get more money. Mr. Summers said yes, they all do. Mr. Summers said if you calculate the formula, you will see how much each district gets and how much they should get. The district should continue to ask our Legislators and it's the reason the ESASD Board members did not vote for the candidate from Bethlehem who was running for the PSBA President (Michael Faccinnetto). We are being underfunded and should stand up and speak about this topic. At least we got more funds this year. Mr. Bader said that Rep. Parker was trying to introduce legislation to address this problem and Mr. Bader testified before the House Education Committee, but they did not move the legislation forward. Mr. Summers said that unfortunately local representatives for Pocono Mountain School District or Pleasant Valley School District are not going to do anything that will take away money from their school district.

e. 2017-18 Budget

Mr. Bader presented a 2017-18 budget update. He said he included a slight increase in the real estate revenue over last year with no increase in the millage rate due to an improved collection rate. Every year the collection rate has gone up. Local revenues are about the same level as anticipated for this year at 102 million dollars. State funding for Basic Education and Special Education is assumed to be the same as for 2016-17. The new funding formula is only applied to new money. The fact that the State budget is projected to be in a deficit for the current year and this being the last budget the Governor will be submitting prior to his running for re-election, it is unlikely that there will be a significant addition to education funding from the State. The Ready to Learn grant is included in the 2017-18 budget at the same level as the current year, but there is no guarantee that it will be re-authorized. Two years ago, it was eliminated initially only to be brought back at the last minute. There is an increase for Social Security and Retirement reimbursements to reflect the State's share of the cost. Under federal funding, there is no allocation for the KTO Grant. The State has applied for additional funding but we are not sure if the KTO Grant will be included in the funds. Title I, II and III funding is lower. Other Funding Sources include our leases and bus buy-back program. We are about \$300,000 less in revenue. There is an anticipated cost of 4 million dollars for the salaries in 2016/17 and 2017/18. Benefits is part of the biggest increase. PSERS goes up from 30.03% to 32.23% which equals about 1.9 million dollars. Health insurance is going up about 25.84%, which equals 3.9 million dollars. This is due to having underfunded the contribution to the Trust to generate budgetary savings the last two years. All expenses puts us in a difficult financial position. We will need to have a conversation on how to address this deficit. Do we raise revenues or reduce expenses, which include staffing and programs? We also have the fund balance. We will need direction from the Board. Mr. Summers said that the Financial Statement sheet includes the operating cost with a deficit of \$536,000. Our expenses have remained basically flat over the past three years. We have a contractual wage obligation with step movement and support staff increase. Even though PSERs goes up, it's remained flat. We pulled money out this year from the Fund Balance. If we would have left money in our budget, the deficit would have been higher. Mr. Summers said the Mr. Bader should look at the total of actual expenses to see what those numbers are because Mr. Bader is indicating expenses of 126, 127 and now 133 million dollars. This is not something that can be answered tonight. Mr. Bader said he will continue to look at all spending from prior years.

f. 2017-18 Budget Resolution

Mr. Summers said he would like a resolution that the ESASD Board of Directors directs the administration to develop and present for approval a 2017-2018 budget that maintains property taxes at the same level as approved for the 2016-2017 budget. He already told TV 13 that we are not raising taxes.

g. Tax Collector Compensation

Mr. Bader said that he looked at several municipalities' Tax Collector's compensation rate. The ESASD is currently paying \$1.76 per bill (the rate will increase to \$1.81 for 2017-18.) Pocono Mountain School Districts pays depending on the number of bills such as 1-500 is \$2.25, 501-1999 \$2.00 or 2000+ is \$1.30. Pleasant Valley does the same such as 1-500 \$2.50, 501-1500 \$1.75 and 1500+ \$1.00. Monroe County follows 1-500 \$955.00, 501-1000 \$3.16, 1001-1500 \$2.45, 1501-4000 \$1.19 and 4001+ \$1.08. Pike County 1-1000 \$4,719.75 and 1001+ \$1.82. ES Boro does a flat rate \$2,642. Middle Smithfield Township does \$3.00 per bill. Price Township does 5% of Amount Collected. Smithfield Township does \$1.67 a bill. Lehman Township does 4% collected @ Disc/Face, 5% Collected @ Pen. Porter 5% of Amount Collected. Mr. Summers asked if the total of \$51,052.32 for our district equals the number of bills that the tax collector handled. Mr. Bader said he is correct. Ms. VanWhy said based on everyone's information, it averages about \$1.75 per bill; therefore, we are not far off. Mr. Summers said it looks that way and Pleasant Valley probably has fewer bills and Pocono Mountain has more. Ms. Kulick asked if we are mandated to change the amount. Mr. Summers said, "No", but we need to establish the rates so that when they run for office, they know what they will be paid. Mr. Bader said we can continue to pay with the same formula, per bill \$1.81 going forward or if the Board wishes, they can change it on a scale per bill rate. Mr. Summers asked if we can leave as is. Mr. Bader said currently it is \$1.81 per bill. The new rate is effective 2018/2019. Ms. Kulick suggested that the district keep the rate at \$1.81 for the next four years. Mr. Summers said that the Committee's recommendation will be \$1.81 per bill for the next four years. Mr. Bader said he will work on a resolution with Mr. Chris Brown,

h. Athletic, Custodial, Medical, & Tech Ed Supply Bid

Mr. Bader said that they are requesting that the district go out to bid for the Athletic, Custodial, Medical, & Tech Ed Supply Bid in order to advertise in January so the Board can approve the bids at the February Board meeting.

i. Property & Facilities Items

i. Indoor Air Technologies – Pay App#1 Final - \$118,000

Mr. Bader said that the Pay App. #1 is for the mold remediation at Middle Smithfield Elementary School. The Property & Facilities Committee would like to make the final payment contingent upon that Middle Smithfield Elementary passes the air quality test. The results should be back by Wednesday of this week. Mr. Bradley said he thought the results came in. Mr. Bader said he has not heard anything as of yet. Mr. Bradley said then they should wait for the results to come in before approving. Mr. Summers said that the Committee will approve pending results.

- ii. JTL Masonry Investigation – DEI Invoice - \$5,550
Mr. Bader said that the DEI invoice is for the masonry investigation of the J.T. Lambert Intermediate School and H.S. North Natatorium. Ms. VanWhy said this is just for the investigation to do the work.

- iii. RES & BES Access Control Proposals – Gilbertson Group - \$20,716
Mr. Bader said that Resica and Bushkill Elementary Schools did not have access control as we have in the Central Administration; therefore, we need to bring them up to the same standards. The district received quotes from seven vendors. Four provided quotes and one was not comparable. The lowest quote came from the Gilbertson Group at \$20,716.00. Mr. Borosh escorted them throughout the buildings to explain what needs to be done and he feels they will do a very good job.

- iv. JTL & LIS Masonry Investigation Reports
Mr. Bader said that an extensive report was done on the masonry at J. T. Lambert and H.S. North. Mr. Summers asked what does the Committee have to do with regards to this report. Mr. Bader said this project needs to be prioritize for the work to be done. The cost would be about 2.1 million dollars. The project would need to be bid. The Board needs to move forward with it in order for it to be done over the summer. That would involve the preparation of bid specs, construction documents, etc. The Finance Committee can recommend to the Board for approval so preparations can be made. Mr. Summers said that the Finance Committee should recommend to the Board to move forward that D’Huy provide the specifications for the bids for the work that needs to be done at Lehman and J. T. Lambert Intermediate Schools. Mr. Bader said he is correct. Lehman’s project is smaller and will cost about \$300,000.

Mr. Bader said when Property/Facilities Committee came up with the five-year plan, the JTL project was estimated to be about 1.6 million dollars. Now we are talking about another \$500,000 dollars. As projects come up, they were not included in the original five-year plan. This is higher priority; therefore, we may need to restructure other projects, unless the Board wants to borrow money. Mr. Summers asked if the Property/Facilities Committee needs to reprioritize their list. Mr. Bader said we need to see what has been done, what needs to be done and what needs to be revisited to insure priorities and funding. We do not want to hold onto this project. Ms. Kulick suggested adding a new year five. Mr. Bradley said the Property/Facilities Committee is waiting on information from D’Huy Engineering and they already prioritize this masonry project for J.T. Lambert Intermediate School and H.S. North. Mr. Summers asked if the Board will need to approve that the specs for this project that need to be written. Mr. Bader said they need to proceed with the project. Mr. Summers asked if the Natatorium at H.S. North is on the list. Mr. Bradley said it was not originally on the list. Mrs. VanWhy said this project was previously done during the wrong time; therefore, why should the district pay for a poorly done project. Mr. Bradley said the Committee did not want to pursue this issue. Mr. Bader said this litigation matter can be discussed in Executive Session. Ms. VanWhy said that the district needs to be careful on who they hire to do the projects.

- v. Disposal of District storage trailers & Emergency Management trailer
Mr. Bader said that the Property/Facilities would like to sell or dispose of some trailers. The district uses trailers for emergency command centers. They do not think it's a need. We may want to sell them since they are only used once or twice a year like during graduations. Mr. Summers said we need to see what can be done to remove these trailers. Ms. Kulick suggested selling them. Mr. Bader said that we need to see the best way to dispose of them. Ms. Kulick suggested having an auction.

Mr. Summers asked Mr. Bader to look into the Bollinger Law firm's bills since this year the expenses seem about 1,000 more than last year.

- j. Discussion of EBTEP Trust

Mr. Bader discussed the differences between Healthcare funding – fully being in a consortium or self-funding cost. The district has self-funding through the EBTEP Trust. In a self-funding arrangement claims costs are what they are, but the advantage of working through a trust is that there is more leverage to negotiate better administrative fees. There are also savings on the stop loss side because of pooled risk. We self-fund claims up to \$135,000 and purchase stop loss insurance through EBTEP for claims over \$135,000 up to \$300,000 and through the PA Trust for claims over \$300,000. We can purchase stop loss insurance through this trust arrangement at a lower cost than by doing so on our own, because the rate is based on the claims of the stop loss pool rather than individual districts. Last year, we had 13 claims above the \$135,000 mark and received 1.7million dollars in stop loss payments. In addition, we had 18 claims at 50% of the \$135,000 level. With those levels of claims, it would have been much more expensive for us to purchase stop loss insurance directly or alternatively stop loss carriers would have lasered some of the high cost claimants, leaving the District to pay their claims in full. Highmark is the only Blue Cross/Blue Shield provider that covers the northeastern part of the State. It would likely be more expensive to contract with them outside of being in the Trust. There are other options if we want to go outside the Trust, such as Aetna or Geisinger, but they have a much more limited network and it is unlikely that their discounts would be greater than what Highmark has been able to negotiate. Mr. Bradley asked if we have approached Principal Financial Group. Mr. Bader asked if they have health insurance. Ms. VanWhy said they need to be local. Mr. Summers said that the issue is that when one of our employees goes to Pocono Medical Center and an employee covered under a different plan goes to the same hospital, are we all paying the same rate. Mr. Bader said the question is does Highmark give the best discount. There is no way of knowing. Our representative, Rob Glus tried to find out but no one would give us that information. Mr. Summers said we can get numbers but they won't talk about pricing. Mr. Bader said that this is making it difficult but the odds are that Highmark gets better rates because they have more members and; therefore, more market power. We won't know for sure. Mr. Summers asked who does the negotiating of the rates between Highmark and the providers or St. Luke's and Coordinated Health. Mr. Bader said that Highmark negotiates rates with each of the providers and that they may be different for different providers.

V. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VI. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Debbie Kulick to recommend that the Board consider for approval the following items: Motion was seconded by Lisa VanWhy and carried unanimously, 4-0.

- a. To award Bright Bill for the propane powered school buses.
- b. To accept the independent financial audit report by Maillie, LLP for the Fiscal Year ending June 30, 2016.
- c. To adopt the formal resolution as presented to the Board at this meeting regarding the establishment of compensation rates for the District tax collectors for the 2018-19 through 2022-23 tax years at a \$1.81 per bill rate.
- d. To approve seeking bids for Athletic, Custodial, Medical, and Tech Ed supplies for the 2017-18 fiscal year.
- e. To approve Pay Application #1 – Final from Indoor Air Technologies in the amount of \$118,000 for the Middle Smithfield Elementary school Attic Abatement project, contingent upon approval by Administration.
- f. To approve invoice #45395 in the amount of \$5,550 from D’Huy Engineering for services rendered as part of the J. T. Lambert Masonry Investigation project.
- g. To accept the proposals submitted by The Gilbertson Group for access control upgrades to Resica Elementary school in the amount of \$11,147.00 and for Bushkill Elementary school in the amount of \$9,569.00 (Total \$20,716).
- h. To approve the proposal submitted by D’Huy Engineering in the amount of \$72,000 for the preparation of bid specs and construction management for the masonry repairs at Lehman and J. T. Lambert Intermediate schools.
- i. To approve the disposal of District storage containers and the emergency management trailer.

VII. NEXT MEETING – January 10, 2017 at 5:30 p.m.

Motion was made by Debbie Kulick to adjourn the meeting. Motion was seconded by Lisa VanWhy and carried unanimously, 4-0.

VIII. ADJOURNMENT: 8:05 p.m.

Respectfully submitted,

Patricia L. Rosado,
Board Secretary