

UNION TOWNSHIP BOARD OF EDUCATION
WORKSESSION MINUTES - JANUARY 12, 2016

Meeting held at the James Caulfield Administration Building, 2369 Morris Avenue, Union, New Jersey at 7:00 p.m. on January 12, 2016.

The meeting was called to order by Mr. Nufrio at 7:00 p.m.

Dr. Francis led the Board and audience in the Pledge of Allegiance.

PRESENT AT ROLL CALL:

Mr. David Arminio, Dr. Guy Francis, Mr. Steven Le, Mr. Ronnie McDowell, Mr. Jeffrey Monge, Mr. Vito Nufrio, Mrs. Nancy Zuena

ABSENT AT ROLL CALL:

Mr. Angel Salcedo

ADMINISTRATION PRESENT: Mr. Gregory Tatum, Dr. Noreen Lishak, Mrs. Annie Moses, Mr. Manuel Vieira, Mr. Gerry Benaquista, Mrs. Kim Conti, Mr. Thomas Wiggins

Mr. Vieira read the statement required under the "Open Public Meetings Act", a copy of which is on file in the office of the Secretary.

APPROVAL OF MINUTES:

Mr. Nufrio asked if there were any questions pertaining to the minutes that are listed? None.

COMMUNICATIONS:

Mr. Nufrio stated who is the responsible individual for that? Mr. Vieira stated the Custodian of Records. Mr. Nufrio stated by the way congratulations. Mr. Vieira stated nothing unusual in the communications. Mr. Nufrio stated usual business – nothing outstanding, nothing that the public needs to be directed to.

Mr. Arminio stated #15 – make sure that everyone is aware that Lois Jackson resigned as a Board member and what the process will be. Secondly, I will definitely say something about Leslie Ragucci, who is retiring, next week.

Mr. Nufrio stated as far as the process, I am going to ask the Board members to just send to me individually by email if you would like to be considered for the committee; but I would like to indicate that we are going to do this a little bit different. Dr. Francis last year had suggested to possibly make that a public meeting in terms of the entire Board being present for the interview process and I do remember that. Dr. Francis I thought about it and I think that it is an excellent idea. What we will probably do is once I set up the Ad Hoc Committee, they will be the individuals who will direct the questions to the candidates. We will do this in an open public meeting and it will be a special meeting obviously and secondly all Board members will probably submit some questions to the committee so that they can in turn represent the Board.

By doing that, I think that will be a fair representation as to how the candidate will eventually be selected but it will be the selection of the committee who will make the recommendation to the Board. Any questions on that? If you have ideas, by all means send it to me and I will be glad to look at and consider it and we will talk more about it.

SUPERINTENDENT's REPORT:

Mr. Tatum stated we have several guests here tonight and as you know normally at the work sessions I don't give a formal report. I am going to call up our guests and let them make a presentation so that we can move on to the remainder of the meeting. Next week we will have two presentations by two of our schools and we will continue that – both Jefferson and Connecticut Farms School. We will have our annual Bullying Incident Report which is required by the State – which I will present and also the HIB Self Assessment on January 19th. In addition, I will do my general highlights of the month for December as well as anything else that comes up regarding our planning committee and some dates ahead and topics that we will be talking about and all the other good things that happen here in our Township. At this time we have both Mr. Boll and Director Zieser here. I know Mike wants to say something and I want Dan to come forward because there is an item on the agenda and then we will hear from our insurance broker.

Michael Boll stated I just wanted to thank everybody for the event that we had on Santa in Blue – we actually had about 1,000 people. We really did a phenomenal job the entire time. It is a little bit hard to transition from one event to the other. In the future we will probably change it up a little bit. We are going to have to tweak certain things. I believe that the community event was a huge success and I couldn't have been happier. It was short time coming here and I want to thank you guys for working through and getting it done. I did tell you guys that in the future we are looking to do something. I felt that was a perfect way to start this coalition that we were talking about and I'm looking to get maybe the high school, the first week of February – a Tuesday, Wednesday or Thursday just for a few hours and I will blast out a message to every person in the coalition that we are talking about but also the residents themselves and have them come and put on another presentation about what we are looking to do in the future, the actual quarterly programs and also how we are going to work together as a group to make these things work. The Director is here himself and he can tell you that I have cart-blanche and I can do anything I want with these programs. I feel that I have been successful with them already but now I need to share this with everybody. There is no reason why we can't do this together. This is going to make our town a lot better. We have thousands of residents in town with kids and it is time to really work together. I just really want to get everybody working together. What I'm looking for is maybe the high school, the first week of February – one of those days. If the high school is not available, maybe Burnet – just somewhere I can put a power point presentation together and tell everybody what we are doing.

Also, I am working on Operation Rebound which is a disable veterans and first responder racing game. This has taken off beyond – I actually got a building in town and we are looking to go on the news. First I will be going to the State House. Why I am telling you all of this is not to brag about how wonderful I'm doing is that we were talking about how this could be incorporated with the town as well. Everybody here works on other charities and I'm not telling you not to work for other charities. This charity is going to be one of the biggest in the State if

we continue going at the rate we are going at. With that being said, I want this to be home base for the charity. We can have everybody be involved in some way in this charity. I am not looking for anything crazy just full support from the entire town. I will be presenting that as well. I think that if we have – you have heard of the Police Unity Tour – it is based out of Florham Park, New Jersey and it went national. They are known for that. There are other charities that have been started in other locations that are known for that as well. We don't have a base where a charity is started. If we have something that is ours, it is a hell of a charity, we are helping disabled veterans and first responders. We have members of the Special Olympics on this team. We open it up to everybody. The premise is for these people that are disabled – veterans and first responders but for everybody. I feel like a charity like this can really make this town, just the same way we have been working with the other project even better. I am going to be presenting both of these to the entire town.

I'm fully supported by the entire State – I just wouldn't be coming up saying this is going to happen – no it is happening and I'm going to support everything that I say with the power point. I am really going to be asking for you to help on whatever we are doing from now on. This is going to be a quarterly thing. We are going to be meeting up and speaking about. Most can be done by email but I'm really asking for the school board, the town, everybody that is involved to really realize that we have an opportunity doing something huge and I want everyone to be a part of it.

Once again I want to thank everybody. About the school, I don't know how you want me to do that. Mr. Tatum stated I suggest that you get together with Tom just to get that information. You can do a request and check School Dude with Donna Hubbard so that we can make sure that there is a facility available. We need to do that ASAP since it is the 1st of February and that is in a couple of weeks. Mr. Boll stated I can wait. Mr. Tatum stated it could be available but I rather that you start it now. Mr. Boll stated the reason I want to get it started now and I know it sounds like a rush – it is the beginning of the year and we are not asking for anything crazy. I will be social media blasting this and maybe do a reverse 911 – something to get the residents there. We are going to do it again. If it is a week in February – nobody is going to be doing anything so we can have the information available for everyone and now is the time to do it. I am already prepared – I have the power points done. As you can see I'm not afraid to speak. I think I can sell this without a problem. I never had anybody tell me no. Like I said it was a very successful event because everybody worked together and it wasn't just one person and I just wanted to thank everybody here. Mr. Tatum stated and thank you for what you are doing.

Mr. Nufrio stated and Mr. Tatum's sentiment is ours as well. We were happy to be part of it and I want to personally compliment you and indicate for the record that I did attend, as did Mr. Arminio, Mrs. Zueno and I understand that Mr. McDowell was there. We were there perhaps at different times. For those of you that did attend, once again it is an indication to how we have to work together, especially at these types of events and I use to say always when I was a teacher that the best judge of the professionals in this organization is always the children and I know I brought my daughter and she said dad this is terrific I hope they do more and I said yes they will. So I just want to say thank you as well. Giving my daughter that experience was something very valuable. And any communications that you want to submit, you can submit

them to Mr. Arminio because he was your former mentor and teacher and he will share with all of us. Mr. Boll stated that will be the highest level that I think I would go at this point. If it was something that I really needed from all the schools or anything I would obviously come in advance but these are things that we would communicate on a regular basis so I don't foresee that being any problem at any time. We are going to have some amazing things. Mr. Nufrio stated and cc the Superintendent. Mr. Boll stated absolutely.

Mr. Tatum stated as I mentioned in our Personnel meeting and mentioned to the Board President, Dan Zieser, our Police Director is here tonight. We have it under Personnel as a discussion item about the SRO and he is here to answer any questions that the Board may have at this time or any of the administrators.

Mr. Arminio stated excuse me for not knowing the specific titles and names of the things, but didn't the State just pass a law about using retired policemen in lieu of SRO's. Director Zieser stated I believe that was just passed a couple of days ago. Mr. Arminio stated can you explain that. Director Zieser stated it is not "in lieu of" – in that law it states it is not to replace the SRO, it would be up to the school board to say we don't need an SRO anymore we have a retired police officer here. That would be your decision – it would be one or the other.

Mrs. Zuena stated I read it as if it was going to be that they work simultaneously. Director Zieser stated it is up to the school board. Mrs. Zuena asked if any one saw the article. Director Zieser stated again that would be your decision. It is a funding factor here. You want to pay what you can afford.

Mr. Tatum stated we know the authority of the SRO as it stands right now. Do you know from this new law what... Director Zieser stated this doesn't affect the SRO at all. This just allows the school board to hire retired police officers. Mr. Tatum stated but what can they do – that is what I'm asking. Director Zieser asked the retired police officers? They would act as a citizen but they don't have arrest power but under State law, retired police officers can carry guns. They have to qualify a couple of times a year – that is usually handled by the department they retired from. That being said, if you want a retired officer who has been carrying a gun for at least 25 years in your schools, now you have one in every school, that is a monetary thing. They wouldn't take any action, God forbid an active shooter, take immediate action there. But they would hold the fort down until the police got there because there would be a two or three minutes response time and that is what it is geared for.

Mr. Nufrio stated Director, you and I spoke about this a few years back if you recall, I was in your office but we were at the time, Dr. Martin was the Superintendent, and we were contemplating putting the greeters in place and I recall in that conversation how you felt very comfortable suggesting retired police officers. Director Zieser stated or Jobs in Blue. I made a proposal back then what it would cost for a Job in Blue – that is our part-time police officers. Mr. Nufrio stated but now that could be possibly another concept that we can rehash or revisit. Director Zieser stated right – you would get a retired police officer cheaper than a Job in Blue. Mr. Nufrio stated I just wanted to mention that your recommendation even stems back a couple of years back. Director Zieser stated I remember the original ones to put somebody from the principal's office out in the hallway and Mr. Perkins was a little upset with me but I said I know

who your first victim is going to be. It is going to be the poor lady sitting at the front door. God forbid something like that happens. Response has to be immediate. Mr. Nufrio stated exactly so hopefully perhaps this Board, yourself and the Superintendent can have some meaningful conversations down the road. Director Zieser stated I am willing to assist if you need assistance either setting up the retired police officer if that is the way you want to go, or the Jobs in Blue, if that is the way you want to go – we have a system already in place and also the SRO. Mr. Nufrio stated given the constraints that we may be facing and have faced and possibly currently face with the budget, there may be an absolute need to have some more discussion on that. Director Zieser stated he is available any time. Mr. Nufrio stated thank you and are there any other questions for Director Zieser? None.

Mr. Tatum stated now speaking about budgets, it's our insurance broker's turn.

Stuart Migdon stated Steve Edwards and I are here to present the health insurance findings of our agency business and governmental insurance agency. We have been assisting the Township of Union Board of Education for 24 years now with your healthcare benefits, which I'm proud to say and I'll pass this around (documentation appended to minutes). I am not going to walk you through every page of this proposal because it would take too long to do that so I summarized it in a letter that I'm also going to hand out (documentation appended to minutes).

I will go through the letter and make mention to the package – should there be any questions. Horizon Blue Cross Blue Shield is the insurance company that you folks use and as you can see they originally presented a 19.33% increase in healthcare cost and that is significantly above the trend but you are experience rated which means that your renewal is based on the claims that occur here at the Union Township Board of Education and so I have gone to Horizon and negotiated that renewal and after much negotiation, they provided an increase of 13.88%. So that saved over a \$1 million and I have in the package Horizon's 19.33% increase information from them that shows that is what they were going to pass along to you folks. They told me at 13.88% was the lowest they could go and I basically told them that we would do everything we can in our power to find someone who could do it for less and that we were going to leave them at that kind of rate increase. I feel like the numbers justified a smaller renewal and after weeks of negotiations back and forth, they came down to 8.92% that you can see from the letter here and from the 19.33% to the 8.92% - there was a \$2 million decrease in the rates that Horizon was going to pass onto you folks. Obviously, there is due diligence that goes behind coming up with that number and we are going to talk about what we did in the marketplace to justify the 8.92% number that we ultimately had Horizon get to.

I will say before I get to that, that Horizon has introduced a new plan and maybe some of you heard it advertized called the Omnia Healthcare Plan and in essence, it is a program with a limited network that has significantly richer benefits than if you go outside the network. So you can still go outside of the network into Horizon Blue Cross Blue Shield providers throughout the State and even throughout the country to Blue Cross Blue Shield providers which there are about 650,000 of them but if you stick to a smaller set of providers, called their Tier I providers, then you can reduce your costs significantly. In the proposal I show that there could be savings as much as 29 and even 34% on your rates if the Omnia plan is chosen. The reason I bring it up here tonight is not to suggest that you can do that, as you all know here, this is a Union

negotiated benefit. But I do suggest and Manny and I have met with Horizon representatives about this – that we present this as an alternative to the employees as an option for them to choose or not to choose. See a number of your people, we did an analysis, see the Tier I hospitals and the Tier I providers already and since Chapter 78 requires them to contribute to the cost of healthcare, we can go to those employees and say you yourself can save a couple of thousand dollars a year on your healthcare bill if you choose the Omnia Plan and you already use an Omnia doctor – Tier I and a hospital Tier I so this might be advantageous to you.

It does not require Union negotiations for you to offer that as an option and it is my recommendation but it is entirely up to you folks to permit that to be offered as an option and allow us to do educational sessions here and throughout the schools to let folks know about this. I believe what will happen is that you will get a small percentage of your employees to switch to that – maybe 3-5% and then over the next couple of years, as they start to share their success with the program, you will get more people to participate. The engine behind the Omnia Plan is that the providers are compensated by Horizon based on the outcome of the patient-doctor experience. So that is a positive for someone to enroll. You see if your doctor is going to spend more time with you to help drive down the cost of healthcare by making you healthier then you will be healthier and it is going to be a positive experience. That is the whole premise behind the Omnia Plan and without laboring it too much and I would be happy to spend as much time as you like talking about it, I don't think there is any requirement making it an offer to the employees and at some point continuing to offer it and having more of them engage in it, we can bring your renewal down and bring their cost down.

Mr. Nufrio stated I am very familiar with the Omnia Plan as you probably know but I think there is one parcel that still needs to be told that there are different plans in the Omnia Plan – there is a platinum, gold, silver – so that will dictate the co-pay. Mr. Migdon stated there are couple of different Omnia Plans – I have shown them in your analysis. If you see a Tier I provider that limited network that I described, your benefits are richer so you pay less to see that provider. If you decide to see a Tier II provider in the Omnia Plan, then you pay more and so what is going to happen is the employees that see Tier I providers already, even if they are not in the Omnia Plan, Dr. Migdon is a Tier I provider and Manny sees that doctor, he might say I'll go to the Omnia Plan and save \$2,000 because I can pay less to see that doctor and I'm seeing him already. Mr. Nufrio stated that is in the Platinum Plan – the deductible is usually the biggest obstacle when it comes whether it is the teachers or administrators and it is an obstacle that is worthy of at least recognize the fact that if you are going to pay out-of-pocket x-amount more and you are relatively a healthy person, yes that could be a very good cost savings; but if you are not, and Dr. Francis you are well aware of that as well, it can become even more costly. The only reason I know about it is my son has come out of Chapter 375 which he was paying somewhere around \$600 and change and all of a sudden we get a bill a few weeks ago and went up to \$781 – a 21% increase for Horizon Blue Cross Blue Shield. That is of course with a Direct-10 Plan is an automatic transition from when he was under my coverage – but once he reached 26 at the end of that year he had to go to the 375 and it started out at \$500 and change and in two years it is almost \$800. I took the liberty to call Stuart and I said help find me somebody you can direct me to – a better plan or something that is at least more important and that is how I came to know about this. We dealt directly with Horizon Blue Cross Blue Shield.

We did not deal with your group but I do appreciate hopefully that you directed me to someone who could give me the right answers.

Mr. Arminio stated so every employee that signs up with the Omnia Plan and saves \$2,000 – the District would also save. Mr. Migdon stated the reciprocal of that which is your employer cost would be more than \$2,000. Mr. Arminio stated so it would be to our benefit to offer it.

Mr. Migdon stated there is a one page Omnia sheet in your proposal and what I did I showed that the savings could be from anywhere from 29% to 34% - so whatever your premium is, you would save that amount of money. It is right in there. I have the plan and the amount of savings and here is what is going to happen. The employee is going to say I heard of this because Horizon is advertising it and just as you said perfectly, the healthier younger employee is going to say wow so if I go see my doctor it is going to cost me \$15 – my doctor is an Omnia doctor already – a Tier I doctor and I can save \$1,500-\$2,000 out of my paycheck, I'm going to sign up for that plan. You would save more than that. Mr. Arminio stated there is a list of doctors who are part of this plan. Mr. Migdon stated we would go through an extensive education process so that they would understand how the benefits work. Mr. Nufrio stated it is also online and Mr. Arminio and I did take the liberty to look and it is an extensive list of physicians and hospitals. However, I was a little disappointed that a hospital which is within the vicinity is not included as yet but it probably will be at some point. I have a question – those individuals this side of the table is going with Omnia and this side is not – will it impact the cost by reducing the numbers that are in this group because now they have chosen to go with Omnia – will their premiums increase. Mr. Migdon stated no. Mr. Nufrio stated as long as they are with the same company they won't. Mr. Migdon stated exactly. They are going to experience what your contract is as a whole. It will go up in proportion the same percentage.

Dr. Francis stated I can say that I am a Tier 2 doctor with Omnia. It is funny that Stu is talking about this because I haven't been told why I am a Tier 2 physician. Mr. Arminio stated and what does that mean? Dr. Francis stated it means that Blue Cross/Blue Shield has alternative motives I feel to decide on who is a Tier 1 and Tier 2 and one of those hospitals that you probably didn't want to mention Vito – of what I know, is Overlook. Mr. Nufrio stated Overlook is. Dr. Francis stated that might have changed – they might have changed their mind. Mr. Arminio stated as a person who doesn't know the first thing about that – if I saw someone being a Tier 2 and someone being a Tier 1 – Tier 2 is better because it is a higher number. Dr. Francis stated no. Mr. Arminio stated how would I know. Dr. Francis stated I have patients that have BC/BS and was under an HMO plan and they were told that they could keep their plan but eventually they were duped and saying that they had to go with Omnia and because they work with the company, they couldn't even tell me. They themselves didn't know how some doctors were Tier 1 and Tier 2. So for me it comes down and you can't talk about the time you spend with your patient because the people that know my practice, I spend 30 minutes with each patient and that is crazy and my wife thinks I should spend 5-10 minutes; so it is not based on time spent with a patient it is based on basically how much I want to help you as a patient. So if I wanted to give you a CAT scan, I don't have a problem with that, I'm not worried about BC/BS, I'm worried about you. Maybe I'm spending too much of their money and I think that is what it comes down to.

Mr. Migdon stated that there are criteria. Dr. Lishak stated maybe they base it on volume. Dr. Francis stated it is based on how much resources I'm using out of their bank account. That is what I think and in terms of as a Board, it makes more sense to go into this Omnia plan and I'm not against that. If you are going to save money, then save money; but I'm surprised that some of the hospitals have not challenged them with the New Jersey Banking and Insurance on this because what I think you are doing is you are trying to list certain doctors as a Tier 2 – you are basically discriminating against doctors that you have no proof as to why you are putting them in there. Basically it is forcing people to say hey let me just go with these cheaper guys because I am saving money. The reality is that the insurance I think, I believe, the insurance is not insuring. It comes out of your check every two weeks, you go see a doctor, you are paying the co-pay, you have a prescription and you have a co-pay, you are getting some kind of test or procedure and you are paying the deductible – you are not getting insurance it is basically it is cost sharing.

Mr. Monge stated let's take it a totally different approach. This is very half full but I look at the half empty – so what does that mean, you have a savings here but it is not a savings – at the end of the day we are going to be paying almost 9% increase. What is that dollar amount? Mr. Vieira stated approximately \$1.8 million. Mr. Monge stated a 9% increase. Mr. Vieira stated we are just a little under \$20 million is our current premium – about \$19.5 million. So an increase of 9% is approximately \$1.8 million total and the employee pays overall that 18-20% of the premium. Of the increase of \$1.8 million, the employees would be contributing about \$350,000 and the difference of \$1.5 million the Board of Ed will pick up. Mr. Monge stated as far as you are working on the budget projections, is that in line with the numbers that you have been working with? Mr. Vieira stated it is greater than what I would be forecasting to balance the budget but we have some discussions about lowering our healthcare costs by making changes. Mr. Monge stated I just wanted to ask that and Manny has been making it very clear to us, obviously we have to do something because our revenues are flat and our costs continue to go up so we have to figure something out.

Mr. Migdon stated as far as Omnia is concerned I want you to know that there are hospitals that are suing Horizon – because they feel exactly the same way as you do and we have nothing to do with how Omnia chooses Tier 1 vs Tier 2 and offline, I would like to have a discussion with you about that because we do have some influence although they say it is locked for 16 – their Tier 1 vs Tier 2. If you are interested in being a Tier 1 provider, I would discuss with you about that because I personally feel that there are some injustices that go on in terms of how they pick it but the bottom line is there is a big cost savings for the school and that is why I am presenting it. Mr. Monge stated a conservative way of looking at it is we have a plan and you would not assume I don't know unless you have your numbers that a percentage of employees are going to jump ship and we are going to have a savings. I don't think you can forecast that almost 9% increase and deal with that.

Mr. Nufrio stated thank you Dr. Francis, you gave me a little bit of an education. All along I thought that the doctors and the hospitals chose what tier they wanted to be in so that was a very informative comment but I also want to say for the record that I was in no way acting as an agent for either Stuart or Horizon – it was my own personal situation and I came to learn

about Omnia and that is why I brought it up. In no way was I acting in support nor am I getting a commission out of it.

Dr. Lishak stated I just googled something to find out what the difference is between Tier 1 and Tier 2. It is very long but one question is "Is Horizon saying Tier 2 hospitals offer inferior quality" – that is a question in the article – "Not at all Patel says they can and often provide outstanding in-patient care. Where a Tier 2 hospital may provide excellent care for a patient who fell and broke a hip, the Omnia Tier 1 facility will work to prevent the hip fracture." How do you do that if you fell? Dr. Francis stated to me it is all about the money. Horizon BC/BS is not the only one – Aetna is doing this as well. BC/BS is supposed to be non-profit. How about United or Aetna?

Mr. Migdon stated the one area that we look at for you is the State Health Benefit Plans. The State Health Benefit Plan is community rated and so there are no experience modification put into those rates. It is throughout the whole State and all school boards pay the same premiums. So each year we look to see if you folks would save money if you went to the State Health Benefits Plan and so you will see in the proposal that I put together, a listing of how much money you folks have saved compared to the State Health Benefit Plan rates each year since 2011 when you left the State Health Benefit Plan. Sufficed to say that this year, you are saving \$691,145 so you are less expensive than the State Health Benefit Plan by almost \$700,000. Mr. Monge stated it is not a savings, it is less expensive. Mr. Migdon stated it is less expensive and if you were in the State you would pay \$700,000 more and since you left the State in March of 2011, you paid \$4,324,082 less than you would have paid if you stayed with the State Health Benefit Plan. So to answer your question, we check not only the marketplace, but we check the State Health Benefit Plan as well. The good indication here is that you are less and that is one of the barometers that I use to provide initially and getting you down to 9%. So you have saved \$4.3 million. Now I went to the marketplace as well and that is indicated on the letter here. Aetna is slightly lower than your rates with Horizon. There is an analysis in here that goes through each of the carriers that we went out to through the marketplace and Aetna is an increase of 8.47% so they are about \$88,000 annually less expensive on a \$21 million spent and Cigna initially came in with an uncompetitive quote and on Friday they provided a quote that is 7.41% above your current rates where it is about \$294,000 less expensive than Horizon. United Healthcare and AmeriHealth did not provide competitive quotes. They said they could not be competitive. We went to all the providers and you might ask yourself why don't we switch to Cigna for example? Cigna just came out with their numbers on Friday and there are some considerations that I mentioned in the letter as well. We have moved school boards to Cigna and the second year received a significant increase. One particular was over 30% and they went right back to Horizon and the teachers were very concerned about that approach. They are presenting a minimum premium plan which means that if you go into a deficit with them after the first year – in other words you spend more than they are projecting you to spend then they would hold that deficit and you are responsible for it if you stay with them beyond the first year. In addition there would be disruption amongst your employees. Some of them would have to choose new providers. Cigna has a different network of providers than Horizon does in some ways, some are crossovers. Also with Horizon and we have done studies before, that Horizon discounts that they pay to doctors are better than Cigna. In other words, a doctor would probably receive a little less from Horizon than they would from Cigna. I don't know if that is the case with your practice.

Dr. Francis stated Cigna is horrible. Mr. Migdon stated as a whole, if you look at their discounts as a whole, they typically pay – they don't get as good a discount from doctors as Horizon does and so for those reasons you may not want to consider a switch to Cigna. But they are \$294,000 less expensive than Horizon this year and that is my big concern and I have seen it happened. They are not big with school boards – they have a few school boards throughout New Jersey. They are more in commercial account marketplace. Mr. Edwards stated they were in Union about 20-25 years ago and they passed on a 30% rate increase one year. Mr. Migdon stated Aetna is about the same cost but I don't know if any of you were around when we switched from Cigna to Aetna and I came to the meeting here and your teachers were lined up outside and for the small amount of money with Aetna – it is a very good company and they have come a long way and they do a much better job and if they were a little more competitive, I would consider an Aetna quote and if Cigna was much competitive I would consider a Cigna quote. I believe your big barometer is the State Health Benefits Plan and you are still \$4 million less than them overall from 2011 and even this year with \$691,000 less.

The other thing that I wanted to discuss with you quickly and thank you for giving me the time that you have, we deploy a wellness coach here at the Union Board of Education – two days a week and it could be a factor contributing to your rates being lower than the State rates. The wellness coach is boots on the ground and they are just talking with your employees about their health. Smoking cessation programs, weight loss programs, stress management and Steven is the wellness coach. You were the first school board in New Jersey to bring in a wellness coach and we brought them in here over 5 years ago and now there are a few others that followed suit. We use it to keep your costs low. Let me just mention to you that 28 people at the Union Board of Education have quit smoking as a result of the wellness coach so that is a cost savings to you. Tobacco usage typically incurs a higher claim. Mr. Edwards stated for every person you get to stop smoking it is a \$1500 savings to the District every year. It is less healthcare costs. You are not getting sick, you are not utilizing the healthcare system as much. Mr. Nufrio stated just for the record can you identify yourself. Mr. Edwards stated Steve Edwards, I'm a principle in the firm. Mr. Migdon stated the number is actually \$2,056 per year, we indicate that on page 11 of the proposal. 77 of your employees have increased their exercise so it is another factor that contributes to a lower claim and a healthier employee. 86 employees have lost 778 lbs collectively. This is the key one and this is the one that I really enjoyed – 363 employees improved their blood pressure measurements and 139 of them lowered their blood pressure below 140/90 which is the new normal. It use to be 120/80 but now they are saying 140/90 and 138 of your employees reduced their blood pressure below that number when it was higher than that number. There have been instances where the wellness coach has been here when someone has checked out to be very high in their blood pressures and they walk around and say hey can I take your blood pressure? They have had to say get to your doctor immediately and get on blood pressure medicine. Mr. Edwards stated it may sound like we really got the numbers down – but if a person strokes out because of high blood pressure – it is a tragedy first of all but there is a tremendous cost involved. If someone does live, even for one year period of time, \$1 million easy, physical therapy, 24/7 nurses and so forth. You never want to see people, young people – I have walked through those facilities – I had a friend who unfortunately stroked out at 57 years old – she did not take her blood pressure medicine and I use to visit her for about a year and her expense was about \$1.5 million over a 14-month period. It is the worst thing in the world to see

people in a facility like that – young people staring at the ceiling. It is important to do boots on the ground to try to get peoples blood pressure down.

Mr. Migdon stated that was our commitment to you when you left the State Health Benefits Plan even before when you were in that Plan to do everything we could to drive wellness here. It is a testimony to you and your creativeness to allow us to do that. Many school boards don't do that. They don't get the idea that it's important and we continue to look for other ways to do that. But I think that is why your costs have stayed even though you have said they are increasing. The trend of healthcare every year unfortunately it is the world in which we live some people believe that it is the Affordable Care Act is contributing to that and others don't but the facts are the facts. The trend for healthcare even if everything was perfect here is about 9% and you are a little bit less than that in terms of your renewal. We really enjoy the wellness coach and there is a report included in the packet that goes into great detail. So that is our presentation for this evening – do you have any questions?

Mr. Nufrio stated of course you have attended one or two of these negotiations that we have had this past year and we did ask you to research and the problem of course and it may not be a problem but certainly an item that needs to be addressed is the items that is embedded within the contracts which at this point I will introduce Mr. Tony Sciarillo, he has joined us as the Board Attorney for the firm that this Board has secured for part-time legal counsel and this may be one aspect that you may have to at some point via Mr. Tatum is look at that language and see how we can best mitigate or at least work with.

Mr. Migdon stated you did have some changes to your plan and for new employees going into a less expensive plan and that is going into your proposal as well. I don't have a lot of time to go over everything with you but for new employees we are going into a plan that is a lot less expensive and that was important and as more people retire and new employees come on, you are managing your healthcare loss. Mr. Nufrio stated in addition to that, the current employees accepted a higher co-pay which than translated into a cost savings to both them and the District. So there are many ways to approach this and hopefully this Board will come to some consensus.

Dr. Francis stated last year we talked about this Cadillac plan we have is this the health benefits plan? Mr. Vieira stated the Cadillac plan tax which was suppose to become effective 2018 and now gone to 2020. Mr. Migdon stated it went from 2018 to 2020 and we have been talking to Manny about the Cadillac tax for the last six months because we are concerned about 2018 creeping up on you and having to pay the 40% excise tax on premium above that but Congress pushed that off until 2020. We will start talking about it again in about a year or so. Dr. Francis asked is that based on health benefits? Mr. Vieira stated it is based on the premium. Dr. Francis stated can we work on that by next negotiations to change that? Mr. Vieira stated to lower the premium. Dr. Francis stated so that we are not affected by that or we can't escape it. Mr. Migdon stated we were telling you for negotiations to do something versus exactly what you are saying because it is put off for two years – in fact all negotiations going forward with all of our public entity clients, we are saying to them put a provision that says “in an event that the Cadillac tax is implemented, we reserve to open the contract up and talk further”. Mr. Nufrio stated we do have until 2020 until that is actually put in place. If it is but I think at this point our

Board attorney has some homework. Mr. Sciarillo stated I am familiar with the tax that he has been talking about.

Mr. Le stated you stated if the Omnia plan is an option for those in the District what does 3-5% equate to in terms of savings. Would it be a cost savings more than Aetna and the Cigna plans? Can it go over hundreds of thousands of dollars? Mr. Migdon stated that is a good point. Aetna is coming out with a plan like the Omnia plan in 2017. Cigna does not have that yet in their arsenal. Horizon is out in front of everybody and so I don't know what the numbers would be like but it is a good study to look at to see if 3% of the employees choose the Omnia plan, how much savings would be achieved. It is about 30% savings – but I can do that work-up for you and get back to Manny. Horizon has projected, so you know, 11% of their book of business go to the Omnia plan in 2016 that is what they are projecting. I am saying 3% to be conservative – they would probably tell you 10%.

Dr. Francis asked have we generated a deficit in terms of claims and what they collected? Mr. Migdon stated no, your most recent medical loss ratio which is included in the package as well – is 89% which means that for every dollar you pay them, they have paid 89 cents in claims and so typically what they want to see is about a 78% ratio because they have their costs to either stop loss premiums, retentions etc. but it is not like you are paying \$1 and they are paying a \$1.10 in claims.

Mr. Nufrio asked if anyone had additional questions, if not, thank you Stuart for being here. In order to accommodate a situation and the Board attorney being here as requested by Mr. Tatum, I ask that we go into Executive Session so that we can address some very important issues and then return to public and hopefully it won't take too long. The public is welcome to wait and when we return we will continue with the normal process.

MOTION FOR EXECUTIVE SESSION:

Moved by Mr. Arminio, seconded by Mr. Le, that the Board go into Executive Session to discuss the following subject matters without the presence of the public in accordance with the provisions of N.J.S.A. 10:4-2(b) student residency, personnel. The Board will disclose the discussion conducted during the Executive Session with notice to the public when the disclosure will not result in unwarranted invasion of individual privacy or prejudice to the best interest of the Board of Education and provided that such disclosure does not violate federal, state or local statutes and does not fall within the attorney-client privilege.

AYES: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Nufrio, Mrs. Zuena

NAYS: None

ABSTAIN: None

MOTION CARRIED

Mr. Monge left meeting at 8:30 p.m.

The Board returned to public session. Mr. Sciarillo left meeting at 9:15 p.m. Mr. Vieira called Mr. Monge to participate by phone.

Mr. Nufrio stated we are ready to proceed with our regular meeting and we are back in public session.

EDUCATION/STUDENT DISCIPLINE COMMITTEE RESOLUTIONS:

Dr. Francis presented the Education/Student Committee agenda and on E-2 the number of students removed from the roll needs to be updated to five (5) and the total needs to be updated to twenty-six (26).

DISCUSSION:

Mr. Arminio stated E-7 - everyone should read Policy 5131.6 – look it over because that is what this deals with and it is something we are required to do and we haven't been doing it. The policy will explain it to you.

Mr. McDowell stated E-6 – Counseling Curriculum Guide – my name is “Ronnie” not “Ronald”. Mr. Tatum stated it will be corrected.

Mr. Le stated E-5 – the workshop presented by Educational Testing Services, just the rationale of Educational Testing Services giving that presentation. Mr. Tatum stated I will have to defer to Dr. Lishak. Mr. Benaquista stated we will get more information from Mr. Salvatore on why they chose them. Mr. Tatum stated unless it has to do with assessing and learning. Mr. Nufrio stated we will have to follow-up with Dr. Lishak.

FISCAL AND PLANNING COMMITTEE RESOLUTIONS:

Mr. Le presented the Fiscal and Planning Committee agenda.

DISCUSSION:

Mr. Arminio asked if we would get a presentation from the auditors next week on F-10 and F-11? Mr. Vieira stated there were three findings for the audit. Richard Moleen from Suplee Clooney and Company will be at the regular meeting. Mr. Arminio asked what were the findings? Mr. Vieira stated there are three findings and if you go to the Auditor's Management Report, the first finding is on page 3 – which has to do with travel; the second finding is page 7 – which has to do with food service and page 9 which is the ASSA.

Mr. Monge asked Mr. Vieira to summarize the findings. Mr. Vieira stated the first finding on page 3 – there were two payments for employee travel that were approved after completion of the travel event. Finding #2 – meal claim did not agree with meal count resulting in an over/under claim as detailed on the schedule of meal count activity and the third finding is the District work papers maintained in support of the on-roll attendance were not in agreement with the information that was reported on the application for State School Aid.

Mr. Nufrio asked if we were prepared to respond to those? Mr. Vieira stated there is a corrected action plan.

Mr. Monge stated F-8. This is a request that I asked before to try to make this presentation more meaningful and it is my understanding is that we're updating this list and those that are bolded are being updated. Mr. Vieira stated correct. Mr. Monge stated to make it

more meaningful, I know that you put it in alphabetical order but if you could put it in what we are actually approving from top to bottom that would be great that is one and two I have question, in order to do business with the school board, you have to be an approved vendor. Correct? Mr. Vieira stated the vendor is approved by the State of New Jersey. Mr. Monge stated so if we had a vendor that we wanted to consider, we would direct them to the State – how does that work? Mr. Vieira asked how does the vendor get a State Contract pricing? Mr. Monge stated if we had a vendor that we wanted to consider, how does a vendor go through the process of being considered by the Board of Ed? Mr. Vieira stated we can use any vendor but if our purchasing Districtwide exceeds a certain threshold amounts – if purchases exceed \$6,000 annually and are less than \$40,000 then we have to get two quotes. If the purchases exceed \$40,000, then we have to either go to bid, use a State Contract price or a co-op price. Mr. Monge stated this is the reason why I'm asking. What did we do if anything as it pertains to do business with women and minority owned contractors? Mr. Vieira stated any vendor is able to solicit their business. Mr. Monge stated I'm saying what do we do as a District – do we do anything – is that anything we have ever looked at? Mr. Vieira stated we don't search for women and minority contract vendors if that's the question.

Mr. Nufrio stated Mr. Vieira if it exceeds \$6,000 – we get two quotes. If it exceeds \$40,000 – so from \$6,000 to \$40,000 we get two quotes and it can be any vendor irrespective of whether they are on the approved list or not. Correct? Mr. Vieira stated right. Mr. Nufrio stated that is a better understanding. Mr. Monge stated I think in certain cases that doesn't always happen. Mr. Nufrio stated we are trying to define the perimeters and from what I'm hearing at least now we need to move forward with that and to answer your question, the vendor does not need to be on the approved list unless it exceeds the \$40,000. Mr. Vieira stated correct. Mr. Nufrio stated between \$6,000-\$40,000 you can get two quotes from any vendor. Whether they are listed or not they are eligible for us to consider. Mr. Monge stated maybe at our next committee meeting we should discuss that process because obviously some folks that we have used and I have spoken to you about this Manny that we have been using forever and I don't think they have ever bid on an annual basis – we have just been doing business with folks – whether they are good or bad I'm not trying to point that out I'm just trying to point at the process that you described.

Mr. Nufrio stated moving forward and I hear what you are saying Mr. Monge but in moving forward I think that this Board concentrates on the parameters from hereon and certainly the committee can be in consult with Mr. Vieira if necessary regarding the issue. But if we abide by the parameters, regardless of who is approved last month or last year, most of these vendors are approved through June. Is that correct Mr. Vieira? Mr. Vieira stated the State Contract Vendors have an expiration date. Mr. Nufrio stated the individuals who we have already retained. The vendors from \$6,000-\$40,000 – is there an expiration on them? I think that possibly Mr. Monge... Mr. Monge stated I think Manny is right – it is professional services too. I think they all fall into one bucket. I think you bid for services, even professional services. Mr. Vieira stated for professional services, we don't have to bid, we just have to do a Request for Proposal. Mr. Monge stated we don't even do that for the professional services that we have today. Mr. Vieira stated yes we do. Give me an example? Mr. Monge stated the architect, the insurance guy. Mr. Vieira stated we do an RFP for them. We do it in the spring – like in April. Mr. Monge asked how long has he been our architect? Mr. Vieira stated many years. Mr.

Monge stated how long has our insurance guy been our insurance guy? Mrs. Zuena stated 24 years. Mr. Vieira stated 24 years. Mr. Monge stated he goes through an RFP as well. Mr. Vieira stated yes. Mr. Monge stated these guys provide RFP's for my business. The Board sees those RFP's and the process that we go through. I look forward to seeing that the next time around. I haven't seen any of that stuff. Mr. Vieira stated April/May we do the RFP's. Mr. Monge stated I'll be around.

Mr. Nufrio stated vigilance is necessary in all aspects of business so now that we are being a little bit more hands-on, certainly we look forward to clarifications and total transparency about the RFP's and the process by which you or Mr. Tatum's recommendation. At this point, that is the only thing I'm not too clear about is this strictly your decision as to who you choose? Is that part of your position or obligation? Mr. Vieira stated as a purchasing agent, I just have to make sure that we comply with all purchase statutes. Mr. Nufrio stated understood. To clarify it for everyone, you ultimately make that decision as to whether you pick the firm. Assuming that they comply with all... Mr. Vieira stated no, we have to get two quotes, we don't have to choose the lower quote. Mr. Monge stated to Mr. Nufrio's point – you say that these RFP's go out but does the Finance Committee or whatever committee... Mr. Vieira stated for RFP's, the Board as a whole decides which professional service that you are to use. Mr. Monge stated o.k. Mr. Nufrio stated but basically, my understanding and maybe we are just reiterating it, you make the recommendation and we can always say no. Mr. Vieira stated correct. Mr. Nufrio stated predicated on some reasoning obviously that you might recommend that guy and we may say there is a lower bid and we would like you to consider that. The Board always has to vote on this once you make the recommendation and it is by resolution and then we can always say "aye" or "naye". Mr. Vieira stated yes. Dr. Francis stated we would see all the other... Mr. Vieira stated RFP's, yes. Dr. Francis stated I think it would be a good way for us to save money every year. We don't always have to go to the lowest but I think sometimes we should. We should put it out to bid and for example the architect, to offer a better deal and then maybe he might give back a few thousands of dollars to the District. I think all of those amounts of money could add up to something good. Maybe that's what you are talking about Jeff but I think... Mr. Monge stated that is the point. Competition is always good and that is the point.

If I can move on – the last thing and I just want an explanation is F-14. This is obviously we have been volleying this around and it is a new presentation for the charter schools approval and then it is for informational purposes only. When last time, we actually voted on it and this time we are not voting on it. Mr. Nufrio stated I don't think that is correct Mr. Monge. I don't think we voted on this at least not that I recalled and in fact the reason why it's in F-14 – I did speak with all the Board members including Mr. Salcedo who is not here this evening and I indicated that the question was posed to me by Mr. Tatum as to whether I thought it should be where it was originally posted under E-5 but then the question went further as to whether or not it even needed to be posted and my response as you know Mr. Monge because I spoke to you as well and everyone in this room that is on the Board that I felt that any item which is attached to a dollar figure which is tax dollars, that whether it is for voting purpose or information, as long as I am the President and I have been on the Board and continue to be on the Board, I would ask that any and all items that translate to an expenditure must and should be on the agenda. Whether we vote on it; whether it is required or not, so I did say to Mr. Tatum at this point as being one of the individuals who sets the agenda cooperatively with Mr. Tatum and Mr. Vieira, as the Board

Secretary, that I would hope that this Board wants to be as transparent as possible so I looked at the resolution and sure enough the second page actually delineated the cost which I believe that it is in the back-up and the total sum is about \$258,000 and I said why wouldn't we put this on the agenda. I will insist. Mr. Monge stated Mr. Nufrio we did actually vote in September maybe – we actually voted on a similar resolution – it wasn't for your information only type of a thing. Now we voted on something that we shouldn't have voted on in the past, so that is really the question that I'm asking but I definitely appreciate the accountability or the transparency of presenting it because I think that we should all know what we are paying for but why did we have to vote the last time and this time it is just an FYI.

Mr. Nufrio stated that is a question that we probably have to do a little research tomorrow. Mr. Tatum stated we already shared this. The issue is according to the Board Attorney who told my Central Office staff, in my absence, during attorney review – that we really don't have to vote on the charter school information because it is mandated by regulation. Therefore, we decided to put it on for informational purposes only because we didn't have to vote for it to begin with. According to the lawyer, he said we didn't have to vote on this.

Mr. Nufrio stated simply guided by that is why I asked Mr. Tatum to insert the provision or condition that said this is not for voting purpose but for informational purposes. Whatever that may have been done in the past and I can't recall if we did or did not – but my question then would be this is for this year – would we have had a resolution in September – was this duplicated or something new. Mr. Monge stated these are individual students that are going to charter schools that we are paying for above and beyond from last time. Mr. Vieira stated there were probably changes; because the students they enter the school and exit the school. Mr. Nufrio stated additional and deletions possibly so if it is an ongoing, and I'm sorry that Mr. Sciarillo left because I would have asked him under what premise is he advising us or offering his opinion that it doesn't require a vote because I said to Mr. Tatum and to all of you, we put the most ridiculous things on the resolutions, even a refrigerator that is donated, and we vote on it. We put special education resolutions that usually number in the thousands but as far as services that are rendered and that too is mandated by the State and yet we vote on it. This is still a question and it is not an urgent matter but I am still going to ask the attorney to help us understand why it doesn't need to be on it and perhaps there are others that don't need to be on it.

Mr. Tatum stated I think when we talk about special education you are talking about money that is coming from the federal government that is guaranteed to students based upon services that are provided by their disability. The charter schools are more like voluntary basis and other than taking the money and going to whatever destination they elect to go to. We can't say yes or no. Mr. Monge stated I think that and I'm hoping that someone sends a bill and we are signing over the money without looking into things. If you have some for instance, we are doing these investigations about people that don't necessarily live in the District but are going to our school. Imagine someone saying that they are in our District and going to our schools and now we paying them to go to charter schools and they don't even live in the District so I am assuming that people are doing a little due diligence and looking at what we are approving.

Mr. Tatum stated Mr. Monge there is a system of checks and balances when it comes to someone going to a charter school and leaves the District. They certainly have to provide required documentation before they are able to leave. Mr. Monge stated that is what I hope for. Dr. Lishak stated F-14 where we are talking about charter schools, we don't enter into a contract with the charter school – doesn't the State take care of it. Mr. Vieira stated the State bills us. Dr. Lishak stated we don't enter into a contract but whereas special services we enter into a contract so you have to approve the contract as it is going through – but the charter schools you wouldn't have to because you are not entering into a contract.

Mr. Monge stated we are paying now hundreds of thousands of dollars to pay for kids to go out of district to go to charter schools – we should be looking at the information and doing our checks and balances like Mr. Tatum mentioned before we pay for kids to go out of district. Mr. Nufrio stated Mr. Monge I hear a second part in there – that is hopefully the charter schools are doing their due diligence to make sure that if a child moves that they don't continue to bill us for it. I realize that they probably may not because as long as they get paid it doesn't matter where it comes from. Mr. Monge stated that is right that is why we have to make sure on our end that these students and I hoping we do this that these students that we pay for on an annual basis that they still live in the District. Mr. Nufrio stated are you suggesting that perhaps we should initiate some investigative process to assure that just as we do with kids that go to our buildings are still residing or still domiciled in Union correctly and legitimately – so if that is a recommendation, you can certainly take that into consideration. Mr. Monge stated I hope that we are doing that and if we aren't doing that we should because we are paying for their education.

Mr. Tatum stated whenever someone goes to a charter school, even if they moved into Union, they have to prove residency before they can leave. That is part of it. They have to go through the same registration process. The same investigations that we would do on a person that we suspect does not live in Union. Mr. Nufrio stated the initial process is done upon enrollment but 6 or 8 months later, what cause would we have to be suspicious. Mr. Tatum stated theoretically, you are then infringing upon the rights of those people to exercise what the law has given them.

Mr. Monge stated Mr. Tatum we can ask them on a bi-annual basis. We don't know if little Johnny lives elsewhere – but we can ask them on an annual basis to prove residency – why wouldn't we do that. Mr. Tatum stated once they come in and they sign-out, they are no longer here – correct? Mr. Nufrio stated no. Mr. Monge stated they go to school elsewhere but they still live in Union. Mr. Tatum stated aren't they enrolled in the other school now? Mr. Nufrio stated but we are paying for it. Mrs. Moses stated they are still in Genesis. Mr. Nufrio stated from what I'm hearing from Mr. Monge, there should be some follow-up to make sure that little Johnny is still living in Union. Mr. Tatum stated we need to talk to the attorney.

Dr. Lishak stated the only thing we can do is if you call for a re-registration in grades 2, 5 and 7 and if they happen to be in 2, 5 or 7, you can ask for it; but how do you ask for it if someone is in 3? Dr. Francis stated if we are profiling all the enrollment – all those that are going to charter schools – go across the board with this. It is not just that 3rd grader, it is everyone enrolled in charter schools. Dr. Lishak stated but you are also paying for every private

school student for transportation and how many of them are there? Mr. Monge stated it is transportation and they pick them up in Union. Dr. Lishak stated we all know that we get a lot of things happening in here – someone could be living in Irvington and get dropped off at grandma's house and get on the bus someplace. Mr. Monge stated we can ask the same – that is a good point. Dr. Lishak stated what number is that – that has to be a couple of hundred. Mr. Vieira stated 500.

Mr. Nufrio stated I believe that this and as does Mr. Tatum, that this is a question that we need to pose to the attorney to see if in fact we can and what recommendation there might be on how to so I think the concept is valid I just want to be sure that the process is official and it is acceptable. So if that meets with your approval, what we will do is have Mr. Tatum ask the attorney what we can do, what we are permitted to do and what we shouldn't do. Mr. Monge stated I'm here, that is fine or we can tell the attorney what we want to do and then he react to that. I think that we are saying we want to make sure that these kids are in District and this is what we do with all our kids, can we do the same for them and is there an issue with that whether we do it annually or bi-annually. I would love to hear about that. Mr. Nufrio stated I am sure Mr. Tatum will word it so that it presents all aspects of the questions. Mr. Monge stated thank you very much.

Dr. Lishak stated on E-7 – I just passed around – this goes with the counseling program. It will appear next week on the Board agenda so that we can approve this contract with High Focus and I should be getting a second one from Prevention Links. From my understanding it is about \$50 more but that would be our secondary in the event that High Focus could not take them quick enough so that we can return them back to school. We will always use High Focus first at the \$150 charge and if need be we will revert to the second one.

E-5 – all that is an educational testing service – we known them as ETS, they also provide professional development.

OPERATIONS COMMITTEE RESOLUTIONS:

Mrs. Zuena presented the Operations Committee agenda.

DISCUSSION:

Dr. Lishak stated the dates in O-1 are incorrect and they should be corrected December 11, 2015 to January 8, 2016.

PERSONNEL COMMITTEE RESOLUTIONS:

Mr. Arminio presented the Personnel Committee agenda.

DISCUSSION:

Mr. Arminio stated on P-5 – Board members are not eligible for New Jersey Manufacturers.

Mr. Vieira stated I want to review the SRO. I did get an agreement with the Township for the period 2010 through 2014-2015 school year. For five years they are looking for 50% of the SRO salary. Do we put it on as a resolution for February. Mr. Nufrio stated this is coming

very new to me and to others because I believe I asked you earlier Mr. Tatum was there any update on this. Mr. Tatum stated I am hearing right now. Mr. Nufrio stated can you please detail that for us. Mr. Vieira stated it goes back to the 2009-2010 school year and then the next five school years and it is an agreement between the Board of Ed and the Township and that we will pay half of the SRO salary from 2009-2010 school and subsequent five years ending with the last school year. Nothing for this school year. Mrs. Zuena stated didn't we have that on and we took it off. Mr. Nufrio stated we put it aside. Is it safe to assume since they were so understanding and generous to make that offer and it is probably not outside the realm of what we were looking for based on our discussion and if we do that again, in that proposal do they also include the current year? Mr. Vieira stated no. Mrs. Zuena stated we had a resolution for the current year that was taken off. Mr. Vieira stated yes, it was taken off. Mr. Nufrio stated I understand that but I'm referring to, they acquiesce to 50% of what we owed them. Mr. Vieira stated 50% of the full salary. Mr. Nufrio stated that still needs to be resolved. Mr. Vieira stated that is why it is a discussion item. Mrs. Zuena stated we didn't make a deal when we went with that. When we went to the Town that day – there was no deal made. Mr. Nufrio stated exactly and that is still pending and we can't put it out as a resolution because we are still in the negotiation process. Mr. Arminio asked how many years did they give us to pay it back? Mrs. Zuena stated we were supposed to come up with...Mr. Vieira stated that is not part of the agreement.

Mrs. Zuena stated we left the meeting that day, Manny and Greg were there, we were suppose to come up with a proposal as a group and present it back to them and we haven't done that. Mr. Nufrio stated correct. Mrs. Zuena stated so that it is us. Mr. Arminio stated he was going to send us. Mrs. Zuena stated no, that is not right. Manny and Greg can attest to that – we were suppose to come up with a proposal and present it to them – that is how we left it with them.

Mr. Monge stated Nancy is correct. They said that they were open to hearing a proposal from us that we were going to pay over a number of years but they expected to hear back from us. Mr. Vieira stated that is correct. Mr. Nufrio stated the individuals that Mr. Arminio, as the former President, asked to deal with this – are you prepared to make a proposal to this Board as of yet or do you still need further discussion because I would say I think it requires further discussion before we put a package together and I think we have until February. Is that correct? Mr. Tatum stated there is no date – what I said about February was the idea of putting a resolution on. Mr. Nufrio stated let's be clear about this misunderstanding. There is no proposal from them, they are looking for one from us, their request still stands that they want 50% of what they claim as salary at \$100,000. Mr. Vieira stated correct. Mr. Nufrio stated the committee, Mrs. Zuena, Mr. Monge and Mr. Arminio – I would ask that the three of you put your heads together and try to figure something out that this Board can be comfortable with and this District can be comfortable with. I as your President would hope that we could put this matter to rest soon but certainly take everything into consideration because it will impact whatever current status we are in and future status.

Mr. Vieira stated we need to discuss the February planning date. Mr. Nufrio stated let's work on that. Mrs. Zuena asked if we will do it on a weekday or a weekend? Mr. Nufrio stated what is the consensus? Mr. Monge what would you suggest? Mr. Monge stated the weekend

because I work on the weekday. Mrs. Zuena stated we do it at night. One is on a Saturday and one is on a weekday. Mr. Nufrio stated I believe we did it on a Saturday morning for about three hours. You still would prefer weekend? Mr. Monge stated I prefer weekend. Mr. Le stated I'm a weekend person because I work in the City during the weekdays – but I am flexible if it is in the evening where I can get back – as long as it is later than 6 p.m. Dr. Francis stated weekday evening is good. Mrs. Zuena stated weekday. Mr. McDowell stated weekday. Mr. Arminio stated weekday. Mr. Nufrio stated I will go with the majority so it will be weekday and we will look for an appropriate time say 6:30 to 9:30 possibly. Does that work for everyone?

Mr. Vieira stated Wednesday, February 3rd? Mr. Nufrio asked is Wednesday, February 3rd good for everyone? Mrs. Zuena stated we should just do 7-10. Mr. Nufrio stated you want to do 7-10? Mr. Monge and Mr. Le is 7 better? Mr. Monge and Mr. Le said that is fine. Mr. Nufrio stated 7-10 - Wednesday, February 3rd and hopefully Mr. Salcedo will be able to attend.

APPROVAL OF BILLS:

Bills will be presented for payment at next meeting.

Mr. Monge stated unfortunately I will be out of town next week. Mr. Nufrio stated we will defer to Mr. Le. Mr. Le will take the lead on that.

UNFINISHED BUSINESS: None

NEW BUSINESS:

Mr. McDowell stated I can't remember if we put it to vote or not – the Library at Vauxhall, I know we turned it back over to the Town. I think that we need to reconsider that simply because it is a building and it is property. Not that we have to do anything with it right away. Even if we take the building and let it sit for 5-10 years. It would be at very little cost to us. I think the only thing that we would have to do is have the building secured and maintained. I think originally we thought about using it as a parking lot and that would have cost us a few hundred thousand dollars to do that but rather than do that, just take the property as it is and keep it because I think it is better to have and not need it and need it and not have it.

Mr. Nufrio stated now that we have a Board attorney, we can at least ask this question so if you could kindly make that a point also. Are we in any way restricted, limited or prohibited from having property which was not formally approved property and for how long can we have it and I heard Mr. Vieira that we would have to insure it, pay taxes. Mr. Monge stated we will have to plow snow. Mr. Nufrio stated so we don't pay taxes. Mr. McDowell stated let's at least look into from a legal point of view. There would be no taxes to be paid and I think we are allowed to have the property. I think we could hold it for as long as we want and in the end if we can't afford to do anything with it, we may be able to simply sell it. I just hate to see it go because it is property. Mrs. Zuena stated you can't put a school or anything on it. Mr. Monge stated there has to be a reason why we would take that on. Mr. McDowell stated but Jeff, I don't think it would be cost prohibited. I think it would be worthwhile to have that property in case somewhere down the line we may need it for something. The lot across the street from the library is actually a municipal lot and it doesn't belong to the school at all so at anytime the Township can take that back. I think it would be good for us to just to have that property and it

wouldn't cost us a lot of money. Mr. Monge stated no matter what we do there because of how it is configured, it is going to cost us money and the land thing, I don't think the Board of Ed should be doing. The same thing with Connecticut Farms – the parking lot across the street is a municipal lot. Mr. Arminio stated and so is Burnet's. Mr. Monge stated I think we would have to go forward assuming that the Town would not take away a lot from the properties. Mr. McDowell stated I don't think that they would either Jeff but if they do turn that over and we refuse it and they put it on the open market then we lose it for good and who knows what a developer will put on that piece of property and one other thing – that property may be a little bigger than you actually think because behind the house next door – that is also a continuation of that property – there is a wooded lot next door to it that is also part of that same property. Worse comes to worse we can sell that property – maybe the people that own the house in front of it would want to buy it.

Mr. Nufrio stated still the question would be are we in the business of real estate? Whether we are permitted to do so and whether any agreement that is reached with the Town in any way would bind us to conditions – these are all questions that the attorney needs to hear and in addition to all of that, Mr. Vieira needs to give us some estimate of what it would cost to maintain the building on that property on a yearly level. We can certainly revisit it. Mr. McDowell stated that is all I'm asking. Mr. Nufrio stated I don't think the Board is opposed to revisiting items if there is some justification and we are permitted to do so. Any comments? So I guess that is something that we would look to maybe readdress at the February meeting – it can be part of the planning meeting and we can have answers by then.

Mrs. Zuena stated I brought this up to Tom and Manny during our operations meeting about some chairlifts that we purchased that were not able to be used properly because they were not up to code and purchased before hand. Dr. Lishak stated for special services. Mrs. Zuena stated I was just bringing up the fact that we have them sitting in a warehouse because we can't use them and I think that we should. Mrs. Conti stated if there are certain ones that are not up to code, what can we do with them? Mrs. Zuena stated they are brand new but they were never used in operation. They installed them and they had to be removed – it was \$20,000+. Mr. Nufrio asked why did they have to be removed? Mrs. Zuena stated they were not up to code and they couldn't pass. Mr. Nufrio asked were they old equipment? Mrs. Zuena stated they were brand new. Mr. Nufrio stated so if they weren't up to code. Mrs. Zuena stated because there were no permits put in for them. Mr. Wiggins stated there were no permits put in with the building department and they were installed and the building inspector came out and they said it took up too much width. Mrs. Zuena stated at this point we can't return them and we discussed and maybe Manny can put something in the newspaper to try to sell them. If not, they are taking up a large portion of the warehouse and they are not doing us any good for anybody. If we can't sell them then we need to make arrangements to do something with them. Mr. Nufrio stated how many are there? Mrs. Zuena stated I believe four. Mr. Nufrio stated they are about \$5,000 a piece. Mr. Wiggins stated I don't remember the price. Mrs. Zuena stated I think someone said it was \$22,000. Mr. Nufrio stated we can certainly look into that. Mrs. Zuena stated that Manny is going to look up the purchase order to find out the information and obviously Tom has to get him some details. Mr. Nufrio stated how would we post that "lightly used". Mrs. Zuena stated never used. Mr. Nufrio stated they have been installed. Mrs. Zuena stated Manny will get the information and he'll put something in the paper to try to sell them.

Mrs. Zuena stated Dennis Mann has retired and he was the only person who was licensed in our District for pesticide. How are we moving forward with that? Mr. Wiggins stated we have hired a firm. Mrs. Zuena stated why don't we get one of our guys certified so that we don't have to hire an outside company. Mr. Wiggins stated that will take several years to do. We are in the process of doing that. Mrs. Zuena stated but why didn't we do that sooner if we knew he was going to retire. Mr. Wiggins stated nobody would step up to the plate and Dennis Mann would not sign off on anyone. Mrs. Zuena asked how do we do it if we don't have Dennis Mann here -- how are we moving forward? Mr. Wiggins stated we have a company that is willing to work with us. Mrs. Zuena stated we can get someone certified with working with them? Mr. Wiggins stated yes. Mrs. Zuena asked how long does that take? Mr. Wiggins stated today we were talking about a course coming up in the next couple of months and I have three gentlemen interested now and they want to move forward. Mrs. Zuena asked who are they? Mr. Wiggins stated Fred Schmitberg, Kevin Kruze and Anthony Cirillo are interested. Mrs. Zuena asked would we license all of them? Or just one of them? Mr. Wiggins stated we would eventually license one. Mr. Nufrio asked what stage are they for certification? Mr. Wiggins stated we were almost there and then the rug got pulled out and I think we had to start over from scratch. Dr. Francis asked what firm are we using? Mr. Wiggins stated I forget exactly. Dr. Francis asked is are they expensive? Mr. Wiggins stated they are very inexpensive -- about \$2,000 and he is going to provide fertilizer for us. Mr. Nufrio stated a yearly cost. Mr. Wiggins stated we were paying about \$1,000 for a stipend but this gentleman is going to supply fertilizer for us, supply the IPM book, which is very important -- he has already come out here and approve our chemical warehouse and storage and taking care of everything. Mrs. Zuena stated so we have a contract with him now. Mr. Wiggins stated yes. Mrs. Zuena asked can we get a copy of that?

Mr. Nufrio stated Mr. Mann was reluctant to sign off and I believe that issue was addressed to myself and another Board member and his reasoning was the person that he was being asked to sign off on was not certified and he did not want to have his name or signature on a document that assured that whoever...and at first he said if I'm not doing it I'm not signing it and I think it is proper to indicate that to the best of my recollection it was not just reluctance it was a matter of legality and certainly he was reluctant to do that putting his signature on a document that would probably come back to bite him.

Mrs. Zuena stated another thing we talked about in operations was an issue with the floor at Livingston School -- the gym floor. We talked about the gym floor which is buckling and warping. It is a new floor. Tom has the proper people coming out and taking a look at it. Mr. Nufrio stated is that the floor that was replacing after they had the flood. Mr. Wiggins stated right. Mr. Nufrio stated so what is your question? Mrs. Zuena stated I just wanted everyone to know that they have someone coming in to take a look at it to see if the floor needs to be replaced. Tom is trying to see if we can use insurance.

Mr. Monge stated Mr. Tatum, as far as timing on trying to resolve Jefferson asap, ideally, I would like to find out if we can have access to that money to do other things. Mr. Nufrio stated I believe Mr. Sciarillo has received that as a sentiment of the Board and certainly of the District. Mr. Tatum stated I think tomorrow, Manny and I already have a meeting scheduled with Mrs. Damato to talk about some of the issues and I think beyond that we need to spend a little time

and collect all the information that we need to get to Mr. Sciarillo and give him a call and talk about some of these other issues as well. Perhaps we can get all this stuff on his plate. Mr. Nufrio stated are we talking about fact finding from Mr. Damato. Mr. Tatum stated Mrs. Damato the principal. We have a meeting scheduled with her. We will talk about the issues there and then Mr. Sciarillo will want to call and talk about all the documentation as well as the issues that came up tonight so we will call him tomorrow.

Mr. Le stated I know we discussed this in the beginning of the meeting regarding the vacancy and I'm just trying to recall from the past few years and requests from the public in terms of televising the interviews – is that by chance under consideration this time around. Mr. Nufrio stated I have not considered that but it is something we can look into and then again pose that question to Mr. Sciarillo if it is even doable. At this point we will look into it Steven. Certainly it will be a public meeting and the Board members and I communicated it earlier, I think it is a good way to go is to present some questions and deliver them just as we have done and just the way the League of Women Voters do – where they get questions from the audience and in this case by the Board members and certainly the public will be in attendance as just observers. It will be too lengthy of a procedure to do anything other than that. I am sure there will be enough questions that the Board will send to the committee and I would like to ask everyone if you want to be considered on the committee, send me an email and I will take it under advisement. I am not going into minutiae about why you want to be on the committee – just let me know if you want to be on it.

COMMENTS FROM THE PUBLIC:

Mrs. Lipstein asked where is the lawyer? Mr. Nufrio stated he is gone for the night. Mrs. Lipstein stated why did he leave does he not know how long these meetings go. Mrs. Zuena stated he was excused. Mr. Nufrio stated he was excused because all the issues that he had to be a part of at least for here and we gave him some homework to do and we are trying to contain the costs. Mrs. Lipstein stated I think it would be very helpful because you have these issues and you are now going to bring this up anyway and I think he needs to get a feel on how it works and operates.

How much are we paying for the kids going to the charter schools? Mr. Vieira stated about \$260,000. Mrs. Lipstein asked do we pay the full tuition? Mr. Vieira stated we pay the full tuition. Mrs. Lipstein stated but we don't pay for the busing. Mr. Vieira stated we pay for the transportation also. For the tuition it is \$258,000 and the transportation is \$17,000. 19 students. Mrs. Lipstein stated I think you have to make sure they are residents and you have to do due diligence to make sure.

Where you are accepting the donations from the Education Foundation – F-13 – I just want to say how hard the Education Foundation works to raise that money. It is about \$16,000 and it hard work and we have all volunteers. I just want to thank them for doing it. I'm not looking for the credit. We have found a niche for providing for teachers to do some great ideas that are not included in the budget and I'm really happy and how grateful I am that we have these volunteers in our community. It is a lot of work – much more work than it looks like.

Dr. Francis stated he wants to see the trout one. Mrs. Lipstein stated the trout eggs is also done in the 4th grade. These are the kinds of things that the kids really need to do. I don't know, \$250,000 going to charter schools, \$18,000 going to those things that are so wonderful – that is my personal feeling. It is really unfortunate.

I just sent an email to Mr. Tatum and Mr. Nufrio that has come to me about the high school alumni project. Harris Connect has done this before – they did this about 7 years ago and it was approved by the Board at no cost to the Board – the alumni directory and I was contacted by the woman who did it before and I told her that I would bring this to the attention of the Board of Education and the Superintendent because it is not a labor intensive thing to do. They pull the records. She attached the contract and I just wanted to let you know that this was done 7 years ago and there has been some discussion I think on the planning council to get the alumni together and here you can get the directory and the directory can be sold at no cost to the District to do it and if they sell a certain number and then there are profits. I think it is a win-win situation and it was done 7 years ago.

Dr. Francis stated they do the same thing for the colleges. Mrs. Lipstein stated yes and it is time to update it and it can be used and I think there are plans to try to get alumni together for school support. We used it originally to try to solicit some funds but I think it would be worthwhile to do it. I am sending that information on and I hope you can do it.

Dr. Francis stated so that way you can send out letters of donation to the alumni. Mr. Nufrio stated you have to remember that we are a non-profit organization. Mrs. Lipstein stated that was the reason it was done 7 years ago.

Mr. Nufrio stated I do want to comment Mrs. Lipstein on what you said. I speak for myself and I hope that I am also speaking for the entire Board. We appreciate all that the Foundation does for the District. Any and all cooperative efforts and even initiatives that you helped to engender in that organization is appreciated because anything that's good for kids is good for all of us. On my behalf and for all the years that I have been on the Board, I have seen the amount of work and various functions that you have been part of and certainly and hopefully that will continue for as long as possible.

Mrs. Lipstein stated it is a lot of work and we want to let the Board know that there are people working really hard for you. One more thing, as far as the library, if the Town could get money out of this, they would have kept it and sold it and I don't think...Mr. McDowell stated that is what they are going to do. Mrs. Lipstein stated let them do it.

Mr. Monge disconnected from the call.

Mr. Nufrio stated at this point I would ask Mr. Vieira to reach out to Mr. Monge and we do want him to know that we are adjourning the meeting.

MOTION TO ADJOURN:

There being no further business before the Board in public session it was moved by Mrs. Zuena, seconded by Mr. McDowell, that the meeting be adjourned at 10:30 p.m. All present voting YES.

MOTION CARRIED

Respectfully submitted,

**MANUEL E. VIEIRA
INTERIM BOARD SECRETARY**