

Lehigh Area School District
Lehigh, Pennsylvania
Finance Committee Meeting
Monday March 11, 2019 at 6:00 PM

Finance Committee Minutes

Present

- ☒ Andrew Yenser
- ☐ Richard Beltz
- ☒ Rita Spinelli
- ☒ Brian D. Feick
- ☒ Tina Champ
- ☐ Jonathan Cleaver
- ☒ David Bradley (audience until approx. 8:10 p.m.)
- ☒ Gail Maholick (arrived approx. 6:20 p.m.)
- ☒ Meghan Christman- Recording Secretary

RFP Presentations

- Last group presented

Meeting began 7:35 p.m.

George's Transportation Daily Run Bill for Approval

- All attending committee members agreed to pay the February 2019 transportation bill

Insurance RFP Discussion

- Mr. Bradley questioned the possibility of the auditor general requiring bids for transportation
 - Mr. Feick expressed concerns with how this would unfold; big companies like first student can underbid locally owned transportation companies
- Mr. Feick gave a brief overview of the presentations and questioned the committee if they wanted to bring back a condensed list of brokers for a second presentation or if they wanted to recommend a broker to the board this month
 - Mr. Bradley asked if it is a requirement to have an insurance broker
 - Mr. Feick stated that it is not a requirement, however, if the school district requests a proposal from an insurance company, the insurance company will assign an agency that needs to be paid anyway

- Mr. Feick also stated that the insurance broker not only shops insurance, but also assist in negotiations, file ACAs yearly, claims administration management, help retired employees
- Mr. Bradley questioned if there is a proposal to bypass the brokers and have the person responsible for these services (business administrator) do this instead
- Mr. Feick said there is not a proposal for this; he also stated that he does not know of the different insurance companies that offer certain insurances like a broker would
- Mr. Bradley stated that the district has two choices; choose a broker or look into using an agent to do their part of the work and having the district do the rest of the work in hopes to save money on fees
- Mr. Feick explained the RFP was open to agents as well as brokers
- Mr. Bradley said that the RFP was requesting a broker
- Mr. Feick agreed, however, there was at least one agency that submitted a proposal and was interviewed
- Mrs. Spinelli asked if a broker submitted for 2 or 3 of the RFPs can it be separated
- Mr. Feick explained that it can be separated if the board didn't want to award certain categories to certain brokers
- Mr. Bradley asked if any of the committee members contacted Gnanden Huetten, for example, to question how they receive their insurance
- Mrs. Spinelli stated she didn't contact St. Luke's
- Mr. Bradley asked if any of the committee members contacted any businesses within a 100-mile radius to question if they use a broker or buy their own insurance
- Mr. Feick said when he first came to the district he spoke to them
 - He also knows Kovatch has a broker
- Mr. Yenser stated that his employer uses a broker
- When Mr. Bradley questioned which broker Mr. Yenser's employer used, Mr. Yenser stated that he is not part of that and he was not sure since it just recently changed
- Mr. Bradley stated he checked with KME, St. Luke's and three mechanical contractors that have several thousand employees; he found that if you shop the right agencies and have a HR Department, you can mitigate a lot of the risks and save a lot of money
- Mr. Yenser questioned if the district was going to need to hire an HR Department
- Mr. Bradley stated the district already has an HR Department that is not being used properly (assigned as Mr. Cleaver)
- Mr. Yenser asked Mr. Feick if our current staff is capable of administering these tasks
- Mr. Feick does not believe our current staff is capable of this work without a broker and without an HR Director
 - One employee handles the benefits in addition to accounting and right to know for the district
 - Another employee handles hiring procedures, clearances in addition to their regular job duties
- Mr. Bradley expressed that he believes the board members should have done more work to look into other options versus being lead down a blind path
 - Mrs. Spinelli stated that she is aware there is not an HR Department which is why she didn't go out on her own ad look at agencies instead of brokers
- Mr. Bradley used an analogy to explain where he was coming from
 - Bob Barker (district employee/attorney/superintendent) asks a contestant (board) if they want to open door 1, 2 or 3. The contestant (board) turns to the audience (stakeholders) and the audience (stakeholders) shouts numbers without having any idea what is behind the doors. The contestant (board) recognizes that the screaming audience (stakeholders) has no value to the contestant (board) because they have no clue what is behind the doors. The contestant (board) tells Bob Barker (district

employee/solicitor/superintendent), thank you for the information, but I'm going to go move those doors and see what is actually behind them so the audience (stakeholders) can actually help.

- Mrs. Spinelli stated that this is not a game

Mr. Bradley left the meeting

➤ Discussion about Insurance Brokers

- Mrs. Maholick asked if retired district employees get insurance paid for by the district for a period of time
 - Mr. Feick stated by law, a retired employee can stay on the district health coverage plan until they are able to received Medicare, so as an incentive to get retired employees off of the plan, the district offers \$7,000 annually (for 3 years) to buy insurance elsewhere
- Mrs. Maholick stated she doesn't think the district has time to create an HR Department before we need to renew our insurances
 - The attending committee members agreed and stated adding an HR Department is something that the district should look to do over time
 - Mrs. Spinelli added that it would be unlikely that the district could hire an HR Director that could do all of these tasks alone; the district would also need to hire staff for the department
- The attending committee members agreed to recommend to the board that BSI is awarded as the brokerage for Health Care and Stop Loss Insurance and Macolino Risk Management is awarded as the brokerage for Property & Casualty Insurance

Auditor Presentation Postponed

- The auditors will be presenting at the March 2019 board meeting

Open Discussion

- The new Business Manager, Patricia Denicola, will be starting on March 25, 2019
- Mr. Feick's last day is March 29, 2019
 - Mrs. Denicola and Mr. Feick will be working together for that week

Meeting adjourned 8:34 p.m.

Next Meeting Date: Monday April 8, 2019 6:00 p.m.
BDF/mmc