

Finance Committee Meeting

September 13, 2018

Items of Discussion This Evening

- **Discussion:**

- Student Transportation
- June 30, 2018 – Results of Operation

- **Update:**

- Bond-Competitive Bid Results

- **Board Agenda:**

- Stop Loss Renewal
- Bid #18-63 - Nine Passenger Van
- Bus Route Approval

**TRANSPORTATION OVERVIEW
FINANCE COMMITTEE MEETING
09/13/2018**



COUNCIL ROCK
SCHOOL DISTRICT

AGENDA

➤ Past versus Present

➤ Hanover Research

➤ The Future

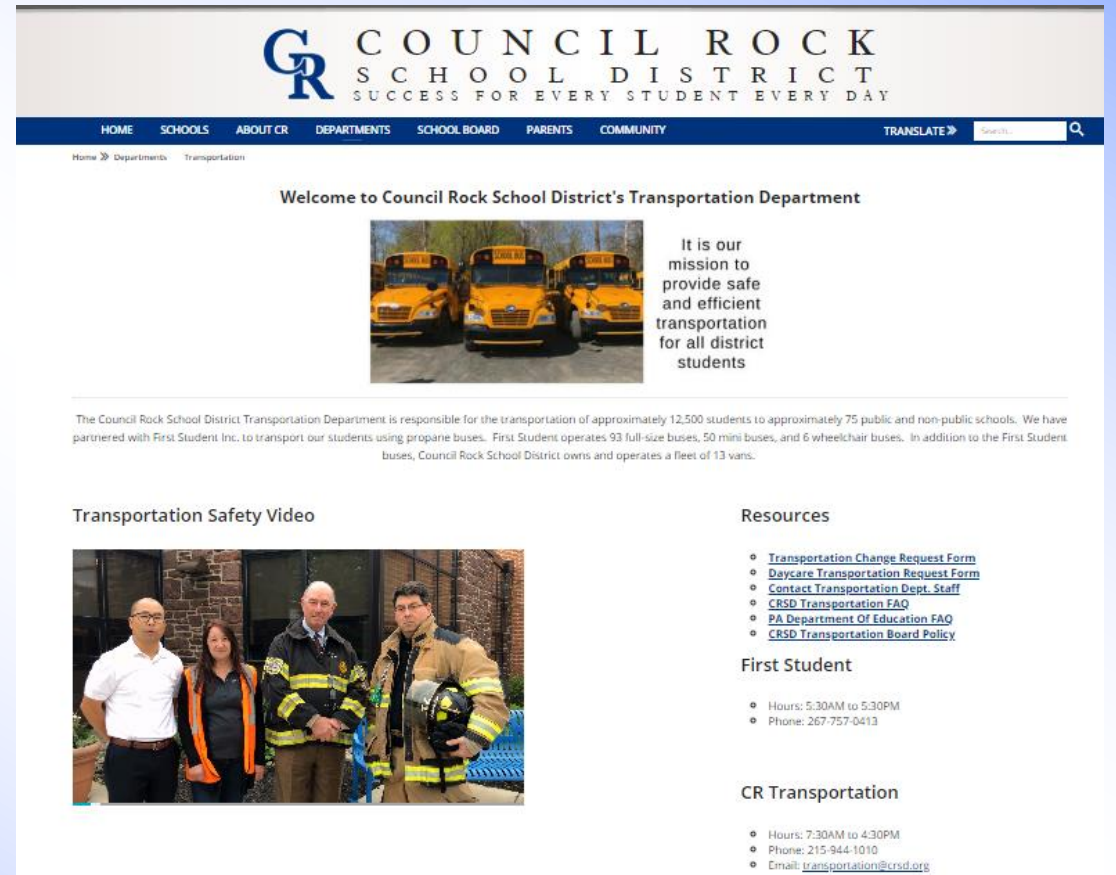
PAST VERSUS PRESENT

	PAST	PRESENT
Staff	1 Supervisor 1 Router 4 PT Clerical (Drivers)	1 Supervisor 1 Router 2 Secretary III
Overtime	Excessive	Seasonal Spikes
Office Layout	Crammed	Open
Customer Service	Unsatisfactory	Good
Routing Software	Edulog	Transfinder (basic)
Fleet Technology	GPS	GPS Plus
Transportation Website	Embarrassing	Improved
Contractor Performance	Meeting Expectations	Meeting NEW Expectations
Non Trans Functions	Registration, Act 80	Registration, Act 80

NEW TRANSPORTATION WEBSITE

- The NEW website has been simplified to provide relevant information.
 - Mission Statement (New)
 - Contact Info for CR & FS
 - Staff Directory (New)
 - Online Change Request Forms
 - Daycare
 - Transportation
 - FAQs
 - PDE
 - CRSD
 - Transportation Board Policy
 - Safety Video

[New CRT Website](#)



The screenshot displays the official website of the Council Rock School District's Transportation Department. The header features the district's logo and name, "COUNCIL ROCK SCHOOL DISTRICT", with the tagline "SUCCESS FOR EVERY STUDENT EVERY DAY". A navigation bar includes links for HOME, SCHOOLS, ABOUT CR, DEPARTMENTS, SCHOOL BOARD, PARENTS, and COMMUNITY. A search bar is located on the right. The main content area welcomes visitors to the Transportation Department and states its mission: "It is our mission to provide safe and efficient transportation for all district students". Below this, a paragraph describes the department's responsibilities, mentioning the transportation of approximately 12,500 students to 75 schools, the use of propane buses, and the partnership with First Student Inc. A section titled "Transportation Safety Video" includes a photo of four individuals, two in firefighter gear. A "Resources" section lists various forms and policies, such as the "Transportation Change Request Form" and "CRSD Transportation Board Policy". Finally, contact information for "First Student" and "CR Transportation" is provided, including hours of operation and phone numbers.

COUNCIL ROCK SCHOOL DISTRICT
SUCCESS FOR EVERY STUDENT EVERY DAY

HOME SCHOOLS ABOUT CR DEPARTMENTS SCHOOL BOARD PARENTS COMMUNITY TRANSLATE Search

Home » Departments » Transportation

Welcome to Council Rock School District's Transportation Department

It is our mission to provide safe and efficient transportation for all district students

The Council Rock School District Transportation Department is responsible for the transportation of approximately 12,500 students to approximately 75 public and non-public schools. We have partnered with First Student Inc. to transport our students using propane buses. First Student operates 93 full-size buses, 50 mini buses, and 6 wheelchair buses. In addition to the First Student buses, Council Rock School District owns and operates a fleet of 13 vans.

Transportation Safety Video

Resources

- [Transportation Change Request Form](#)
- [Daycare Transportation Request Form](#)
- [Contact Transportation Dept. Staff](#)
- [CRSD Transportation FAQ](#)
- [PA Department Of Education FAQ](#)
- [CRSD Transportation Board Policy](#)

First Student

- Hours: 5:30AM to 5:30PM
- Phone: 267-757-0413

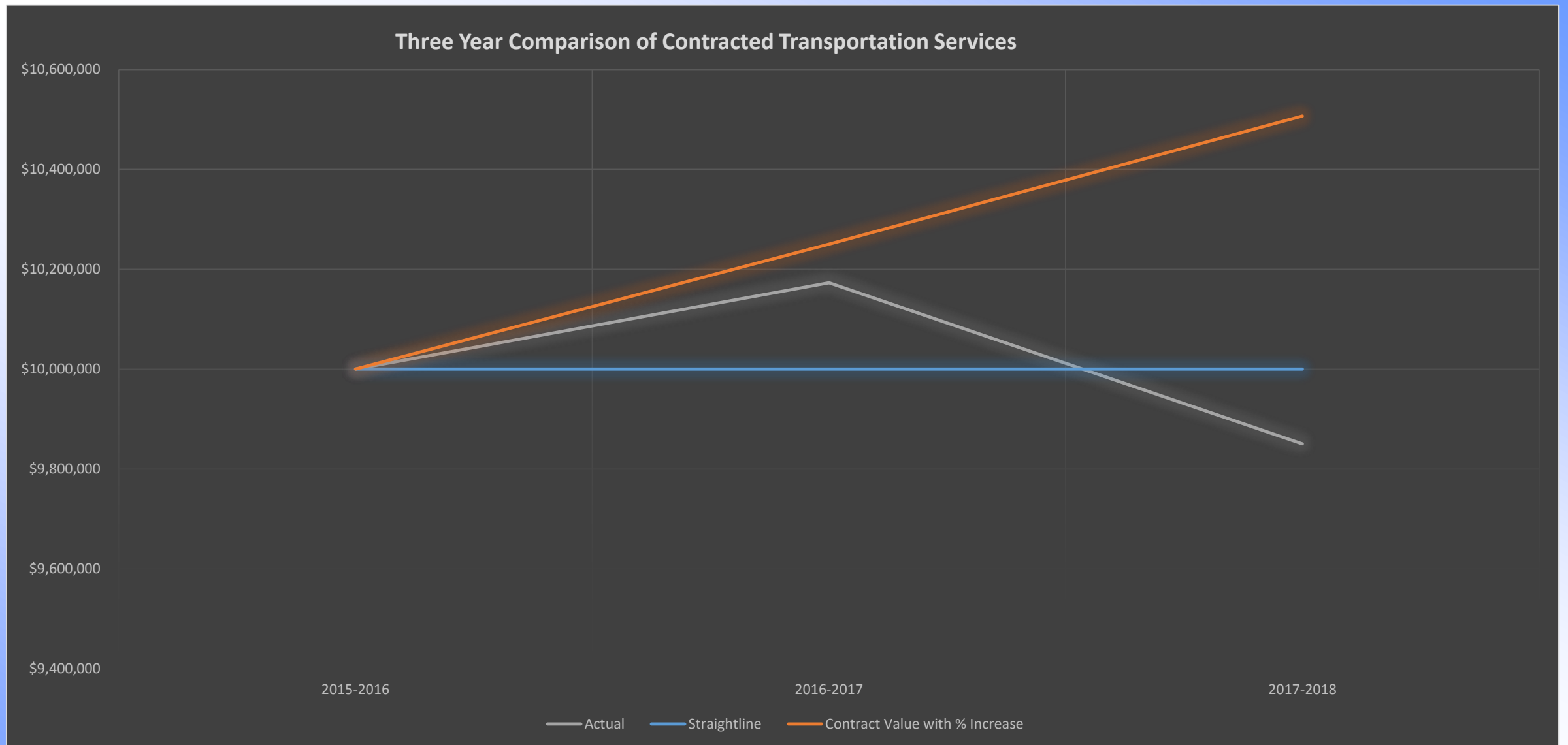
CR Transportation

- Hours: 7:30AM to 4:30PM
- Phone: 215-944-1010
- Email: transportation@crsd.org

PAST VERSUS PRESENT

	2015-2016	2016-2017	2017-2018
Wages	\$ 751,304	\$ 640,375	\$ 698,676
Benefits:			
Healthcare	285,050	266,195	284,247
Dental	22,902	18,542	20,769
Life Insurance	1,607	1,111	1,340
Disability	1,549	1,606	546
Vision	844	1,293	1,252
Social Security	55,957	47,255	51,188
Retirement	187,490	186,101	226,525
Unemployment	1,896	1,614	113
Workmen's Compensation	3,566	3,145	3,280
Other Employee Benefits	1,115	4,491	5,936
Total Employee Benefits	<u>561,976</u>	<u>531,353</u>	<u>595,196</u>
Total Wages and Benefits	\$ 1,313,280	\$ 1,171,728	\$ 1,293,872

	2015-2016	2016-2017	2017-2018
Contracted Services	\$ 85,520	\$ 15,131	\$ 500
Bus Depot Leases	365,481	362,665	356,948
Contracted Transportation	10,000,479	10,173,110	9,850,712
Insurance	25,092	26,651	25,543
Postage and Printing	12,270	13,867	21,138
Travel	550	1,663	2,558
General Supplies	3,751	2,022	5,672
Fuel	374,821	458,821	250,191
Refreshments	136	213	33
Books	-	23	-
Equipment	73,364	235	498
Dues and Fees	655	400	390
	<u>10,942,119</u>	<u>11,054,801</u>	<u>10,514,183</u>
	<u>\$ 12,255,399</u>	<u>\$ 12,226,529</u>	<u>\$ 11,808,055</u>



- 2.50% Increase in contract cost in the 2016-2017 and 2017-2018 year.

3 YEAR SNAPSHOT

	2015-2016 Actual	2017-2018 Actual	(Favorable) Unfavorable
Straightline	\$ 10,000,479	\$ 9,850,712	\$ (149,767)
	2015-2016 With Annual 2.50% Contractual Increase		
		2017-2018 Actual	(Favorable) Unfavorable
2015-2016 Base	\$ 10,000,479		
2016-2017 2.50% Contractual Increase	250,012		
2017-2018 2.50% Contractual Increase	256,262		
	<u>\$ 10,506,753</u>	<u>\$9,850,712</u>	<u>\$ (656,041)</u>

SY	# of Routes	Hrs/Rte	Total Hrs/Day	YOY	Router
2015 2016	125	5.91	738.75		C. Rehm
2016 2017	124	5.94	736.56	-0.30%	C. Rehm
2017 2018	126	5.39	679.14	-7.80%	D. Platt

* Only counted routes with paired AM & PM runs

** Data from June Invoice for each SY

Contributing Factors

- Router - New router with new rules
- Staff - 4 PT to 2 FT
- Stops - Reduction YOY
- Routes - Changed the runs within the routes
- Invoice - Checked against TF and GPS

HANOVER RESEARCH

Survey Findings

HANOVER RESEARCH - INTRODUCTION

To assist Council Rock School District (CRSD) in evaluating its transportation department and practices, Hanover Research (Hanover) conducted a brief benchmarking survey as well as in-depth interviews with transportation staff at CRSD's peer districts in Pennsylvania.

The survey's purpose was to gather quantitative benchmarking data to identify key characteristics of district transportation offerings at 47 of CRSD's peer districts. The interviews provide in-depth information on the districts' transportation services, department functions, staffing, and policies.



HANOVER RESEARCH - RECOMMENDATIONS

Based on our analysis, Hanover recommends that Council Rock School District:

- ✓ Create a structured process and clear guidelines for handling families' requests for transportation changes and complaints, and consider using a web-based form for change requests;
- ✓ Organize transportation staff responsibilities so that the director has time for strategic planning; and
- ✓ Consider reassessing the core transportation services CRSD provides to achieve greater efficiencies.

Survey Analysis Key Findings



CRSD may be ahead of its peers regarding the breadth of transportation services offered. The majority (over 85%) of peer districts offer early dismissal and after-school transportation services, and over half (62%) offer daycare transportation and before-school transportation. Just around a quarter (26%) offer half-day kindergarten transportation. CRSD, by comparison, offers all of these services.



Around three-quarters of peer districts (77%) provide specialized transportation services for students with special needs. Among these districts, all offer wheelchair buses, and 89% offer buses with monitors.



CRSD has roughly the same number of bus drivers, salaried transportation employees, and hourly transportation services. Peer districts have an average of 144.8 bus drivers (compared to 150 in CRSD), 1.6 salaried employees (compared to one in CRSD), and 3.2 hourly employees (compared to three in CRSD).

In-Depth Interview Key Findings



Interviewed districts frequently do not enforce their official policies related to maximum walking distance due to safety concerns. Districts' policies for how far students must live from the school to receive district-provided transportation vary from three-quarters of a mile for all students, to the Pennsylvania state guideline of one and a half miles for elementary students and two miles for secondary students. Districts have similar policies for the maximum distance students must walk to their bus stops. However, unsafe walking conditions due to hazardous roads make these policies unrealistic for five out of the six districts, who, in practice, provide transportation to the majority of their students.



Half of interviewed peer districts try to maintain a maximum busing time of 40 to 45 minutes, while the remainder aim to limit this time to an hour. However, only half of the districts have official policies for the maximum busing time. The maximum busing time typically increases for students who attend non-public schools or receive transportation to a school outside of district boundaries.



Five out of six interviewed districts' transportation departments are not responsible for student registration. Rather, registration offices, pupil services departments, or individual students manage student registration.

In-Depth Interview Key Findings, cont.



Peer districts have clean, structured processes for handling parent requests for changes to transportation. However, two districts only change bus stops for safety reasons, and one district does not take any parent requests for transportation changes. Two of the six districts have forms on their website that parents can fill out to request a change to their bus stop.



Districts allow the transportation director to focus on transportation strategy by assigning day-to-day administrative responsibilities and minor issues to a separate employee. For example, some interviewed districts have a supervisor or assistant who is responsible for handling minor issues and complaints, thus allowing the director to focus on strategic planning and creating efficiencies.

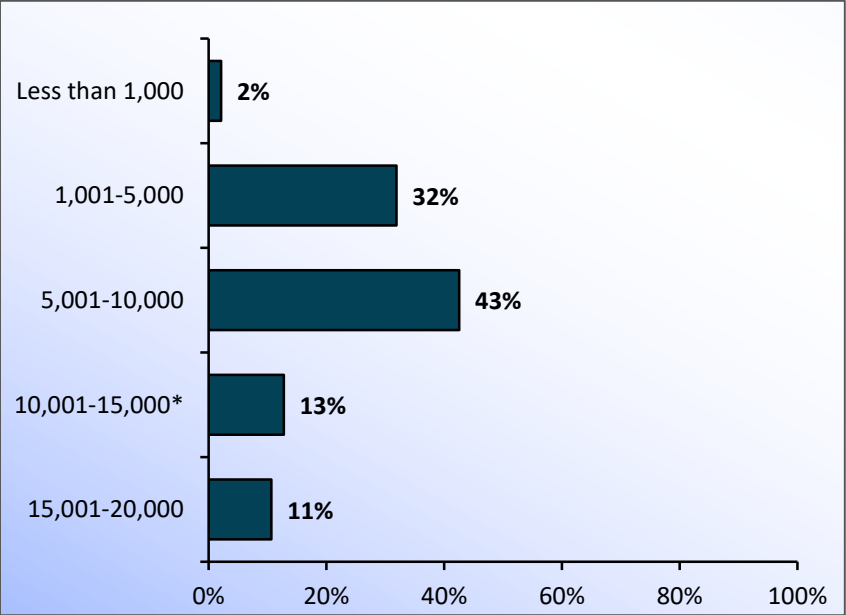


Districts that use private contractors emphasize the importance of close involvement with the contractors, maintaining control over transportations practices and decisions, clearly defining roles, and communicating frequently. Of the six districts interviewed, only one district does not contract out for any of their transportation services. Four of the districts contract out all their transportation services, and one only contracts out transportation for students with special needs and some non-public school students. All of the districts who use contractors for their transportation services determine the routing themselves.

Survey Results: District Characteristics

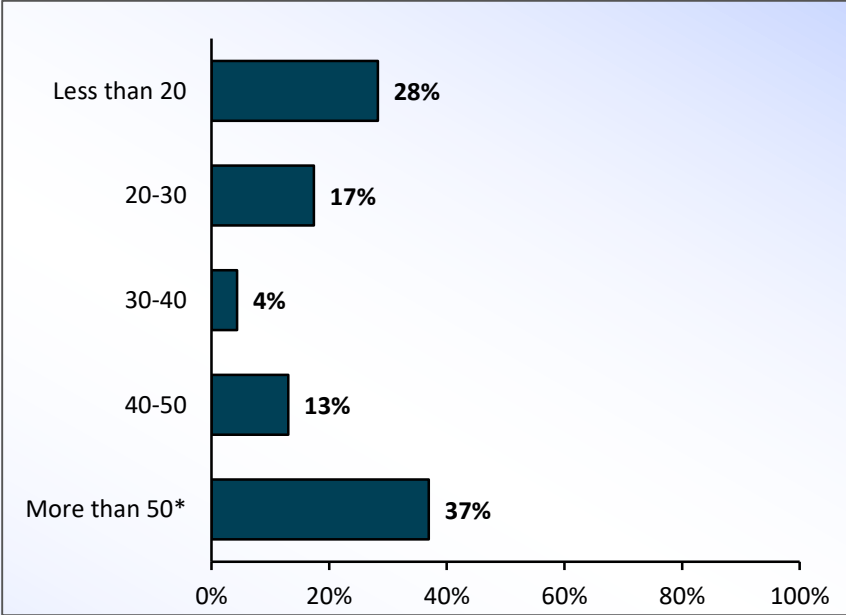
CRSD's student enrollment falls between 10,001 and 15,000 students, whereas the majority of survey respondents have fewer than 10,00 students. CRSD also falls in line with the largest category of square miles covered by a district, at over 50 square miles.

Districts by Student Enrollment



n=47 (Excluding CRSD)
*Denotes CRSD's enrollment

Districts by Square Mile Covered

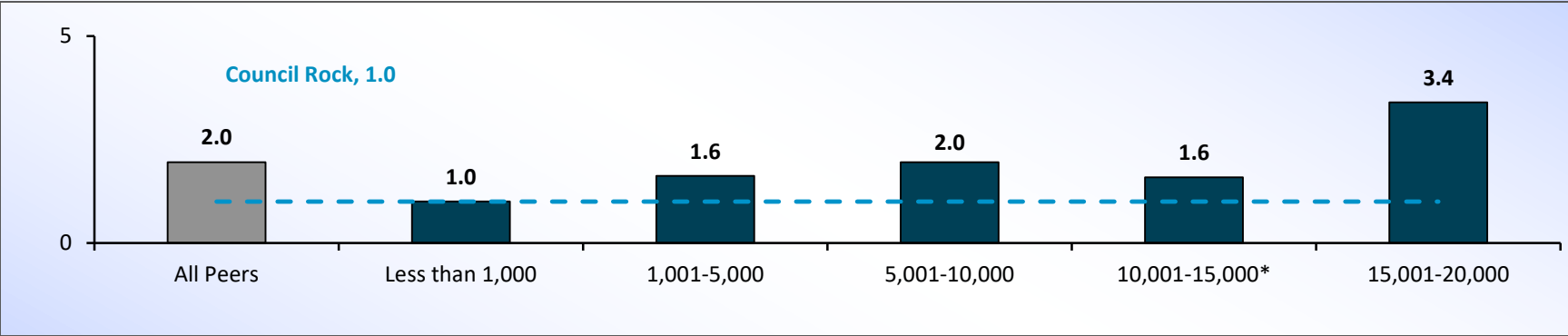


n=47 (Excluding CRSD)
*Denotes CRSD's enrollment

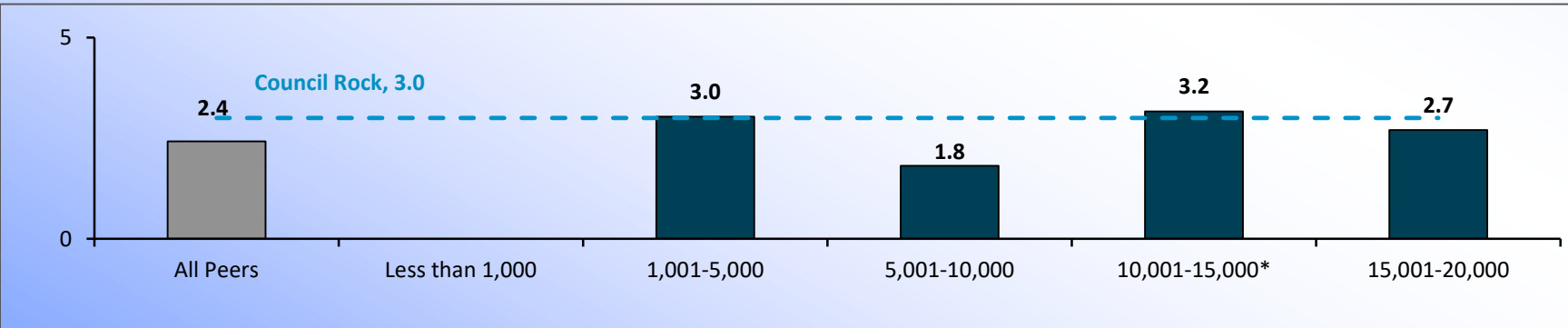
Transportation Employees: Office

CRSD has one salaried employee in the district transportation office, just below the peer average in the same student enrollment category who employ an average of 1.6. CRSD's hourly employee number is on-par with its district peers of the same enrollment capacity at 3.

Average Number of Salaried Employees in District Transportation Office by Student Enrollment



Average Number of Hourly Employees in District Transportation Office by Student Enrollment



THE FUTURE

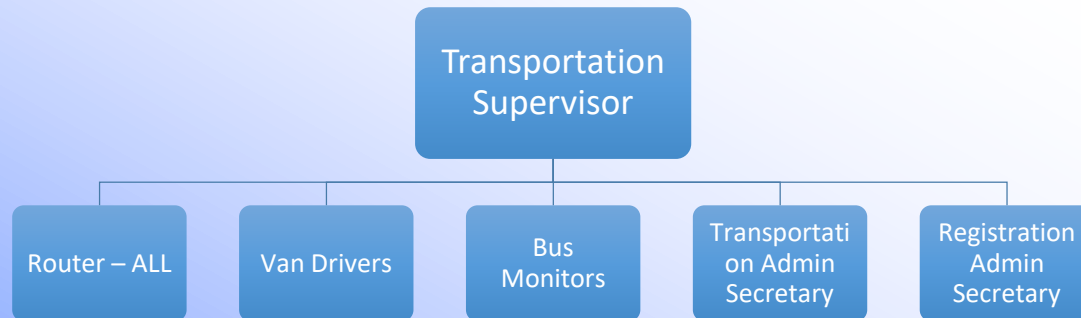
How do we get there?

TRANSPORTATION HIGHLIGHTS

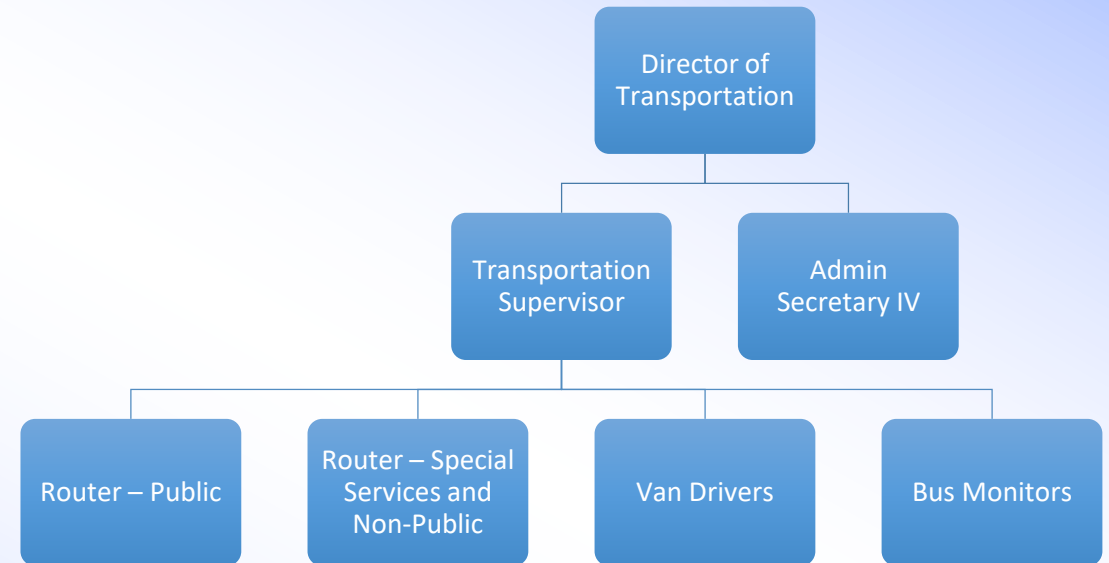
- ✓ Create a Stronger Team
- ✓ Upgrade Routing Software
- ✓ Improve CRSD Transportation Website
- ✓ Build Stronger Relationship with First Student
- ✓ Reduce Cost
- ✓ Add Value

THE FUTURE DEPARTMENT STAFFING SCENARIOS A

Current State – 1 Salary & 3 Hourly



Scenario A – 2 Salary & 3 Hourly



Restructuring of Staff
Central Registration

\$ 174,172

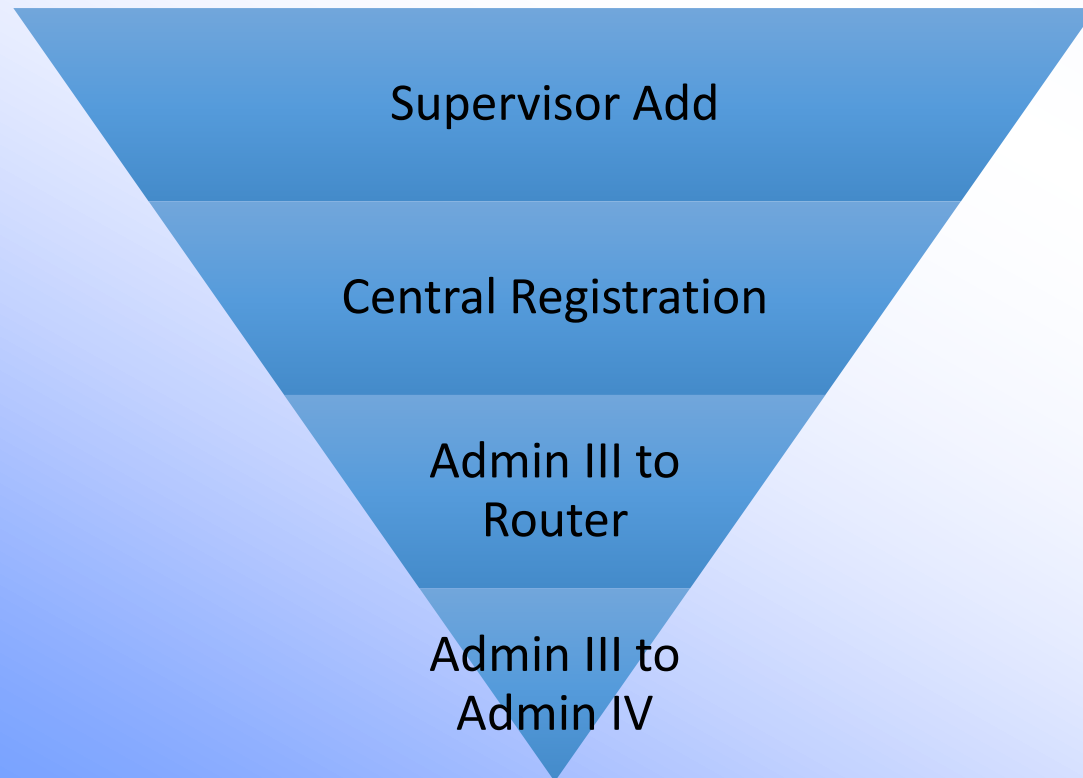
51,214

\$ 225,386

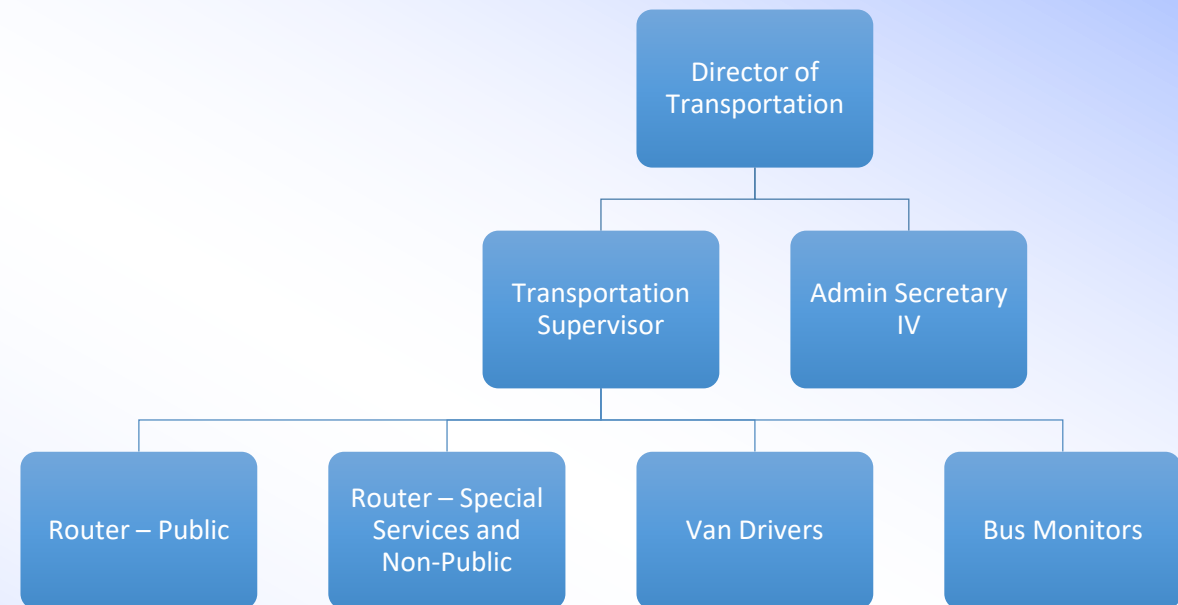
SCENARIOS A

BREAKDOWN OF THE EXPENSES

Current vs Scenario A



Scenario A – 2 Salary & 3 Hourly



Restructuring of Staff
Central Registration

\$ 174,172

51,214

\$ 225,386

SCENARIOS A VALUE PROP

Transportation Director

Transportation

- Create Goals
- Create Scorecard
- IDP & Succession Planning
- Performance Reviews
- Create Playbook

District

- Special Services
- Athletics & Field Trips
- Strategic Planning
- Transportation Network Analysis
- Communication Plan
- Safety Policies & Education

Technology

- Website Maintenance
- Transfinder
- Cameras
- Bus Trackers
- Student Trackers
- GPS Integration

External

- Bids – Equipment, Fuel, Services
- Insource vs Outsource
- Contract Negotiations
- Contractor Management
- Create Metrics
- Business Reviews

Scenario A

Director of Transportation

Transportation Supervisor

Admin
Secretary IV

Router –
Public

Router –
Special
Services and
Non-Public

Van Drivers

Bus
Monitors

Restructuring of Staff
Central Registration

\$ 174,172

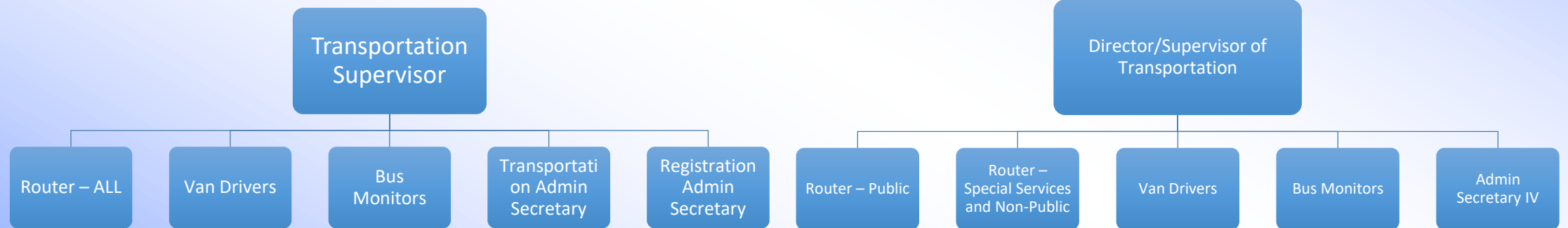
51,214

\$ 225,386

THE FUTURE DEPARTMENT STAFFING SCENARIOS B

Current State – 1 Salary & 3 Hourly

Scenario B – 1 Salary & 3 Hourly



Restructuring of Staff

\$ 25,135

Central Registration

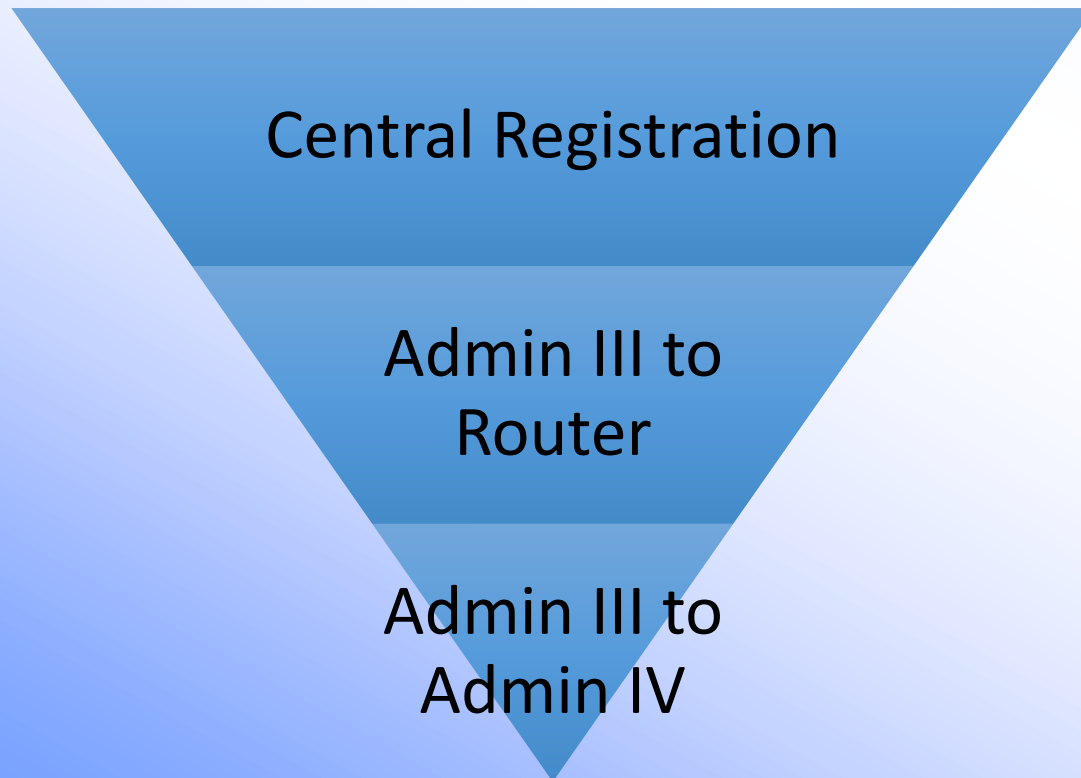
51,214

\$ 76,349

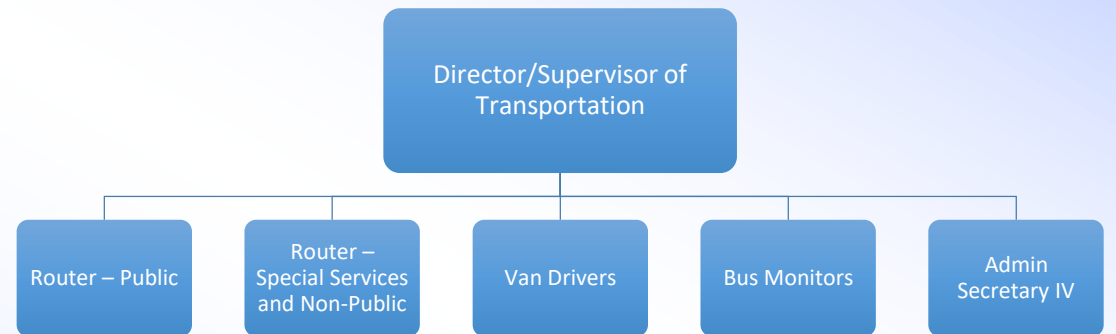
SCENARIOS B

BREAKDOWN OF THE EXPENSES

Current vs Scenario B



Scenario B – 1 Salary & 3 Hourly



Restructuring of Staff
Central Registration

\$	25,135
	51,214
\$	<u>76,349</u>

SCENARIOS B

VALUE PROP



Scenario B

Transportation
Supervisor

- Router – Public
- Router – Special Services and Non-Public
- Van Drivers
- Bus Monitors
- Admin Secretary IV

Restructuring of Staff	\$	25,135
Central Registration		51,214
	\$	<u>76,349</u>

RECOMMENDED POLICIES TO REVIEW

Walking and Riding

- Walk Distances (School or Stop)
 - Elementary – 0.5 miles
 - Secondary – 1.0 miles
- Location of Stop
 - Elementary – In neighborhood
 - Secondary – End of neighborhood
- Ride Times
 - Elementary – 75 max in district
 - Secondary – 75 max in district

The Exceptions

- 5 Day Rule
 - Any change must be for 5 days
- Joint Custody
 - Only if 50/50, in district
- Daycare
 - + ¼ mile to boundary, 5 days
- Appeal Process
 - Decisions are constantly challenged

GOAL – To be the BEST serving the BEST

We must exceed expectations while identifying cost reductions and increasing value added services in a safe and sustainable environment for our students.

- Continuous improvement
- Create momentum for change
- Reward positive behavior
- Right person in the right role
- Encourage collaboration
- Lead with integrity



WHAT'S NEXT?

SCHOOL BOARD DIRECTION

WHAT'S NEXT?

- ☐ Transportation Department Staff
 - ☐ A - Director, Supervisor, 2 Routers, Class IV
 - ☐ B - Supervisor, 2 Routers, Class IV

- ☐ Revise CRSD Transportation Policies
 - ☐ Board Sub-Committee

- ☐ Create Appeal Process and Review Board
 - ☐ Input to Composition of Review Board

Preliminary Results of Operations – June 30, 2018¹

	Budget	Actual	Variance	Percent of Variance
Revenues:	\$ 229,132,916	\$ 232,376,959	\$ 3,244,043	1.42%
Expenditures:	233,333,635	232,041,195	1,292,440	0.55%
Revenues in Excess (Under) of Expenditures	(4,200,719)	335,764	4,536,483	
Less:				
Operating Transfer to Capital Reserve	-	3,000,000	(3,000,000)	
Revenues in Excess (Under) of Expenditures and Operating Transfers	(4,200,719)	(2,664,236)	(1,536,483)	
Beginning Fund Balance	24,086,668	24,086,668	-	
Ending Fund Balance	\$ 19,885,949	\$ 21,422,432	\$ (1,536,483)	

1 Unaudited – Subject to Change

Preliminary Results of Operations – June 30, 2018¹

Analysis of Major Revenue Variances

Revenues:	Budget	Actual	Variance	Percent of Variance
Real Estate Taxes	\$ 144,510,096	\$ 146,022,920	\$ 1,512,824	1.05%
Earned Income Taxes	16,500,000	17,845,729	1,345,729	8.16%
PlanCon Rental Reimbursement	900,000	1,346,042	446,042	49.56%
State Retirement	17,659,661	17,872,045	212,384	1.20%
Basic Education Subsidy	14,300,000	14,444,756	144,756	1.01%
Special Education Subsidy	6,475,000	6,569,813	94,813	1.46%
State Tuition Reimbursement	30,000	84,963	54,963	183.21%
Delinquent Tax Collections	2,550,000	2,236,913	(313,087)	-12.28%
Interim Real Estate Taxes	1,200,000	797,270	(402,730)	-33.56%
	<u>\$ 204,124,757</u>	<u>\$ 207,220,451</u>	<u>\$ 3,095,694</u>	

A Closer Look at Earned Income Tax

	Annual Budget	Annual Collections	% Increase
2004-05		\$ 11,067,610	
2005-06		11,795,055	6.57%
2006-07		12,861,785	9.04%
2007-08		13,078,766	1.69%
2008-09		13,104,879	0.20%
2009-10		12,879,556	-1.72%
2010-11	\$ 12,550,000	12,118,589	-5.91%
2011-12	13,100,000	14,141,331	16.69%
2012-13	13,100,000	15,091,502	6.72%
2013-14	14,000,000	16,545,807	9.64%
2014-15	15,100,000	16,210,229	-2.03%
2015-16	16,000,000	16,397,520	1.16%
2016-17	16,300,000	18,398,182	12.20%
2017-18	16,500,000	17,845,729	-3.00%

Preliminary Results of Operations – June 30, 2018¹

	Budget	Actual	Favorable (Unfavorable)	%
Salaries and Wages	\$ 108,021,236	\$ 109,581,908	\$ 1,560,672	1.44%
Employee Benefits:				
Healthcare	22,977,777	22,397,064	(580,713)	-2.53%
Dental	1,570,225	1,586,763	16,538	1.05%
Life Insurance	161,590	142,136	(19,454)	-12.04%
Disability	130,425	127,554	(2,871)	-2.20%
Vision	109,277	108,353	(924)	-0.85%
Social Security	7,901,345	8,044,337	142,992	1.81%
Retirement	35,115,210	35,588,886	473,676	1.35%
Tuition Reimbursement	100,000	110,382	10,382	10.38%
Unemployment	269,956	7,198	(262,758)	-97.33%
Workmen's Compensation	540,061	510,697	(29,364)	-5.44%
Other Benefits	238,000	474,180	236,180	99.24%
Total Employee Benefits	<u>69,113,866</u>	<u>69,097,550</u>	<u>(16,316)</u>	<u>-0.96%</u>
Total Wages and Benefits	<u>177,135,102</u>	<u>178,679,458</u>	<u>1,544,356</u>	<u>0.17%</u>
 300-900 Objects	 56,198,533	 53,361,738	 (2,836,795)	 -5.05%
Total Expenditures	<u>\$233,333,635</u>	<u>\$232,041,195</u>	<u>(\$1,292,439)</u>	<u>-0.55%</u>

Preliminary Results of Operations – June 30, 2018¹

Selected Appropriation Program Areas – 300-900 Objects

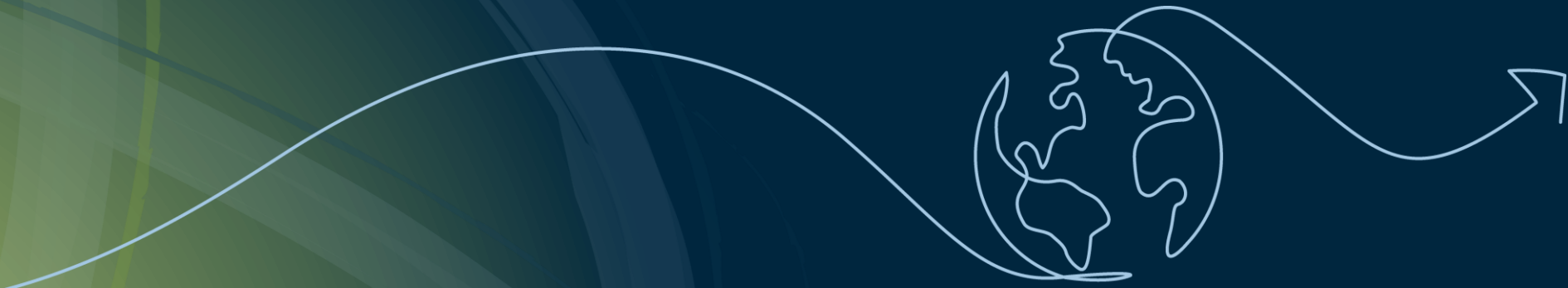
	Budget	Actual	Favorable (Unfavorable)	%
Buildings and Grounds	\$ 8,501,474	\$ 7,341,980	\$ (1,159,494)	-13.64%
Special Services - Contracted	4,123,885	3,339,112	(784,773)	-19.03%
Student Transportation	10,806,916	10,343,239	(463,677)	-4.29%
Building Budgets	1,997,815	1,653,247	(344,568)	-17.25%
Debt Service	17,966,401	17,871,014	(95,387)	-0.53%
Fund Transfers	-	255,553	255,553	N/A
	<u>\$ 43,396,491</u>	<u>\$ 40,804,145</u>	<u>\$ (2,592,346)</u>	5.85%

Bond Series A of 2018

- Issued \$4.8 million of bonds to refinance our variable rate bond to fixed rate.
 - 6 year maturity
 - TIC 1.871285%
 - Currently Budgeting 4.00% annually.
 - Actual Interest Rate Paid in August 2.52%
- Savings to Budget is \$269,696 over six years.
- Internet Auction Bid Stats:
 - Eight Underwriters Participated
 - 86 bids received
 - Underwriter's Best Bid Range: 2.094345% to 1.871258%



Council Rock School District Stop Loss Renewal & Analysis August 20, 2018



2018-19 Stop Loss

Stop Loss Marketing Summary

- Gallagher Benefit Services requested quotes from 10 Stop Loss
- Four carriers quoted
 - Reliance and HM provided competitive quotes
 - Optum and Symetra provided uncompetitive quotes at over 50% above current

Carrier	Response
<i>Sunlife</i>	<i>Current</i>
AIG	Declined to Quote
Guardian	Declined to Quote
HCC Life	Declined to Quote
HIIG-Elite	Declined to Quote
HM	Quoted
Voya Financial	Declined to Quote
Optum	Quoted but uncompetitive
Reliance Standard	Quoted
Symetra	Quoted but uncompetitive
Zurich	Declined to Quote

2018-19 Stop Loss

Stop Loss Options: September 1, 2018- August 31, 2019

Council Rock Area School District Stop Loss: Effective September 1, 2018					
	Current Deductible	Renewal	Negotiated Renewal	Alternative 1	Alternative 2
Carrier	Sun Life	Sun Life	Sun Life	Reliance Standard	HighMark
Individual Specific Deductible	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Policy Year Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Contract Basis (Incurred/Paid)	Paid (/12)	Paid (/12)	Paid (/12)	24/12	24/12
Benefits Covered	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx
Specific Payable Percentage	100%	100%	100%	100%	100%
Lasers	None	None	None	None	None
Commission Included in the Rates	0%	0%	0%	0%	0%
Supplemental Compensation	0%	0%	0%	0%	0%
Single 306	\$21.53	\$26.91	\$26.27	\$16.75	\$19.45
Family 1001	\$47.64	\$59.55	\$58.12	\$52.67	\$52.91
Admin PEPM Credit if HM is Selected	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.50)
Monthly Premium Including \$1.50 Admin Charge	\$54,276	\$67,844	\$66,217	\$57,848	\$56,954
Total Annual Premium Including \$1.50 Admin Charge	\$651,310	\$814,128	\$794,601	\$694,178	\$683,449
Annual \$ Change from Current	N/A	\$162,818	\$143,291	\$42,868	\$32,139
Annual % Change from Current	N/A	25.0%	22.0%	6.6%	4.9%

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

2018-19 Administrative Fee Renewal

IBC Administrative Fee Proposed Fee

- IBC has offered a reduced administration fee for the 2018-19 Plan year
- The fee will save the district approximately \$80K compared to the current annual cost

	2017-18 Plan Year	2018-19 Plan Year (Original Renewal)	2018-19 Plan Year (New Renewal)
Medical Admin Fee	\$46.50	\$47.90	\$41.40
Estimated Monthly Premium	\$60,775.50	\$62,605.30	\$54,109.80
Estimated Annual Premium	\$729,306.00	\$751,263.60	\$649,317.60
Annual \$ Change from Current	N/A	\$21,958	(\$79,988)
Annual % Change from Current	N/A	3.0%	-11.0%

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Privacy Notice

Gallagher Benefit Services, Inc. (GBS) treats your personal privacy with care and respect. Because we value our client relationships, we do not disclose a client's nonpublic personal financial and health information with third parties, except for the purposes of placing your insurance coverage(s), and as otherwise permitted by law.

Applicable law requires GBS to provide our clients with a copy of our Privacy Policy which is enclosed. This policy does not apply to our efforts to market our products and services to you, so you may receive information from us regarding products that may suit your needs.

GBS has always been mindful of our clients' privacy. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Thank you for choosing Gallagher Benefit Services, Inc. We appreciate your business and value our relationship.

This **Privacy Policy Disclosure** outlines our information sharing practices to help you understand how we protect your privacy and that of your employees when we collect and use information about you and your employees, and the measures we take to safeguard that information.

Information We Collect. We collect nonpublic personal financial and health information about you and your employees as required by the insurance companies including:

- Information we receive from you and your employees on applications or questionnaires, such as occupation, current employer and social security number;
- Information about your transactions with us, our affiliates, or previous insurers; such as your policy coverage, claim information, premiums and payment history;
- Information we receive from consumer-reporting agencies such as Equifax that is obtained for the purpose of ascertaining credit histories. These reports are obtained as underwriting tools to determine bill paying habits and credit worthiness for certain individual, personal insurance products. These reports are not subject to race, gender or income.

Information We Disclose. We do not disclose any nonpublic personal financial and health information about our clients or former clients to anyone, except for the purposes of placing your insurance coverage(s) and as otherwise permitted by law. For example, we may disclose nonpublic personal financial and/or health information about you and your employees to market your insurance coverage directly with insurers and providers.

Information Security. We restrict access to nonpublic personal financial and health information about you and your employees to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your nonpublic personal financial and health information and that of your employees.

Disclaimers

Solvency While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Coverage IMPORTANT: This proposal [analysis, report, etc.] is an outline of the coverages proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

Renewal/Financial This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Legal The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.

9 Passenger Van Bid

- Van fleet is aging:
 - 13 vehicles
 - Average Age 8.38 years
 - Average Milage 79,727; High 165,289
- Fleet Use
 - 4 - Home to School
 - 6 - Achieve
 - 1 – North Community Based Instruction (CBI)
 - 2 Shared (Spare)
- Recommend to Award to Whitmoyer Ford, Inc., low bid, \$27,400

Approval of 2018-2019 Bus Routes

- Annual Requirement
- Approximately 7,700 Bus Stops, To and From School
- 127 Runs