

Item 6.1.1 Computer Lease Agreements for the District's One-to-One Computer Program
– Consideration and Final Approval

Background Information: Enclosed is a draft of the lease agreement as reviewed by board counsel, Ahlers Law Firm, Des Moines. You are encouraged to read through it and receive any comments / suggestions from Business Manager Shirley Maxwell.

Suggested Board Action: (to be provided)

2015 Ogden Avenue, Suite 400
Lisle, IL 60532
(630) 512-0066
Fax (630) 512-0070

American Capital

April 23, 2015

Ms. Shirley Maxwell
Red Oak Community School District
904 N. Broad Street
Red Oak, IA 51566

Dear Ms. Maxwell:

Thank you for choosing American Capital for your equipment leasing needs. Please have the authorized person sign the following documents for Schedule A and return all copies to my attention:

Rental Agreement
Exhibit A – Description of Equipment
Exhibit B – Payment Schedule
Exhibit C – Acceptance of Obligation
Exhibit D – Certificate of Authorization
Exhibit E – Payment Request
Exhibit F – Signature Card
Options of Renter
Notice of Assignment
Insurance Requirements
Debit Authorization - *optional*
Invoice for 1st payment (payable to KS State Bank)

Please return this check with the signed documents to American Capital

Please return the original signed documents to American Capital Financial Services, Inc.

Thank you for your prompt attention in this matter. If you have any questions, please do not hesitate to call.

Sincerely,



Laura Holstine
630-512-0066 x 120
lholtine@americancapital1.com

RENTAL AGREEMENT

Renter

Red Oak Community School District
2011 North 8th Street
Red Oak, Iowa. 51566
Federal ID#: 42-6038403

Owner

American Capital Financial Services, Inc.
2015 Ogden Avenue, Suite 400
Lisle, Illinois 60532
Federal ID#: 36-3735142

Dated as of July 1, 2015

This Rental Agreement dated as of the date listed above is between Owner and Renter listed directly above. Owner desires to rent the Equipment described in Exhibit "A" to Renter and Renter desires to rent the Equipment from Owner subject to the terms and conditions of this Agreement which are set forth below.

I. Definitions

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Rental Agreement and all Exhibits attached hereto, and all documents relied upon by Owner prior to the execution of this Agreement.

"Budget Year" means the Renter's fiscal year.

"Commencement Date" is the date when Renter's obligation to pay rent begins.

"Equipment" means all of the items of Equipment listed on Exhibit "A" and all replacements, restorations, modifications and improvements.

"Legally Available Funds" means funds that the governing body of Renter duly appropriates or are otherwise legally available for the purpose of making Rental Payments under this Agreement, including monies held in the Vendor Payable Account to the extent that such monies are used to prepay Rental Payments or Stipulated Loss Value.

"Owner" means the entity originally listed above as Owner or any of its assignees.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Renter.

"Partial Prepayment Date" means the first Rental Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Renter has accepted all the Equipment and all of the equipment has been paid for from the Vendor Payable Account.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Renter, subject to the security interest granted to and retained by Owner as set forth in this Agreement, and otherwise incurred in connection with the rental of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Renter's Budget Year.

"Rental Payments" means the payments Renter is required to make under this Agreement as set forth on Exhibit "B".

"Rental Term" means the Original Term and all Renewal Terms.

"Renter" means the entity listed above as Renter and which is renting the Equipment from Owner under the provisions of this Agreement.

"State" means the state in which Renter is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Agreement.

II. Renter Warranties

Section 2.01 Renter represents, warrants and covenants as follows for the benefit of Owner or its assignees:

- (a) Renter is authorized to enter into this Agreement, and has used such authority to properly execute and deliver this Agreement. Renter has followed all proper procedures of its governing body in executing this Agreement. The Officer of Renter executing this Agreement has the authority to execute and deliver this Agreement. This Agreement constitutes a legal, valid, binding and enforceable obligation of the Renter in accordance with its terms.
- (b) Renter has complied with all statutory laws and regulations that may be applicable to the execution of this Agreement.
- (c) Renter has never non-appropriated funds under an Agreement similar to this Agreement.
- (d) Upon request by Owner, Renter will provide Owner with current financial statements, reports, budgets or other relevant fiscal information.
- (e) Renter presently intends to continue this Agreement for the Original Term and all Renewal Terms as set forth on Exhibit "B" hereto. The official of Renter responsible for budget preparation will include in the budget request for each Budget Year the Rental Payments to become due in such Budget year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Rental Payments coming due therein. Renter reasonably believes that monies can and will lawfully be appropriated and made available for this purpose.

III. Use of Equipment and Rental Payments

Section 3.01 Installation and Acceptance. Renter shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Renter has selected or will select all of the Equipment and the manufacturer or supplier thereof (the "Supplier(s)") and therefore acknowledges that Owner has not selected, manufactured, supplied or provided any Equipment. In reliance upon Renter's execution of and compliance with this Agreement and assignment of Renter's purchase rights for the Equipment to Owner, Owner shall issue its purchase order to the Supplier(s) for the Equipment. As soon as practicable after the date on which the Equipment have been delivered and determined by Supplier(s) to be ready for use at Renter's location (the "Acceptance Date"), Renter will execute a Certificate of Acceptance in the form attached and dated as of the Acceptance Date. If (i) no Event of Default has occurred, (ii) Owner receives such executed Certificate of Acceptance, all other documents and information required under this Agreement, and (iii) Owner receives appropriate invoices and related documents from Supplier(s), Owner shall pay the Supplier(s) for the Equipment. Renter shall arrange with the Supplier(s) for delivery and installation of Equipment. All Equipment shall be shipped directly from Supplier(s) to Renter. Owner shall have no liability for any delay or failure by the Supplier(s) to deliver and install Equipment, or to perform any services, or with respect to the selection, installation, testing, performance, quality, maintenance or support of the Equipment. Renter, at its expense, will pay all transportation, packing, taxes, duties, insurance, installation, testing, maintenance and other charges in connection with the delivery, installation and use of the Equipment. By making a Rental Payment after its receipt of the Equipment pursuant to this Agreement, Renter shall be deemed to have accepted the Equipment on the date of such Rental Payment for purposes of this Agreement. All Rental Payments paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Rental Payments as they become due as shown on the Rental Payment Schedule attached as Exhibit B hereto.

Section 3.02 Rental Payments. Renter shall pay Rental Payments exclusively to Owner or its assignees in lawful, legally available money of the United States of America. The Rental Payments shall be sent to the location specified by the Owner or its assignees. The Rental Payments shall constitute a current expense of the Renter and shall not constitute an indebtedness of the Renter. Owner shall have the option to charge interest at the highest lawful rate on any Rental Payment received later than the due date, plus any additional accrual on the outstanding balance for the number of days that the Rental Payment(s) were late. Owner shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Rental Payment that is past due. The Rental Payments will be payable without notice or demand. Renter shall pay or, if requested by Owner, reimburse Owner for any and all sales, use, personal property, or other taxes, fees or assessments levied against or imposed upon the Equipment, its value, use or operation. Furthermore, Renter agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH.

Section 3.03 Rental Payments Unconditional. Except as provided under Section 4.01, THE OBLIGATIONS OF RENTER TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE. Renter understands and agrees that neither the manufacturer, seller or supplier of any Equipment, nor any salesman or other agent of any such manufacturer, seller or supplier, is an agent of Owner. No salesman or agent of the manufacturer, seller or supplier of any Equipment is authorized to waive or alter any term or condition of this Agreement, and no representation as to Equipment or any other matter by the manufacturer, seller or supplier of any Equipment shall in any way affect Renter's duty to pay the Rental Payments and perform its other obligations as set forth in this Agreement.

Section 3.04 Rental Term. The Rental Term of the Agreement shall be the Original Term and all Renewal Terms until all the Rental Payments are paid as set forth on Exhibit B.

Section 3.05 Disclaimers.

- (a) OWNER, NOT BEING THE SUPPLIER OR THE AGENT OF ANY SUPPLIER, MAKES NO WARRANTY, REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO THE MERCHANTABILITY OF THE EQUIPMENT OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN, QUALITY, CAPACITY OR CONDITION OF THE EQUIPMENT COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR AGREEMENT, PATENT OR COPYRIGHT INFRINGEMENT, OR LATENT DEFECTS. OWNER SHALL HAVE NO LIABILITY WHATSOEVER FOR THE BREACH OF ANY REPRESENTATION OR WARRANTY MADE BY THE SUPPLIER(S). OWNER MAKES NO

REPRESENTATION AS TO THE TREATMENT BY RENTER OF THIS AGREEMENT FOR FINANCIAL STATEMENT OR TAX PURPOSES. RENTER AGREES THE EQUIPMENT IS "AS IS." Renter agrees, regardless of cause, not to assert any claim whatsoever against Owner for any indirect, consequential, incidental or special damages or loss, of any kind, including, without limitation, any loss of business, lost profits or interruption of service. Any action by Renter against Owner for any default by Owner under this Agreement shall be commenced within one (1) year after any such cause of action accrues.

- (b) Renter shall look solely to the Supplier(s) for any and all claims related to the Equipment. RENTER UNDERSTANDS AND AGREES THAT NEITHER SUPPLIER(S) NOR ANY SALESPERSON OR OTHER AGENT OF SUPPLIER(S) IS AN AGENT OF OWNER, NOR ARE ANY OF THEM AUTHORIZED TO WAIVE OR ALTER THIS AGREEMENT. No representation by Supplier(s) shall in any way affect Renter's duty to pay the Rental Payments and perform its obligations under this Agreement.

Section 3.06 End of Rental Term Options. Renter may, if no Event of Default then exists, (i) purchase all (but not less than all) of the Equipment by paying Owner the fair market value of the Equipment as determined by Owner, (ii) renew this Agreement for a period of not less than one (1) year at an annual Rental Payment to be determined at time of renewal, or (iii) return Equipment to the Owner pursuant to Section 3.07. Renter must provide Owner written notice of the option selected not less than 90 days prior to the end of the Rental Term. If such notice is not received, Agreement will automatically renew for one year at the current Rental Payment. If Renter elects to purchase Equipment, Renter shall, on the last day of the Rental Term, pay to Owner the purchase price for Equipment in cash; and upon receipt of such payment Owner shall transfer to Renter title to the Equipment, free and clear of any claim, lien or encumbrance (other than those held by parties claiming by, through or under Renter), but without recourse, representation or any other warranty, express or implied, "AS IS", in its then condition and location. Renter shall be responsible for all applicable sales, use, personal property and other taxes.

Section 3.07 Surrender. Once Renter has made all of the Rental Payments set forth under Exhibit B, Renter, at its sole expense, shall pay original supplier to tear down, remove, and for the return of Equipment to Owner's storage facility. Owner and Renter shall inspect the Equipment upon their removal, and the results of such inspections shall be conclusive as to any damage to the Equipment above ordinary wear and tear. Renter shall be responsible for the prompt payment of any and all damages to or reduction in value of the Equipment. At the conclusion of the Agreement, the Renter hereby grants to Owner a ninety (90) day rent free period of time after termination for the Owner to remove the Equipment.

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Renter's budget for the next budget year to make the Rental Payments for the next Renewal Term and the funds to make such Rental Payments are otherwise unavailable by any lawful means whatsoever, then Renter shall have the option to non-appropriate the funds to pay the Rental Payments for the next Renewal Term. Lack of a sufficient appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Renter specifically prohibiting Renter from performing its obligations under this Agreement and from using any moneys to pay the Rental Payments due under this Agreement for a designated Budget Year and all subsequent Budget Years. If Renter chooses this option, then all obligations of the Renter under this Agreement regarding Rental Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Renter of any kind provided that if Renter has not delivered possession of the Equipment to Owner as provided herein and conveyed to Owner or released its interest in the Equipment by the end of the last Budget Year for which Rental Payments were paid, the termination shall nevertheless be effective but Renter shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due under Exhibit "B" which are attributable to the number of days after such Budget Year during which Renter fails to take such actions and for any other loss suffered by Owner as a result of Renter's failure to take such actions as required. Renter shall immediately notify the Owner as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Renter shall deliver the Equipment to Owner as provided below in Section 9.04. Renter shall be liable for all damage to the equipment other than normal wear and tear. If Renter fails to deliver the Equipment to Owner, then Owner may enter the premises where the Equipment is located and take possession of the Equipment and charge Renter for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds Indemnification

Section 5.01 Insurance. Renter shall maintain property insurance and liability insurance at its own expense with respect to the Equipment. Renter shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Renter is required to make Rental Payments. Renter shall provide Owner with a Certificate of Insurance which lists the Owner and/or assigns as a loss payee and additional insured on the policies with respect to the Equipment. Renter shall insure the Equipment against any loss or damage in an amount at least equal to the then applicable Stipulated Loss Value of the Equipment. Renter may self-insure against the casualty risks described above. If Renter chooses this option, Renter must furnish Owner with a certificate and/or other documents which evidences such self insurance. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Owner or its assignees. Renter shall furnish to Owner certificates evidencing such coverage throughout the Rental Term.

Section 5.02 Damage to or Destruction of Equipment. Renter assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Renter will immediately report all such losses to all possible insurers and take the proper procedures to attain all insurance proceeds. At the option of Owner, Renter shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Stipulated Loss Value. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Renter shall, at the option of Owner, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Stipulated Loss Value and pay the deficiency, if any, to the Owner.

Section 5.04 Indemnity. Renter assumes liability for, and agrees to and does hereby indemnify, protect and keep harmless, Owner, its successors and assigns, and their respective agents, employees, officers and directors from and against any and all claims, liability, loss, cost, damage or expense (including reasonable attorneys' fees), of whatever kind and nature including but not limited to those arising out of or caused by the negligence of Renter, and their respective agents or employees, arising out of the use, condition, operation, possession, control, selection, delivery or return of any item of Equipment, regardless of where, how, and by whom operated, and any failure by Renter to comply with this Agreement. The foregoing indemnities (i) include, without limitation, claims, loss, cost, damage or expense suffered or incurred as a result of any defect in the Equipment, Software or Services (whether discoverable or not) or based upon any theory of liability (including strict liability doctrines or statutes) and (ii) shall only apply with respect to events prior to the return of the Equipment pursuant to Section 9.04.

VI. Title

Section 6.01 Title. Title to the Equipment shall vest in Owner upon execution of this Agreement. Title to the Equipment will remain with the Owner throughout the Rental Term. Renter shall be responsible for the filing fees, charges, and any other costs associated with the registration of the title. Renter agrees that Owner or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Renter which Owner deems necessary or appropriate to protect Owner's interest in the Equipment and in this Agreement.

Section 6.02 Owner. Renter acknowledges and agrees that Owner is sole and exclusive owner of the Equipment, and that by the execution of this Agreement, Renter shall not possess or obtain any ownership interest, legal or equitable, in the Equipment, except solely as Renter hereunder and subject to the terms hereof. The Equipment is and shall at all times be and remain, personal property, notwithstanding that the Equipment or any part thereof may now be, or hereafter become in any manner affixed or attached to real property.

VII. Assignment

Section 7.01 Assignment by Owner. All of Owner's rights, title and/or interest in the Rental Payments may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Owner at any time without the consent of Renter. No such assignment shall be effective as against Renter until the assignor shall have filed with Renter written notice of assignment identifying the assignee. Renter shall pay all Rental Payments due hereunder relating to such Equipment to or at the direction of Owner or the assignee named in the notice of assignment. Renter shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Renter. None of Renter's right, title and interest under this Agreement and in the Equipment may be assigned by Renter unless Owner approves of such assignment in writing before such assignment occurs.

VIII. Maintenance of Equipment

Section 8.01 Maintenance. Renter shall pay any and all fees, property taxes or other taxes, charges and expenses and comply with all laws related to the use, possession, and operation of the Equipment while it is in Renter's possession, including obtaining all approvals and permits related to the use and/or possession of the Equipment. Renter shall maintain and keep the Equipment in good repair and safe operating condition during the term of this Agreement in accordance to Supplier's recommendations including but not limited to regular maintenance of all HVAC equipment. Renter will be liable for all damage to the Equipment, other than normal wear and tear, caused by Renter, its employees or its agents. Renter shall not during the term of this Agreement create, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment except those created by this Agreement. Renter shall allow Owner to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Renter to pay any Rental Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B".

- (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Owner that such payment must be made. If Renter continues to fail to pay any payment after such period, then Owner may, but will not be obligated to, make such payments and charge Renter for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Renter to observe and perform any warranty, covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Renter by Owner, unless Owner agrees in writing to an extension of time. Owner will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Renter. Subsection (c) does not apply to Rental Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Renter in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Renter's intent and which materially adversely affects the rights or security of Owner under this Agreement.
- (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Owner.
- (f) Renter admits in writing its inability to pay its obligations. Renter defaults on one or more of its other obligations. Renter applies or consents to the appointment of a receiver or a custodian to manage its affairs. Renter makes a general assignment for the benefit of Owners.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Owner shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Agreement, Owner may declare all Rental Payments and other amounts payable by Renter hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Agreement, Owner may require Renter at Renter's expense to redeliver any or all of the Equipment to Owner as provided below in Section 9.04. Such delivery shall take place within 15 days after the event of default occurs. If Renter fails to deliver the Equipment, Owner may enter the premises where the Equipment is located and take possession of the Equipment and charge Renter for cost incurred. Notwithstanding that Owner has taken possession of the Equipment, Renter shall still be obligated to pay the remaining Rental Payments due up until the end of the then current Original Term or Renewal Term. Renter will be liable for any damage to the Equipment caused by Renter or its employees or agents.
- (c) Owner may retain all amounts credited to the Vendor Payable Account and Renter shall have no further interest therein.
- (d) Owner may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Renter shall be responsible to Owner for all costs incurred by Owner in the enforcement of its rights under this Agreement including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Owner is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) Surrender: The Renter shall, at its own expense, surrender the Equipment to the Owner in the event of a default by delivering the Equipment to the Owner to a location accessible by common carrier and designated by Owner.
- (b) Delivery: The Equipment shall be delivered to the location designated by the Owner by a common carrier unless the Owner agrees in writing that a common carrier is not needed. When the Equipment is delivered into the custody of a common carrier, the Renter shall arrange for the shipping of the item and its insurance in transit in accordance with the Owner's instructions and at the Renter's sole expense. Renter at its expense shall completely sever and disconnect the Equipment or its component parts from the Renter's property all without liability to the Owner. Renter shall pack or crate the Equipment and all of the component parts of the Equipment carefully and in accordance with any recommendations of the manufacturer. The Renter shall deliver to the Owner the plans, specifications operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and such other documents in the Renter's possession relating to the maintenance and methods of operation of such Equipment.
- (c) Condition: When the Equipment is surrendered to the Owner it shall be in the condition and repair required to be maintained under this Agreement. It will also meet all legal regulatory conditions necessary for the Owner to sell or lease it to a third party and be free of all liens. If Owner reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Owner may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Renter shall promptly reimburse Owner for all amounts reasonably expended in connection with the foregoing.
- (d) Storage: Upon written request by the Owner, the Renter shall provide free storage for the Equipment or any item of the Equipment for a period not to exceed 60 days after the expiration of its lease term before returning it to the Owner. The Renter shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Owner shall reimburse the Renter on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01 Establishment of Vendor Payable Account. On the date that the Owner executed this Agreement, which is on or after the date that the Renter executes this Agreement, Owner agrees to (i) make available to Renter an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Renter's account, with a financial institution that Owner selects that is acceptable to Renter (including Owner or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Renter hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Renter's delivery to Owner of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit G attached hereto, Renter authorizes Owner to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each Item of Equipment as it is delivered to Renter. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Renter. The authorized individual or individuals designated by the Renter must sign the Signature Card which will be kept in the possession of the Owner.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Renter must either (1) deposit all the down payment funds that the Renter has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Renter must provide written verification to the satisfaction of the Owner that all the down payment funds Renter has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Renter are the down payment funds that were represented to the Owner at the time this transaction was submitted for credit approval by the Renter to the Owner.

Section 10.03 Disbursement upon Non-Appropriation. If an Event of Non-Appropriation occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Owner and Renter will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Stipulated Loss Value then applicable.

Section 10.05 Recalculation of Rental Payments. Upon payment of a portion of the Stipulated Loss Value as provided in Section 10.03 above, each Rental Payment thereafter shall be reduced by an amount calculated by Owner based upon a fraction of the numerator of which is the Surplus Amount and the denominator of which is the Stipulated Loss Value on such Partial Prepayment Date. Within fifteen (15) days after such Partial Prepayment Date, Owner shall provide to Renter a revised Exhibit B to this Agreement, which shall take into account such payment of a portion of the Stipulated Loss Value thereafter and shall be and become thereafter Exhibit B to this Agreement. Notwithstanding any other provision of this Section 10, this Agreement shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Renter as provided in this Agreement, and the portion of the principal component of Rental Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Agreement, including revised Exhibit B hereto which shall be binding and conclusive upon Owner and Renter.

XI. Miscellaneous

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Owner and Renter and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amendments, Addenda, Changes or Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Owner and Renter. Furthermore, Owner reserves the right to directly charge or amortize into the remaining balance due from Renter, a reasonable fee, to be determined at that time, as compensation to Owner for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Renter.

Section 11.05 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06 Captions. The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 11.07 ARTICLE 2A WAIVERS. In the event that Article 2A of the Uniform Commercial Code is adopted under applicable state law and applies to this Agreement, then Renter, to the extent permitted by law, waives any and all rights and remedies conferred upon a Renter by Sections 2A-508 through 2A 522 of such Article 2A, including, but not limited to, Renter's rights to: (i) cancel or repudiate this Agreement; (ii) reject or revoke acceptance of the Equipment, Software or Services; (iii) claim, grant or permit a security interest in the Equipment in Renter's possession or control for any reason; (iv) deduct from Rental payments or other amounts due hereunder, all or any part of any claimed damages resulting from Owner's default, if any, under this Agreement; (v) accept partial delivery of the Equipment; (vi) "cover" by making any purchase or lease of, or contract to purchase or lease equipment in substitution for Equipment designated in this Agreement; and (vii) obtain specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Equipment identified to this Agreement. To the

extent permitted by applicable law, Renter also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Owner to sell, Agreement or otherwise use any Equipment in mitigation of Owner's damages or which may otherwise limit or modify any of Owner's rights or remedies.

Section 11.08 Master Rental. This Agreement can be utilized as a Master Rental Agreement. This means that the Owner and the Renter may agree to the rental of the additional Equipment under this Agreement at some point in the future by executing one or more Additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by Owner. For purposes of this section, the term "Additional Schedule" refers to the proper execution of additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by the Owner all of which relate to the renting of additional Equipment. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Agreement shall govern to each Additional Schedule.

Section 11.09 Entire Writing. This Agreement constitutes the entire writing between Owner and Renter. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Agreement or the Equipment rented hereunder. Any terms and conditions of any purchase order or other documents submitted by Renter in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Owner and will not apply to this Agreement.

Section 11.10 Choice of Law. This Agreement shall be governed according to the laws of the State of the Renter.

Owner and Renter have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Red Oak Community School District

American Capital Financial Services, Inc.

Signature

Signature

Printed Name and Title

Printed Name and Title

EXHIBIT A
DESCRIPTION OF EQUIPMENT

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

Below is a detailed description of all the Items of Equipment including quantity, model number and serial number where applicable:

Six Hundred Twenty-Five (625) Lenovo Thinkpad 11e Yogas with Imaging Services and One Hundred (100) Dell Latitude 3340 Laptop Computers

Physical Address of Equipment after Delivery: _____

EXHIBIT B
PAYMENT SCHEDULE

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

Date of First Payment:	At Closing
Total Number of Payments:	Three (3)
Number of Payments Per Year:	One (1)

Pmt No.	Due Date	Rental Payment	*†Stipulated Loss Value
1	At Closing	\$168,566.07	\$369,900.36
2	01-Jul-16	\$168,566.07	\$212,394.31
3	01-Jul-17	\$168,566.07	\$50,178.83

Red Oak Community School District

Signature

Printed Name and Title

**Assumes all Rental Payments due to date are paid*

†Stipulated Loss Value is not Fair Market Value (FMV), and should not be interpreted as same. FMV, as referenced in 3.06, can only be obtained from Owner at end of term.

EXHIBIT C
ACCEPTANCE OF OBLIGATION
TO COMMENCE RENTAL PAYMENTS UNDER EXHIBIT B

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

I, the undersigned, hereby certify that I am a duly qualified representative of Renter and that I have been given the authority by the governing body of Renter to sign this Acceptance of Obligation to commence Rental Payments with respect to the above referenced Agreement. I hereby certify that:

1. The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Agreement.
2. Renter acknowledges that Owner has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A;
3. Renter agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Equipment has not been delivered to or accepted by Renter on the date of execution of the Agreement, Renter hereby warrants that:

- (a) Renter's obligation to commence Rental Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Agreement;
- (b) immediately upon delivery and acceptance of all the Equipment, Renter will notify Owner of Renter's final acceptance of the Equipment by delivering to Owner the "Payment Request and Equipment Acceptance Form" in the form set forth in Exhibit E attached to the Agreement;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an Event of Non-appropriation under the Agreement occurs, then those amounts shall be applied as provided in Section 10 of the Agreement;
- (d) regardless of whether Renter delivers a final Payment Request and Equipment Acceptance Form, all Rental Payments paid prior to delivery of all the Equipment shall be credited to Rental Payments as they become due under the Agreement as set forth in Exhibit B.

Red Oak Community School District

Signature

Printed Name and Title

EXHIBIT D

CERTIFICATE OF AUTHORIZATION

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

1. **Determination of Need.** The Governing Body of Renter, either through direct board action or indirectly through its officers, officials or other authorized representatives, has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Rental Agreement ("Agreement") dated as of July 1, 2015, between Red Oak Community School District (Renter) and American Capital Financial Services, Inc. (Owner).

2. **Approval and Authorization.** The Governing Body of Renter, either through direct board action or indirectly through its officers, officials or other authorized representatives has determined that it is in the best interest of the Renter to enter into a lease substantially in the form of the Agreement to finance the purchase of the Equipment described on Exhibit A of the Agreement. The Governing Body of Renter has duly authorized the individuals listed below to execute the Agreement and all documents related thereto on behalf of the Renter. Such authorization derives from either direct board action or indirectly through established policies and procedures or bylaws all as allowed by law.

Authorized Individual(s):

(Printed or Printed Name and Title of individual(s) authorized to execute the Agreement)

3. **Adoption.** The signatures below from the designated individuals of the Governing Body of the Renter evidence the adoption of this Certificate of Authorization

Signature:

(Signature of Secretary, Board Chairman or other member of the Governing Body)

Printed Name & Title:

(Printed Name and Title of individual who signed directly above)

Attested By:

(Signature of one additional person who can witness the passage of this Resolution)

Printed Name & Title:

(Printed Name of individual who signed directly above)

EXHIBIT E

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

In accordance with Section 10.01, by executing this Payment Request and Equipment Acceptance Form the Renter hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Renter and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Renter hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ _____ and this amount is consistent with the Contract between Renter and Vendor.
2. Payment is to be made to: Payee: _____
3. The undersigned certifies that the following documents are attached to this Payment Request and Equipment Acceptance Form when there is a request for a release of funds from the Vendor Payable Account to pay for a portion, or all, of the Equipment: (1) Invoice from the Vendor, (2) copy of the Contract between Renter and Vendor (if requested by the Owner), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing KS StateBank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request and Equipment Acceptance Form and attaching the documents as required above, the Renter shall be deemed to have accepted this portion of the Equipment for all purposes under the Agreement, including, without limitation, the obligation of Renter to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment.
4. No amount listed in this exhibit was included in any such exhibit previously submitted.
5. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Renter as reimbursement for any expenditure paid by Renter more than 60 days prior to the date of execution and delivery of the Agreement.
6. The Equipment referenced in the attached has been delivered, installed, inspected and tested as necessary and in accordance with Renter's specifications and accepted for all purposes.
7. Renter has obtained insurance coverage as required under the Agreement from an insurer qualified to do business in the State.
8. Renter has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement during the current Budget Year of Renter, and such moneys will be applied in payment of all Rental Payments due and payable during such current Budget Year.
9. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

I, the undersigned, hereby certify that I am a duly qualified representative of Renter and that I have been given the authority by the governing body of Renter to sign this Payment Request and Equipment Acceptance Form.

Please forward this document and any correspondence relating to vendor payment to:

jmarquardt@americancapital1.com

or Fax: (630) 512-0070

Please call (630) 512-0066 if you have any questions.

Red Oak Community School District

Signature

Printed Name and Title

EXHIBIT F
SIGNATURE CARD

RE: Rental Agreement dated as of July 1, 2015, between American Capital Financial Services, Inc. (Owner) and Red Oak Community School District (Renter)

The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Red Oak Community School District.

Red Oak Community School District

Signature

Printed Name and Title

Signature of additional authorized individual (optional) of Renter

Signature

Printed Name and Title

**OPTIONS OF RENTER
FMV PURCHASE OPTION**

Rental Agreement dated July 1, 2015 between American Capital Financial Services, Inc. Owner,

and Red Oak Community School District, Renter
(Full Legal Name of Renter)

Renter and Owner both affirmatively agree that Owner is owner of the property and is thereby entitled to the Investment Tax Credit (including Energy Tax Credit) as well as the depreciation derived from this property for income tax.

Provided the rental agreement has not terminated early and no event of default under the agreement has occurred and is continuing, Renter shall have the following option at the end of the original term.

(1) BUY

Purchase the equipment for the fair market value at the end of the agreement term.

This amount payable in a single sum immediately upon termination of the agreement.

EQUIPMENT:

(625) LVO ThinkPad 11e
(100) Dell Latitude 3340 Laptop

(2) RENEW

Renew on a month to month basis at normal payment amount.

(3) RETURN

Return the equipment to Owner with no further obligation.

~~Failure to notify Owner of which option is to be exercised shall constitute exercise of the renewal option.~~

~~The options provided for in this Agreement supersede all other options contained in the original Rental Agreement.~~

OWNER: American Capital Financial Services, Inc.

RENTER: Red Oak Community School District

Signature

Signature

Typed Name and Title

Typed Name and Title

NOTE: SIGNATURE MUST BE SAME AS ON AGREEMENT

NOTICE OF ASSIGNMENT

JULY 1, 2015

American Capital Financial Services, Inc. (Owner/Assignor) hereby gives notice of an Assignment between Owner/Assignor and KS StateBank (Assignee) of the Rental Agreement (Contract) between Owner/Assignor and Red Oak Community School District, dated as of July 1, 2015.

All Rental Payments coming due pursuant to the Contract shall be made to:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

American Capital Financial Services, Inc., Owner/Assignor

Signature

Printed Name and Title

ACKNOWLEDGEMENT OF AND CONSENT TO ASSIGNMENT

Red Oak Community School District (Renter) as party to a Rental Agreement dated as of July 1, 2015 between Renter and American Capital Financial Services, Inc. (Owner); hereby acknowledges receipt of a Notice of Assignment dated July 1, 2015 whereby Owner gave notice of its assignment to KS StateBank of its right to receive all Rental Payments due from Renter under the Contract and hereby consents to that Assignment. Pursuant to the Notice of Assignment from Owner, Renter agrees to deliver all Rental Payments coming due under the Contract to:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

Red Oak Community School District

Signature

Printed Name and Title

INSURANCE REQUIREMENTS

Pursuant to Article V of the Rental Agreement, you have agreed to provide us evidence of insurance covering the Equipment.

A Certificate of Insurance listing the information stated below should be sent to us no later than the date on which the equipment is delivered.

Insured:

Red Oak Community School District
2011 North 8th Street
Red Oak, Iowa 51566

Certificate Holder:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

1. Equipment Description

- ◆ Six Hundred Twenty-Five (625) Lenovo Thinkpad 11e Yogas with Imagining Services and One Hundred (100) Dell Latitude 3340 Laptop Computers
- ◆ Please include all applicable VIN's, serial numbers, etc.

2. Physical Damage

- ◆ All risk coverage to guarantee proceeds of at least \$532,416.75.

3. Deductible

- ◆ The deductible amounts on the insurance policy should not exceed \$15,000.00.

4. Loss Payee

- ◆ KS StateBank and/or Its Assigns MUST be listed as loss payee.

Please forward certificate as soon as possible to:

Fax: (630) 512-0070

or

Email: jmarquardt@americancapital1.com

Please complete the information below and return this form along with the Agreement.

Red Oak Community School District

Insurance Company: _____

Agent's Name: _____

Telephone #: _____

Fax #: _____

Address: _____

City, State Zip: _____

Email: _____

INVOICE

DATE SENT: 04-22-2015

BILL TO:

RED OAK COMMUNITY SCHOOL DISTRICT
ATTN: ACCOUNTS PAYABLE
2011 NORTH 8TH STREET
RED OAK, IOWA 51566

REMIT TO:

KS STATEBANK
GOVERNMENT FINANCE DEPARTMENT
PO BOX 69
MANHATTAN, KS 66505-0069
FOR INQUIRIES: (630) 512-0066

ACCOUNT NUMBER	PAYMENT DATE	PAYMENT DUE DATE	TOTAL AMOUNT DUE
3348005	At Closing	At Closing	\$168,566.07

DESCRIPTION	AMOUNT
RENTAL AGREEMENT DATED AS OF JULY 1, 2015	PAYMENT AMOUNT: \$168,566.07
SIX HUNDRED TWENTY-FIVE (625) LENOVO THINKPAD 11E YOGAS WITH IMAGINING SERVICES AND ONE HUNDRED (100) DELL LATITUDE 3340 LAPTOP COMPUTERS	
<i>Additional interest will be assessed on any payment received after the due date.</i>	
	\$168,566.07
	TOTAL DUE

Item 6.2.1 Tiger Vision Phase I Implementation Steps: Bond Financing Update and Updates from Architects and Construction Management Companies

Background Information: This evening a short written report is available from Financial Adviser Matt Gillaspie, from Architect Randy West / Daric O'Neal, and from the Boyd Jones Construction Company.

School Business Manager Shirley Maxwell will provide any needed updates from Bond Counsel at the Ahlers Law Firm.

Suggested Board Action: (none expected)

April 24, 2015

Red Oak Community School District
Attn: Board Members, Terry Schmidt & Shirley Maxwell
2011 North 8th
Red Oak IA 51566

Dear Board Terry & Shirley,

This is an update, as requested, for your April 27th board meeting as to the status of the bonding component of your current project. We have notified Standard & Poors (S&P) of the delay, and they are holding off on rating the sales tax bond issue until we have given them a new timeline to assume. We have not distributed the POS offering document to any potential bidders, and will wait to do so once a new timeline is established. Thus, the bond issuance itself is in somewhat of a holding pattern until we know that the board has determined to proceed. Once that decision has been made the process can begin again relatively quickly. However, if the bonds are not sold prior to July 1st it is likely that another rating review (i.e. conference call) with S&P will be necessary, and the POS document will need to be updated as we will then have new FY15 data that must be included. Selling the bonds prior to July 1st should not create much of a problem other than the potential risk that interest rates will rise; although that risk over such a relatively short period of time seems minimal...but, does exist nonetheless.

I also want to use this correspondence as an opportunity to recap some important points that I feel the board should already understand from our multiple conversations, but that you may not have grasped entirely as a result of sheer the volume of various options being discussed, as well as because of the political pressures being asserted in your community particularly over the past few months.

- The PPEL Note issuance (assumed in 2016) does not itself require the PPEL to be extended. A school may only borrow from that authority currently given by voters, so the currently presumed PPEL Notes would be paid off in FY2020 at the same time the existing authority for Voted PPEL expires.
- To borrow from Voted PPEL at the level we have been presuming, the Income Surtax component of the Voted PPEL must be at 1% from FY17-FY20. This allows the bulk of the Voted PPEL to be collected from property taxes, and a district can ONLY borrow from that portion of the PPEL that is collected from property taxes.
- Under the scenario where the Voted PPEL is NOT renewed, and the board chooses NOT to use Sales Tax funds to abate the G.O. Bond levy for the remaining 5 years:
 - you could lose 78 resident students between 2015-2027 before it would be likely a deficit in PPEL+SILO would have occurred at some point between now and 2030
 - you could lose 182 resident student between 2015-2027 before it would be likely that you would have spent 100% of the accruing PPEL+SILO funds by 2030, although there likely would be interim deficits at some point(s) along the way
 - these scenarios still assume routine annual spending for transportation, technology and maintenance, but no added significant projects beyond the current project scope
- Under the scenario where the Voted PPEL IS RENEWED, and the board chooses NOT to use Sales Tax funds to abate the G.O. Bond levy for the remaining 5 year:

- you could lose 728 resident students between 2015-2027 before it would be likely a deficit in PPEL+SILO would have occurred at some point between now and 2030
- you could lose 819 resident student between 2015-2027 before it would be likely that you would have spent 100% of the accruing PPEL+SILO funds by 2030, although there likely would be interim deficits at some point(s) along the way
- these scenarios still assume routine annual spending for transportation, technology and maintenance, but no added significant projects beyond the current project scope
- Under the scenario where the Voted PPEL IS RENEWED, and the board chooses TO ABATE a 50% portion of the G.O. Bond levy using Sales Tax funds for the remaining 5 years:
 - This would be possible with little, if any, disturbance to the cash flow although balances in PPEL+SILO would get very low at certain points of time for temporary periods of time
 - these scenarios still assume routine annual spending for transportation, technology and maintenance, but no added significant projects beyond the current project scope
- Under the scenario where the Voted PPEL IS RENEWED, and the board chooses TO ABATE 100% of the G.O. Bond levy using Sales Tax funds for the remaining 5 years:
 - This would be possible, but the current project scope would likely need to be reduced by approximately \$2.6 million in order to reserve sales tax cash balances for the future abatement needs
 - these scenarios still assume routine annual spending for transportation, technology and maintenance, but no added significant projects beyond the current project scope
- The financing plan that the board had thus far put forward was/is a reasonable plan. Many, many other Iowa school districts have made or would make similar decisions as to what the Red Oak board has made over the past 24 months.
- Regarding the abatement or non-abatement of the G.O. Bonds with Sales Tax funds:
 - PRIOR BOARDS have chosen not to abate 100% of the levy in three of the past 15 years. It is not true that the abatement has taken place 100% since the bonds were issued.
 - The G.O. Bond payments currently outstanding have already been reduce by actions of prior boards to refinance the original bonds two separate times; in 2002 and 2010. The total combined savings from those two refinancing transactions was \$961,033. The current and prior Red Oak boards have been prudent and mindful of the taxpayers' dollars as it relates to the bonds.
 - The prior intention of the board in 1999 to abate 100% of the G.O. Bond levy was only their hopeful intention, not a guarantee of future action by any given board. The community should have understood at the time that this was not a guarantee...and, in fact, the abatement was not 100% in three years within the initial 5 years of the bonds...and that future needs of the district may trump the abatement of the bonds. This is a common change of direction that many boards across the state have made. Today is a different world than 15 years ago, with different demands and needs upon the district and its infrastructure. If an elected board today determines that the district has a certain need they must act upon that need regardless of what prior boards may have desired.
 - As an elected official it is important [critical] to listen to your constituents. However, you were elected into the position you are in to make difficult decisions for the community that may not be obvious to all patrons. You should be more versed in what the district needs by way of facilities than the common patron, and you may have to make decisions that appear initially to go against what some patrons believe is appropriate. This is the nature of politics. Your decisions today are based upon information you have before you today....not information that was estimated or expected or anticipated 15 or 20 or 50 or 100 years ago.

This summary is not intended to suggest that we believe the board SHOULD or SHOULD NOT make a determination to continue the G.O. Bond abatement, or to proceed with this project overall. That is a local decision that is left in the hands of the locally elected officials. We will provide assistance to the district no matter which direction is chosen. And, if no borrowing is eventually pursued that is just fine as well.

If you feel you need clarification on any of the above points please let me know.

Thank you.

VIA E-MAIL

Matthew R. Gillaspie
Senior Vice President

Item 6.2.2 Introduction of Contracted Service for School Meals in the Fiscal Year '16 – Review and Discussion

Background Information: The district has explored outsourcing its food service operations and its custodial services for the next fiscal year. The process has been quite long and has finally drawn to a close. The State of Iowa has stringent requirements for outsourcing food service and a lengthy timeline involved.

This evening the Directors receive their first look at the budget savings tools. Three vendors completed all requirements for food service operations while two vendors completed requirements for custodial services.

Enclosed are the information pages for food service outsourcing. Shirley Maxwell has summarized the three vendors' proposals with costs compared to current expenditures in Red Oak CSD.

The projected cost savings (which become part of the budget reduction/enhancement program for FY 16) are as follows:

<u>Vendor</u>	<u>Proposed Contract</u>	<u>June 2014 YTD Costs</u>	<u>Projected Savings</u>
A'viands	\$537,850	\$625,392	\$87,542
TAHER	\$549,222	\$625,392	\$76,167
[Guaranteed year end surplus of \$30,000]			
Lunchtime	\$598,489	\$625,392	\$26,903

Solutions

[Guaranteed year surplus of \$10,200]

District staff made site visits to Winterset (TAHER) and to Boyden-Hull (A'viands).

Each visitation team can provide summary statements.

Directors are encouraged to seek clarification for the information provided in the background materials. No formal action is planned for tonight but final action could be considered at the May 11 board meeting.

Health insurance costs are critical for both groups. Shirley Maxwell will provide an update for both food service and custodial outsourcing during this time.

It is anticipated a number of department employees are present at tonight's meeting to offer their comments concerning proposed contracted services.

Anticipated savings for adopting both outsourcing services could net the district a budget savings of \$166,160.

Suggested Board Action: (none anticipated this evening)

OUTSOURCING Hot Lunch Vendors									
Aviance		\$537,850.00		Lunch					
		Not included		Breakfast					
						June 2014 YTD Cost	\$625,392.36	Est. 2015 YTD Cost	\$616,375.00
						Aviands Bid	\$537,850.00		\$537,850.00
PPO-Doctors in our area? Blue Cross Blue Shield of NC ?						Savings	\$87,542.36		\$78,525.00
Dental, Vision, FSA, Who pays dental, vision									
Every employee will receive uniforms and non-slip shoes at no cost.						Summer			
						Lunch	2.79		
						Breakfast	1.75		
TAHER		\$549,225.00		Sent bid bond		June 2014 YTD Cost	\$625,392.36	Est. 2015 YTD Cost	\$616,375.00
						TAHER Bid	\$549,225.00		\$549,225.00
						Savings	\$76,167.36		\$67,150.00
Will honor current staffing plan, honoring current employees' hours wages and offering a comparable benefit pkg.						Summer			
Guarantee a year end surplus of at least \$30,000.						Lunch	2.91		
						Breakfast	1.56		
Lunchtime Solutions		\$598,489.00				June 2014 YTD Cost	\$625,392.36		\$616,375.34
						Lunchtime Solutions Bid	\$598,489.00		\$598,489.00
\$10,200 financial guarantee						Savings	\$26,903.36		\$17,886.34
						Summer			
						Lunch	\$3.25		
						Breakfast			
2014-2015 Costs									
Salaries		\$207,090.76							
FICA		\$16,427.69							
IPERS		\$18,779.42							
Health		\$101,673.54							
Purchased Service		\$37.50							
Travel		\$747.28							
Supplies		\$18,984.51							
FOOD		\$211,876.98							
Ala Cart		\$23,581.83							
Food Cost/Adult lunch		\$4,407.78							
Fruit/Vegetable		\$21,785.07							
Grand total		\$625,392.36							

67

A'viands/Summit Medical, Dental and Vision Rates

January 1, 2015 through December 31, 2015

All Employees

2015 Medical Rates

Monthly Contribution Premiums

PPO Gold Plan

	Total Monthly Premium (Employer + Employee)	A'viands	Employee	ER %
Employee Only	\$616.38	\$366.38	\$250.00	59%
EE + Spouse	\$1,232.76	\$632.76	\$600.00	51%
EE + Child(ren)	\$1,189.61	\$589.61	\$600.00	50%
Family	\$1,916.93	\$956.93	\$960.00	50%

CDHP Silver Plan

	Total Monthly Premium (Employer + Employee)	A'viands	Employee	ER %
Employee Only	\$541.46	\$366.46	\$175.00	68%
EE + Spouse	\$1,082.93	\$627.93	\$455.00	58%
EE + Child(ren)	\$1,045.03	\$590.03	\$455.00	56%
Family	\$1,683.95	\$958.95	\$725.00	57%

MVP Bronze Plan

	Total Monthly Premium (Employer + Employee)	A'viands	Employee	ER %
Employee Only	\$170.26	\$77.87	\$92.39	46%
EE + Spouse	\$282.99	\$77.87	\$205.12	28%
EE + Child(ren)	\$278.77	\$77.87	\$200.90	28%
Family	\$381.11	\$77.87	\$303.24	20%

2015 Dental Rates

100% Employee Contribution (Monthly Premiums)

	12 Month Facility
Employee Only	\$25.14
EE + Spouse	\$47.78
EE + Child(ren)	\$52.80
Family	\$75.43

2015 Vision Rates

100% Employee Contribution (Monthly Rates)

	12 Month Facility
Employee Only	\$4.88
EE + Spouse	\$10.44
EE + Child(ren)	\$9.76
Family	\$16.68

HEALTH INSURANCE AGREEMENT



Employee Share of Premium Cost

February 1, 2015

Health Care Coverage

The following costs are per pay period (twice a month)

Please **CIRCLE** the coverage and contribution you are electing for 2015

	<u>Silver</u>	<u>Bronze</u>	<u>Economy</u>
INDIVIDUAL	\$231.12	\$162.25	\$72.50
EMPLOYEE + 1	\$972.00	\$875.00	\$375.00
FAMILY	\$1,085.40	\$962.50	\$475.00

Please sign below to either elect coverage and authorize the payroll deduction or acknowledge that you were offered ACA Coverage and are declining coverage. And, that you were offered coverage that meets the definitions of Affordable and Qualified under the Affordable Care Act (ACA).

I am electing the above coverage and authorize my employer to withhold the required premiums from my paycheck.

Signature: _____

Date: _____

I am declining to purchase the coverage offered to me by my employer. I recognize that the coverage offered meets the definitions of being Affordable and Qualified under the Affordable Care Act (ACA).

Signature: _____

Date: _____

Employee Name (Print)

Unit Name

Dental Coverage

The following costs are per pay period (twice a month)

INDIVIDUAL	\$25.37
FAMILY	\$47.78

I elect to enroll in **INDIVIDUAL** dental coverage

I elect to enroll in **FAMILY** dental coverage

I wish to waive all dental coverage

Employee Name (Print)

Unit Name

Employee Signature

Date

Health Benefits Simplified



Welcome!

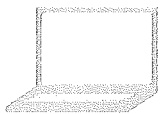
What's New? HealthEZ is proud to serve Taher in 2015. Our team is committed to simplifying your healthcare experience. We are a national benefit administrator that specializes in helping companies like Taher provide affordable, custom benefit plans. We are here to simplify your healthcare experience.

What you need to do:

1. Review this benefit overview
2. Turn in all completed paper forms to your Human Resources Department
3. Manage your benefits by visiting TaherBenefits.com

What's inside:

1. Medical Plan
2. Network of Doctors
3. Medical Management
4. Pharmacy
5. Online Tools
6. HealthEZpay
7. SmartID Cards
8. Summary of Medical Benefits



Online Tools

www.TaherBenefits.com

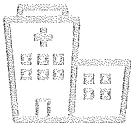
Visit your one-stop benefit website for benefit information, forms, account balances, processed claims, previous statements and much more.

An online account allows you to fully manage your benefits. To sign up for online access, follow these steps:

1. Go to www.TaherBenefits.com and click LOGIN.
2. Click "Need to set up your online access?"
3. Enter your Member ID - found on your ID card - your Social Security number, and your date of birth. Pick a Username and Password. Be sure to make your Password at least 8 characters long; any combination of letters or numbers is acceptable. Click Proceed to my Account and you're registered! Call customer service with any questions.

Medical Plan

Taher offers three medical plan options. A summary of each plan can be found later in this benefit overview.



Network of Doctors

"Is my doctor in the network?"


To find an in-network physician or facility go to TaherBenefits.com and click on "Find a Doctor".


Regional Network Based on Your Location

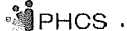
America's Preferred Provider Network

America'sPPO www.AmericasPPO.com

America's PPO was the first Preferred Provider Organization established in Minnesota and now serves over 500 clients across the country. It provides access to over 71,000 healthcare providers with continually expanding coverage in Minnesota, North Dakota, South Dakota, Iowa, and western Wisconsin.

If you live in Michigan, you will have access to the Cofinity network .

If you live in Indiana you will have access to the Sagamore network .

For all other states you will have access to the PHCS network .

Dental Network

You can visit any dentist you wish. There is no dental network, but you should always check prices for any major services, as dental charges can vary greatly.



Medical Management and Nurseline

You have 24/7 access to HealthEZ's medical management staff. They have extensive experience helping employees navigate the medical maze. These services are available to everyone — whether you have a chronic condition like asthma or diabetes, or a more complex condition such as cancer or heart disease.

If you have questions about what kind of care to seek or where to seek it (do I really need to go to the ER for this?), if you've just found out you're pregnant, or if you have any nagging questions, nurses are there to help you. Just call 888-889-9076, any time of day or night.

Precertification

The medical system is increasingly pushing patients into expensive and unnecessary procedures. To make sure you receive the best treatment possible, we are requiring that your doctor notify us before surgeries or MRI and CT scans. (Please see your Summary Plan Description for a full listing of procedures requiring precertification.)



Pharmacy Restat

Your pharmacy benefit manager is Restat. Restat is now part of Catamaran Rx, one of the nation's largest pharmacy benefits manager and can offer additional discounts - especially on higher cost drugs. Your pharmacy claims will also appear on your HealthEZ statement.

Saving on Pharmacy Costs

Here are a few ways to save on pharmacy costs:

1. Ask your doctor to start you on the lowest cost alternative
2. Check out the "\$4 prescriptions" at places like Wal-Mart and Target
3. Price shop your prescriptions at Sam's Club and Costco; you don't have to be a member

HEALTHEZpay



The EZ way to pay medical bills

Pay your medical bills the easy and accurate way. HealthEZpay consolidates your medical bills and allows you to review online, then simply approve or decline payment for each. You save money and time by securely paying online using our credit/debit card that you have registered.

Call 888-889-9076 for more information or go to www.TaherBenefits.com and click on "My Benefits" then "HealthEZ Payment Service."



Introducing the HealthEZ SmartID Card

With the SmartID card, you and your family will always have your HealthEZ ID card in reach – on your smartphone! Simply login to: www.TaherBenefits.com to access your SmartID card.

You can also print a temporary ID card from the website.

Be sure to show your ID card at the pharmacy and your doctor's office so claims will be submitted to proper claims processing address

- as shown on the back of your ID card.

We can be reached by phone or online



Dedicated phone # & 24/7 nurseline
888-889-9076



Your company benefit website
TaherBenefits.com



Summary of Medical Benefits



	Economy Plan	
	In-Network	Out-Of-Network
Calendar Year Deductible - Embedded		
Employee Only	\$5,000	\$10,000
Employee + dependent(s)	\$7,500	\$15,000
Family	\$10,000	\$20,000
Coinsurance	20%	40%
Out-Of-Pocket Maximum		
Employee Only	\$6,350	\$12,700
Employee + dependent(s)	\$9,525	\$19,050
Family	\$12,700	\$25,400
Lifetime Maximum	Unlimited	
Preventive Care		
Routine Physical, Cancer Screenings & Eye Exams	No Member Responsibility	No Coverage
Prenatal Care	No Member Responsibility	40% After Deductible Met
Physician Services		
*Limited to 3 visit max. combined with PCP and Specialist		
PCP & Specialist	\$35 Copay, Thereafter 20% After Deductible Met for All Other Visits	40% After Deductible Met
Radiology & Labs		
*Limited to 3 visit max. combined with PCP and Specialist		
Outpatient Lab & X-ray Services	\$35 Copay Thereafter 20% After Deductible Met for All Other Visits	40% After Deductible Met
Inpatient lab and diagnostic imaging	20% After Deductible Met	40% After Deductible Met
MRI, CT, PET Scans at a freestanding facility	20% After Deductible Met	40% After Deductible Met
Physical, Occupational, and Speech therapy	20% After Deductible Met	40% After Deductible Met
Hospital Services		
Inpatient and Outpatient Care	20% After Deductible Met	40% After Deductible Met
Urgent Care Services		
Professional Health Care Provider	20% After Deductible Met	40% After Deductible Met
Emergency Services		
Emergency Room	20% After Deductible Met	40% After Deductible Met
In true emergency covered as In-Network		
Chiropractic Services		
Therapy and Manipulation	No Coverage	No Coverage
Mental Health / Chemical Dependency		
Inpatient	20% After Deductible Met	40% After Deductible Met
*Office Visit	\$35 Copay, Thereafter 20% After Deductible Met for All Other Visits	40% After Deductible Met
*Limited to 3 visit max. combined with PCP and Specialist		
Prescription Drug Program	Prescription Services (up to 31-day supply)	Mail Order Prescriptions (up to 90-day supply)
Generic Drugs	\$10 Copay	\$20 Copay
Formulary Brand	\$40 Copay	\$80 Copay
Non Formulary	\$80 Copay	\$160 Copay
Specialty	\$150 Copay	Unavailable

NOTES: This serves as a summary of your benefit plan only. Please refer to your Summary Plan Description for actual coverage, limitation and exclusion provisions.



Summary of Medical Benefits

	Silver Plan	
	In-Network	Out-Of-Network
Calendar Year Deductible - Embedded		
Employee Only	\$600	\$1,200
Employee + dependent(s)	\$1,200	\$2,400
Family	\$1,800	\$3,600
Coinsurance	20%	40%
Out-Of-Pocket Maximum		
Employee Only	\$2,000	\$6,000
Employee + dependent(s)	\$4,000	\$8,000
Family	\$6,000	\$12,000
Lifetime Maximum	Unlimited	
Preventive Care		
Routine Physical, Cancer Screenings & Eye Exams	No Member Responsibility	No Coverage
Prenatal Care	No Member Responsibility	40% After Deductible Met
Physician Services		
Office Visits	20% After Deductible Met	40% After Deductible Met
Specialty Office Visits	20% After Deductible Met	40% After Deductible Met
Radiology & Labs		
Outpatient Lab & X-ray Services	20% After Deductible Met	40% After Deductible Met
Inpatient lab and diagnostic imaging	20% After Deductible Met	40% After Deductible Met
MRI, CT, PET Scans at a freestanding facility	20% After Deductible Met	40% After Deductible Met
Physical, Occupational, and Speech therapy	20% After Deductible Met	40% After Deductible Met
Hospital Services		
Inpatient and Outpatient Care	20% After Deductible Met	40% After Deductible Met
Urgent Care Services		
Professional Health Care Provider	20% After Deductible Met	40% After Deductible Met
Emergency Services		
Emergency Room	20% After Deductible Met	40% After Deductible Met
In true emergency covered as In-Network	20% After Deductible Met	40% After Deductible Met
Chiropractic Services		
Therapy and Manipulation	20% After Deductible Met	40% After Deductible Met
Mental Health / Chemical Dependency		
Inpatient	20% After Deductible Met	40% After Deductible Met
Office Visit	20% After Deductible Met	40% After Deductible Met
Prescription Drug Program		
	Prescription Services (up to 31-day supply)	Mail Order Prescriptions (up to 90-day supply)
Generic Drugs	\$10 Copay	\$20 Copay
Formulary Brand	\$40 Copay	\$80 Copay
Non Formulary	\$80 Copay	\$160 Copay
Specialty	\$150 Copay	Unavailable

NOTES: This serves as a summary of your benefit plan only. Please refer to your Summary Plan Description for actual coverage, limitation and exclusion provisions.

Summary of Medical Benefits

	Bronze Plan	
	In-Network	Out-Of-Network
Calendar Year Deductible - Embedded		
Employee Only	\$2,000	\$4,000
Employee + dependent(s)	\$4,000	\$8,000
Family	\$6,000	\$12,000
Coinsurance	20%	40%
Out-Of-Pocket Maximum		
Employee Only	\$4,000	\$8,000
Employee + dependent(s)	\$6,000	\$12,000
Family	\$8,000	\$16,000
Lifetime Maximum	Unlimited	
Preventive Care		
Routine Physical, Cancer Screenings & Eye Exams	No Member Responsibility	No Coverage
Prenatal Care	No Member Responsibility	40% After Deductible Met
Physician Services		
Office Visits	20% After Deductible Met	40% After Deductible Met
Specialty Office Visits		
Radiology & Labs		
Outpatient Lab & X-ray Services		
Inpatient lab and diagnostic imaging	20% After Deductible Met	40% After Deductible Met
MRI, CT, PET Scans at a freestanding facility		
Physical, Occupational, and Speech therapy	20% After Deductible Met	40% After Deductible Met
Hospital Services		
Inpatient and Outpatient Care	20% After Deductible Met	40% After Deductible Met
Urgent Care Services		
Professional Health Care Provider	20% After Deductible Met	40% After Deductible Met
Emergency Services		
Emergency Room	20% After Deductible Met	40% After Deductible Met
In true emergency covered as In-Network		
Chiropractic Services		
Therapy and Manipulation	No Coverage	No Coverage
Mental Health / Chemical Dependency		
Inpatient	20% After Deductible Met	40% After Deductible Met
Office Visit		
Prescription Drug Program		
	Prescription Services (up to 31-day supply)	Mail Order Prescriptions (up to 90-day supply)
Generic Drugs	\$10 Copay	\$20 Copay
Formulary Brand	\$40 Copay	\$80 Copay
Non Formulary	\$80 Copay	\$160 Copay
Specialty	\$150 Copay	Unavailable

NOTES: This serves as a summary of your benefit plan only. Please refer to your Summary Plan Description for actual coverage, limitation and exclusion provisions.

Summary of Dental Benefits



\$1,000 Dental Plan

In-Network

Deductible

Employee Only
Family

\$50
\$150

Annual Maximum

\$1,000

Preventive Health Care

Dental Prophylaxis (Cleanings) - Limit 2 per 12 months
Fluoride Treatments - Up to age 19, Limit 2 times per 12 months
Sealants - Once per lifetime to age 15, 1st and 2nd molars, limited to one per tooth in any 12 month period

No Member Responsibility
No Member Responsibility
No Member Responsibility

No Member Responsibility

Diagnostic Services

Periodic Oral Evaluation - Limit 2 per 12 months
Bitewing X-rays - Limit 1 per 12 months
Occlusal X-rays - Limit 2 per 24 months
Panoramic X-rays - Limit 1 per 3 years
Radiographs - Limit 1 per 12 months
Lab & Other Diagnostic Tests

No Member Responsibility
No Member Responsibility
No Member Responsibility
No Member Responsibility
No Member Responsibility
No Member Responsibility

Basic Dental Services

Emergency Palliative Treatment (Pain)
Fillings - Amalgam & Composite
Space Maintainers - Up to age 16
Restorations
General Anesthesia with Covered Oral Surgery
Pathology
Oral Surgical Extractions - Includes impacted Wisdom Teeth
Simple Extractions
Oral Surgery
Periodontics
Endodontics - Root Canal Therapy
Prophylaxis

20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met
20% After Deductible Met

Major Dental Services

Inlays/Onlays/Crowns
Dentures & Other Removable Prosthetics
Fixed Partial Dentures (Bridges)
Full & Partial Dentures
Relining and Rebasing Dentures
Repairs to Full & Partial Dentures, Bridges

50% After Deductible Met
50% After Deductible Met
50% After Deductible Met
50% After Deductible Met
50% After Deductible Met
50% After Deductible Met

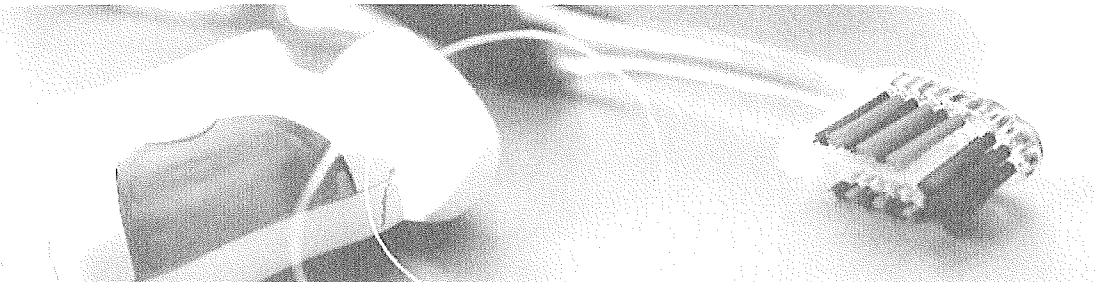
Orthodontic Services - Waiting period 12 months

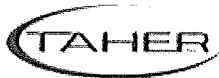
*For children 19 years and younger

Cephalometric X-rays
Diagnostic Casts
Orthodontic Appliances
Appliances to correct harmful habits

50% After Deductible Met
50% After Deductible Met
50% After Deductible Met
50% After Deductible Met

NOTES: Claims are paid at 90th percentile of usual and customary.





Benefit Enrollment/Change Form

A. Employee Information (all information is required)

First Name:	MI:	Last Name:
SSN#:	Date of Hire:	
Date of Birth:	Gender: <input type="checkbox"/> M or <input type="checkbox"/> F	Marital Status:
Address:	City:	State: Zip:
Daytime Phone: ()	Home phone: ()	Email:

B. Medical Plan Options (if electing coverage please make a selection in both 1 & 2)

1. Plan applying for	<input type="checkbox"/> Silver Plan	<input type="checkbox"/> Bronze Plan	<input type="checkbox"/> Economy Plan	<input type="checkbox"/> Decline Coverage
2. Coverage applying for	<input type="checkbox"/> Employee only	<input type="checkbox"/> Employee + One	<input type="checkbox"/> Family	

C. Dental Plan Options (if electing coverage please make a selection in both 1 & 2)

1. Plan applying for	<input type="checkbox"/> Basic Plan	<input type="checkbox"/> Decline Coverage
2. Coverage applying for	<input type="checkbox"/> Employee only	<input type="checkbox"/> Family

D. Dependent/Spouse Information (must be completed for coverage of dependents)

Name (Last, First, MI)	Relationship	Birth date	SSN	M/F	Disabled (Y/N)	Please check below to include on medical plan
						<input type="checkbox"/> Medical
						<input type="checkbox"/> Medical
						<input type="checkbox"/> Medical
						<input type="checkbox"/> Medical
						<input type="checkbox"/> Medical

E. Other Insurance Coverage Information

Please check one:

<input type="checkbox"/> I have other insurance coverage (please provide information below)	<input type="checkbox"/> I do not have other insurance coverage	<input type="checkbox"/> I have other insurance coverage, but intend to cancel that coverage
<input type="checkbox"/> I have enrolled thru the state or federal Marketplace (please provide information below)		
Policyholder's Name:	Policyholder's Date of Birth:	
Insurance Co. Name:	Policy Number:	Group Number:
Insurance Co. Address:	Names of covered individuals:	

F. Enrollment Waiver (check box only if declining coverage)

- I understand the benefits provided by the Group Insurance Contract under ERISA regulations include Health and/or Dental coverages. I have reviewed and understand the benefit options and requirements presented herein. I understand that I may not be eligible to enroll myself and dependents if I desire to apply for coverage at a later date, unless I qualify to enroll at a later date in accordance with the special enrollment conditions.
- I understand by not enrolling in this plan or a Marketplace health plan as mandated by PPACA, that I may be subject to a tax penalty.

G. Employee Authorization

I understand I have the option to pay the premiums for my employer-sponsored health plan through a before-tax reduction of my salary. I understand that if this amount increases or decreases during the plan year, my salary reduction will be adjusted to reflect that increase or decrease.

I hereby apply for the coverage for which I am now or may be eligible under this group policy. I hereby authorize the deduction from my earnings of the required contribution, if any, toward the cost of such coverage. I authorize payment of medical benefits to all providers, where applicable, for those charges covered by my group insurance benefits. I authorize release to or by HealthEZ of any medical information including copies of medical records or insurance information as necessary for claims adjudication, utilization review, or coordination of benefits.

To the best of my knowledge and belief, the information I have provided on this form is complete and correct. I acknowledge that the terms of the Summary Plan Description govern all payments made by the Plans.

Employee Signature

Date

H. Employer Information (to be completed by the employer or HealthEZ only)

Employer:	HEZ Group #	Effective Date:
To be completed by HealthEZ	HEZ Received: _____	HEZ Entered: _____ ID Cards:

Item 6.2.3 Introduction of Contracted Services for Custodial Work in the Fiscal Year '16
– Review and Discussion

Background Information: Enclosed find the information pages for custodial outsourcing. Shirley Maxwell has summarized the two vendors' proposals with costs compared to current expenditures in Red Oak CSD.

<u>Vendor</u>	<u>Proposed Contract</u>	<u>Planned Expenditures</u>	<u>Projected Savings</u>
FBG	\$336,921	\$415,539	\$78,618
ABM	\$387,275	\$415,539	\$28,264

Figured on 12.5 FTE.

FBG is considering 11 FTE--paying at current rate.

ABM is hiring everyone but not paying at current rate

Site visits have not been made for either company but multiple reference calls have been made.

Directors are encouraged to seek clarification for the information provided in the background materials. No formal action is planned for tonight but final action could be considered at the May 11 board meeting.

Health insurance costs are critical to current district employees. Shirley Maxwell will provide an update for custodial outsourcing health insurance costs during this time.

It is anticipated a number of department employees are present at tonight's meeting to offer their comments concerning proposed contracted services.

Anticipated savings for adopting both outsourcing services could net the district a budget savings of \$166,160.

Suggested Board Action: (to be determined at a future meeting)

		Red Oak School Salaries			14-15 Salaries/Benefits	15-16 Salaries/Benefits at 3%		
		Red Oak School Salaries			\$400,541	\$415,539		
	ABM Service	ABM Service wout Act Manager	FBG Service/w Act Manager					
First Year	\$387,275	\$336,518	\$336,921	ABM	\$13,266	\$28,264	ABM Savings	
Second Year	\$387,275		\$345,560	FBG	\$54,981	\$78,618	FBG Savings	
Third Year	\$395,020		\$354,420					
Fourth Year	\$402,920		\$363,507	ABM	\$64,023	\$79,021	ABM Savings without account	
Fifth Year	\$402,920		\$372,827				manager	
Special Events outside scope	\$16.00		\$15.50					
Overtime	\$24.00		\$21.50					
					Figured on 12.5 FTE.			
This only reflects salaries and benefits.					FBG is considering 11 FTE--paying at current rate.			
					ABM is hiring everyone but not paying at current rate			

New Hire ACA Eligible - Hourly Employee Benefit Enrollment

You have been determined ACA eligible based on the number of hours you will be working and are eligible to participate in FBG's hourly employee benefit plans described below. This is your initial opportunity to make your benefit plan elections. *If you do not enroll at this time, you will not have another opportunity to do so until the next annual open enrollment period or unless you experience a qualifying event (see page 2 for list of events).* Your local office must receive your paperwork by _____ even if you are declining coverage. Elected coverage will be effective the first day of the month following the completion of 60 days of employment.

MEDICAL PLAN We are offering an ACA qualified medical insurance plan through Blue Cross Blue Shield of Nebraska. This plan will satisfy the ACA requirement for individual health insurance coverage.

High Deductible Plan

Employee Cost

Employee only – Tier 1	9.5% of your gross wages* up to Tier 2 premium cost
Employee only – Tier 2	\$70.73 per pay period
Family	\$707.15 per pay period

*affordable as defined by HHS and IRS Safe Harbor Affordable Determination

OR you may elect a Non-Qualified Indemnity Plan. This plan does not satisfy the ACA requirement for individual health insurance coverage:

Ternian Health Select Indemnity Plan

Employee Cost – per pay period

	<u>Plan 1</u>	<u>Plan 2</u>	<u>Plan 3</u>
Employee Only	\$26.01	\$58.44	\$92.11
Employee + 1	\$71.27	\$150.76	\$233.23
Family	\$110.20	\$230.32	\$354.88

(FBG contributes \$5 per pay period toward the Ternian plan)

Eye-Med Vision Care Services

Employee Cost

Employee Only	\$2.76 per pay period
Employee + Spouse	\$5.24 per pay period
Employee + Children	\$5.52 per pay period
Family	\$8.11 per pay period

Met Life - Voluntary Life/AD&D and Voluntary Accident Coverage

Rates vary based on age and coverages. Refer to the Met Life Benefit Summary available through your District Human Resources department.

ACTION ITEMS

All applications **MUST** be returned to your local office by the date listed in the first paragraph.

- To enroll in coverage, complete the appropriate benefit applications.
- If you enroll in the Medical and/or Vision plan, you must complete the PreTax Benefit election form indicating whether you want your deduction pre-taxed* or post-taxed.
- To decline benefits, complete the declination portions for each benefit you are declining.
- *Spanish Versions are available for most of the information included in your packet. Please contact your local district office for information.*

***NOTE**

If you have a PRE TAX election for a benefit, you cannot discontinue or make any changes to your coverage until the next annual enrollment period unless you experience a qualifying event, such as:

- Loss or gain of coverage through your spouse
- Loss of eligibility of a covered dependent
- Death of your covered spouse or child
- Birth or adoption of a child
- Marriage, divorce or legal separation
- Certain changes in Employment Status (ie. eligible to Ineligible)

If you experience a qualifying event during the year, you have **30** days from the change in status to make modifications to your current coverage. The change requested must be consistent with the qualifying event.

The Note above does not apply to a benefit with Post Tax election when it comes to dropping coverage. However, conditions will apply when choosing to reenroll.

BENEFITS FOR SALARIED EMPLOYEES

Salaried employees receive a traditional benefit package, including major medical insurance from Blue Cross and Blue Shield as well as dental coverage, life and disability insurance.

SALARIED BENEFITS	DESCRIPTION	ELIGIBILITY*	COST
Employee Stock Ownership Plan (ESOP)	An IRS qualified retirement plan, designed to provide qualified employees with retirement, death, and disability benefits. Payable by vested percentage.	All employees, 21 yrs. Old, working 1,000 hours in the 12 months following hire date & are still employed by FBG at fiscal year's end.	100% funded by FBG. FBG makes contributions when the company is profitable.
401(K)	An additional retirement vehicle to provide qualified employees with retirement, death and disability benefits. FBG matches up to 4% of salary of those that participate. No vesting schedule applies.	Follows ESOP eligibility	Employee elects % of deferral. FBG matches up to 4% of their salary.
Vacation	Full time continuous service after Oct 1st each Year: 10 days after 1 year, 15 days after 3 years, 20 days after 10 years	Salaried Employees – vacation based on length of service as of Oct. 1 and prorated during the first year.	FBG pays regular wage.
Sick Pay	.833 days per month accrued as of date of hire	Salaried Employees	FBG pays regular wage
Holiday Pay	6 major holidays (Christmas, New Years, Memorial Day, Independence Day, Labor Day, Thanksgiving)	Salaried Employees after 30 days.	FBG pays regular wage
Health Insurance	Major Medical Coverage PPO or a High Deductible Plan is available	Salaried employees after 60 days (coverage begins the 1 st of the month following this 60 day period)	Single Coverage – FBG pays 75%, Employee pays 25% Family Coverage – FBG pays 40%, Employee pays 60%
Dental Insurance	Can elect single or family coverage	Salaried Employees after 60 days (coverage begins the 1 st of the month following this 60 day period)	Single Coverage – FBG pays 75%, Employee pays 25%. Family Coverage – FBG pays 40%, Employee pays 60%
EyeMed Vision Care Services	Can elect Employee only, Employee & Spouse, Employee & Children or Employee & Family	Salaried Employees after 60 days (coverage begins the 1 st of the month following this 60 day period)	Employee pays 100%
Life Insurance and AD & D	1.5 times annual salary, up to \$80,000	Salaried Employees after 60 days (coverage begins the 1 st of the month following this 60 day period)	FBG pays 100%
MetLife – Supplemental Term Life	Provides employees and their dependents with supplemental Term Life Insurance.	All employees scheduled to work a minimum of 20 hours each week, and complete 60 days (coverage begins the 1 st	Employee pays 100%

SALARIED BENEFITS	DESCRIPTION	ELIGIBILITY*	COST
Insurance (voluntary)		of the month following this 60 day period)	
MetLife – Supplemental Term AD&D (voluntary)	Provides employees and their dependents with a lump sum supplemental AD&D benefit.	All employees scheduled to work a minimum of 20 hours each week, and complete 60 days (coverage begins the 1 st of the month following this 60 day period)	Employee pays 100%
Long Term Disability	60% x annual salary	Salaried employees after 60 days (coverage begins the 1 st of the month following this 60 day period)	FBG pays 100%
Funeral Leave	3-5 days depending on distance (refer to Policy)	Salaried Employees after 30 days	FBG pays regular wage
Employee Assistance Program (EAP)	Counseling services for employee and employee's immediate family	Salaried Employees after 30 days	FBG pays 100%
Direct Deposit	Paycheck is deposited in employee's account on the morning of payday.	All employees. Direct deposit form and voided check must be presented.	N/A
PayCard	Paycheck is deposited in card account on the morning of payday	All employees	Two free withdrawals. Other fees may apply for additional use.
Family Medical Leave Act	FBG provides up to 12 wks during any 12-mo. Period, of unpaid, job-protected leave to "eligible" employees for certain family & medical reasons.	All employees who have been employed one year and have worked 1,250 hrs over prior 12 mos. See additional conditions.	N/A

BENEFITS FOR HOURLY EMPLOYEES

The following is a breakdown of our standard benefit package for hourly employees.

HOURLY BENEFITS	DESCRIPTION	ELIGIBILITY*	COST
Employee Stock Ownership Plan (ESOP)	An IRS qualified retirement plan, designed to provide qualified employees with retirement, death and disability benefits. FBG makes contributions when the company is profitable. Payable by vested percentage.	All employees, 21 years old, working 1,000 hours in the 12 months following your hire date, and still employed by FBG at fiscal year's end.	100% funded by FBG
401(K)	An additional retirement vehicle to provide qualified employees with retirement, death and disability benefits. FBG matches up to 4% of salary of those that participate. No vesting schedule applies.	Follows ESOP eligibility	Employee elects % of deferral. FBG matches up to 4% of their salary.
Vacation	5 days after 12 months, 10 days after 24 months, 15 days after 10 years	Full Time Employees – employed for 12 months.	FBG pays regular wage.
Holiday Pay	Up to 6 major holidays (Christmas, New Years, Memorial Day, Independence Day, Labor Day, Thanksgiving)	Full Time Employees after 90 days. (Must work scheduled day before and after the holiday)	FBG pays regular wage
Health Insurance (<i>This plan satisfies the ACA requirement for individual health insurance coverage</i>)	Major Medical Coverage High Deductible Plan available	Employees who work 30 hours a week or more and complete 60 days of service (coverage begins the 1 st of the month following this 60 day period)	<u>Single Coverage – Tier 1:</u> Employee pays 9.5% of gross wages up to Tier 2 premium cost, FBG pays remaining premium <u>Single Coverage - Tier 2:</u> FBG pays 75%, Employee pays 25%. Family Coverage – FBG pays 40%, Employee pays 60%
Ternian Health Select Indemnity Plan (This plan does not satisfy the ACA requirement for individual health insurance coverage)	Provides employee and their family, if elected, limited medical coverage for accidents and illness to help cover basic medical expenses.	All employees not enrolled in FBG's Major Medical Plan, scheduled to work at least 20 hours a week, and complete 60 days of service (coverage begins the 1 st of the month following this 60 day period)	FBG pays \$10.00 toward monthly premium. Employee pays remaining premium of Plan they elect.
EyeMed Vision Care Services	Can elect Employee only, Employee & Spouse,	Salaried Employees after 60 days (coverage begins the 1 st	Employee pays 100%

HOURLY BENEFITS	DESCRIPTION	ELIGIBILITY*	COST
	Employee & Children or Employee & Family	of the month following this 60 day period)	
MetLife – Supplemental Term Life Insurance (voluntary)	Provides employees and their dependents with supplemental Term Life Insurance.	All employees scheduled to work a minimum of 20 hours each week, and complete 60 days (coverage begins the 1 st of the month following this 60 day period)	Employee pays 100%
MetLife – Supplemental Term AD&D (voluntary)	Provides employees and their dependents with a lump sum supplemental AD&D benefit.	All employees scheduled to work a minimum of 20 hours each week, and complete 60 days (coverage begins the 1 st of the month following this 60 day period)	Employee pays 100%
Family Medical Leave Act	FBG provides up to 12 weeks, during any 12-month period, of unpaid, job-protected leave to “eligible” employees for certain family and medical reasons.	All employees who have been employed one year and have worked 1,250 hours over the previous 12 months; additional conditions.	N/A
Direct Deposit	Paycheck is deposited in employee’s account on the morning of payday.	All employees. Direct deposit form and voided check must be presented.	N/A
Pay Card	Paycheck is deposited in card account on the morning of payday	All employees	Two free withdrawals. Other fees may apply for additional use.



2015 ABM Standard National Rates

	Employee Cost			ABM Cost			Total Premium		
	EE Only	EE + 1	EE + 2	EE Only	EE + 1	EE + 2	EE Only	EE + 1	EE + 2
Medical									
PPOs - UnitedHealthcare									
High Plan Flexible Choice	\$ 408.00	\$ 838.00	\$ 1,208.00	\$ 289.53	\$ 557.07	\$ 779.97	\$ 697.53	\$ 1,395.07	\$ 1,987.97
Comprehensive Value Plan	\$ 277.00	\$ 588.00	\$ 811.00	\$ 303.86	\$ 573.70	\$ 844.42	\$ 580.86	\$ 1,161.70	\$ 1,655.42
Thrifty Plan**	\$ 147.00	\$ 321.00	\$ 476.00	\$ 356.02	\$ 685.04	\$ 957.60	\$ 503.02	\$ 1,006.04	\$ 1,433.60
Core Plan (In-Network ONLY)**	\$ 390.00**	\$ 390.00	\$ 721.00	-	\$ 390.00	\$ 390.00	\$ 390.00	\$ 780.00	\$ 1,111.00
HMO's **Core Plan only applies to hourly non-union ees eligible for Allstate. *Varies - ABM picks up anything over ees 9.5%.									
HMSA HI	\$ 203.00	\$ 386.00	\$ 612.00	\$ 220.42	\$ 460.84	\$ 658.26	\$ 423.42	\$ 846.84	\$ 1,270.26
Kaiser HI	\$ 209.00	\$ 402.00	\$ 594.00	\$ 219.20	\$ 453.41	\$ 547.53	\$ 428.20	\$ 855.41	\$ 1,141.53
Kaiser CA	\$ 231.00	\$ 473.00	\$ 711.00	\$ 267.87	\$ 524.75	\$ 616.00	\$ 498.87	\$ 997.75	\$ 1,327.00
Kaiser CO, GA, Mid-Atlantic	\$ 212.00	\$ 430.00	\$ 668.00	\$ 286.87	\$ 567.75	\$ 659.00	\$ 498.87	\$ 997.75	\$ 1,327.00
Kaiser NW (OR)	\$ 258.00	\$ 505.00	\$ 773.00	\$ 240.87	\$ 492.75	\$ 554.00	\$ 498.87	\$ 997.75	\$ 1,327.00
Kaiser WA - GHC	\$ 200.00	\$ 391.00	\$ 574.00	\$ 209.77	\$ 428.55	\$ 522.05	\$ 409.77	\$ 819.55	\$ 1,096.05
AMPSCO - Southern California ONLY									
Kaiser Supercomposite	\$ 220.00	\$ 220.00	\$ 220.00	\$ 592.89	\$ 592.89	\$ 592.89	\$ 812.89	\$ 812.89	\$ 812.89
UHC Supercomposite (Thrifty - Parking)	\$ 149.00	\$ 149.00	\$ 149.00	\$ 601.65	\$ 601.65	\$ 601.65	\$ 750.65	\$ 750.65	\$ 750.65
Dental									
MetLife PPO Standard	\$ 23.28	\$ 46.60	\$ 66.44	\$ 15.20	\$ 30.36	\$ 43.23	\$ 38.48	\$ 76.96	\$ 109.67
MetLife PPO Premium	\$ 29.96	\$ 59.96	\$ 85.44	\$ 15.13	\$ 30.22	\$ 43.05	\$ 45.09	\$ 90.18	\$ 128.49
Hawaii Dental Service	-	\$ 20.72	\$ 44.40	\$ 27.12	\$ 27.15	\$ 27.13	\$ 27.12	\$ 47.87	\$ 71.53
DeltaCare USA - CA	\$ 12.00	\$ 24.00	\$ 33.00	\$ 7.73	\$ 15.44	\$ 22.22	\$ 19.73	\$ 39.44	\$ 55.22
DeltaCare USA - IL / OH	\$ 16.00	\$ 28.00	\$ 40.00	\$ 9.06	\$ 18.14	\$ 26.60	\$ 25.06	\$ 46.14	\$ 66.60
DeltaCare USA - Other	\$ 8.00	\$ 16.00	\$ 22.00	\$ 5.08	\$ 10.17	\$ 14.64	\$ 13.08	\$ 26.17	\$ 36.64
Vision									
VSP - Regular	\$ 5.60	\$ 10.20	\$ 16.96	\$ 0.03	-	\$ 0.01	\$ 5.63	\$ 10.20	\$ 16.97
VSP - Ford (Safety)	\$ 7.16	\$ 11.68	\$ 18.48	\$ 0.02	\$ 0.03	-	\$ 7.18	\$ 11.71	\$ 18.48
Life, AD&D and Disability									
	Basic Life & AD&D \$0.398 / \$1,000			Basic LTD \$1.573 / \$100					

** Generally, the Core Plan Employee Only coverage contribution rate will be the lesser of \$390 or:

- 9.5% of monthly salary for salaried employees (on the first day of the coverage period)
- 9.5% of the hourly rate multiplied by 130 hours for hourly employees (on the first day of the coverage period)

Thrifty Plan - The Employee Cost for Employee +1 coverage is calculated by taking the Employee +1 rate, subtracting \$147, then adding the actual Employee Only rate (the lesser of \$147 or the actual Employee Only rate calculation). SEE EXAMPLE ON NEXT PAGE..

Core Plan - The Employee Cost for Employee +1 coverage is calculated by taking the Employee +1 rate and adding the Employee Only as calculated (the lesser of \$390 or the actual Employee Only rate calculation). SEE EXAMPLE ON NEXT PAGE.

The same logic applies to Employee +2 coverage for both plans.

UnitedHealthcare Plans - At a Glance

	High Flexible Choice Plan		Comprehensive Value Plan		Thrifty Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
General Plan Provisions						
Maximum lifetime benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Calendar year deductible (individual/family)	\$350/\$700	\$1,000/\$2,000	\$1,000/\$2,000	\$2,500/\$5,000	\$1,500/\$3,000	\$3,000/\$6,000
Calendar year out-of-pocket maximum – Medical (individual/family)	\$2,850/\$5,700	\$10,000/\$20,000	\$4,000/\$8,000	\$12,500/\$25,000	\$4,600/\$9,200	\$15,000/\$30,000
Calendar year out-of-pocket maximum – Prescription Drugs (individual/family)	\$2,000/\$4,000	Not Covered	\$2,000/\$4,000	Not Covered	\$2,000/\$4,000	Not Covered
Outpatient Services Copays						
Office visit	You Pay \$20, deductible does not apply	You Pay 30%, after deductible	You Pay \$25, deductible does not apply	You Pay 40%, after deductible	You Pay \$20 copay, deductible does not apply	You Pay 50%, after deductible
Specialist	You Pay \$40, deductible does not apply	30%, after deductible	You Pay \$50, deductible does not apply	40%, after deductible	You Pay \$40 copay, deductible does not apply	50%, after deductible
Routine physical – adults	No charge	30%, after deductible	No charge	40%, after deductible	No charge	50%, after deductible
Well baby visits/routine physicals – children	No charge	30%, after deductible	No charge	40%, after deductible	No charge	50%, after deductible
Office-based Diagnostic lab and X-rays (excludes MRI/PET/CAT SCANS)	No charge	30%, after deductible	No charge	40%, after deductible	No charge	50%, after deductible
Outpatient surgery	\$200 plus 10%, after deductible	\$500 plus 30% after deductible	\$200 plus 20%, after deductible	\$500 plus 40%, after deductible	\$200 plus 25%, after deductible	\$500 plus 50%, after deductible
Urgent care	You Pay \$20, deductible does not apply	30%, after deductible	You Pay \$25, deductible does not apply	40%, after deductible	You Pay \$20 copay, deductible does not apply	50%, after deductible
Hospital Services						
Emergency room (waived if admitted)	You Pay \$150 plus 10%, after deductible	You Pay \$150 plus 10%, after deductible	You Pay \$150 plus 20%, after deductible	You Pay \$150 plus 20%, after deductible	You Pay \$150 plus 25%, after deductible	You Pay \$150 plus 25%, after deductible
Inpatient hospital	\$250 minimum / \$500 maximum per visit plus 10% after deductible	30%, after deductible	\$250 minimum / \$500 maximum per visit plus 20% after deductible	40%, after deductible	\$250 minimum / \$500 maximum per visit plus 25% after deductible	50%, after deductible
Mental Health and Substance Abuse						
Outpatient services copays	You Pay \$20, deductible does not apply	You Pay 30%, after deductible	You Pay \$25, deductible does not apply	You Pay 40%, after deductible	You Pay \$20 copay, deductible does not apply	You Pay 50%, after deductible
Inpatient hospital	\$250 minimum / \$500 maximum per visit plus 10% after deductible	30%, after deductible	\$250 minimum / \$500 maximum per visit plus 20% after deductible	40%, after deductible	\$250 minimum / \$500 maximum per visit plus 25% after deductible	50%, after deductible
Prescription Drugs						
Retail – up to a 30 day supply	You Pay Generic - \$15 Brand Formulary - 40% coinsurance, \$45 minimum/\$90 maximum Brand Non-Formulary - 50% coinsurance, \$70 minimum/\$140 maximum Deductible does not apply	Not covered	You Pay Generic - \$15 Brand Formulary - 40% coinsurance, \$45 minimum/\$90 maximum Brand Non-Formulary - 50% coinsurance, \$70 minimum/\$140 maximum Deductible does not apply	Not covered	You Pay Generic - \$15 Brand Formulary - 40% coinsurance, \$45 minimum/\$90 maximum Brand Non-Formulary - 50% coinsurance, \$70 minimum/\$140 maximum Deductible does not apply	Not covered
Mail order – up to a 90 day supply	You Pay Generic - \$30 Brand Formulary - 40% coinsurance, \$90 minimum/\$180 maximum Brand Non-Formulary - 50% coinsurance, \$140 minimum/\$280 maximum Deductible does not apply	Not covered	You Pay Generic - \$30 Brand Formulary - 40% coinsurance, \$90 minimum/\$180 maximum Brand Non-Formulary - 50% coinsurance, \$140 minimum/\$280 maximum Deductible does not apply	Not covered	You Pay Generic - \$30 Brand Formulary - 40% coinsurance, \$90 minimum/\$180 maximum Brand Non-Formulary - 50% coinsurance, \$140 minimum/\$280 maximum Deductible does not apply	Not covered





UHC Core Plan Summary

This plan is new for 2015. If you choose this plan, it is important that you use UHC's national network of providers. This plan will not cover out-of-network costs unless it is a qualifying emergency. Before UHC starts paying for services, you must pay the full cost of services until you meet the annual deductible (with the exception of preventive care services). After you meet the annual deductible, you pay a percentage of the cost for services until you reach the calendar year out-of-pocket maximum.

General Plan Provisions	In-Network	Out-of-Network
Maximum Lifetime Benefit	Unlimited	
Calendar Year Deductible	\$5,000 Individual / \$10,000 Family	N/A
Calendar Year Medical & Prescription Drug Out-of-Pocket Maximum	\$6,600 Individual / \$13,200 Family	N/A
Outpatient Services	You Pay	
Office Visit	40%, After Deductible	Not Covered
Specialist Visit	40%, After Deductible	Not Covered
Routine Physical for Adults	No Charge	Not Covered
Well Baby Visit / Routine Physical for Children	No Charge	Not Covered
Office-Based Diagnostic Lab & X-rays (excludes MRI / PET / CAT SCANS)	No Charge	Not Covered
Outpatient Surgery	40%, After Deductible	Not Covered
Urgent Care	40%, After Deductible	Not Covered
Hospital Services	You Pay	
Emergency Room (waived if admitted)	40%, After Deductible	
Inpatient Hospital	40%, After Deductible	Not Covered
Mental Health and Substance Abuse	You Pay	
Outpatient Services	40%, After Deductible	Not Covered
Inpatient Hospital	40%, After Deductible	Not Covered
Prescription Drugs	You Pay	
Retail – Up to a 30-Day Supply	<ul style="list-style-type: none"> • Generic: 20% After Deductible • Brand Formulary: 40% After Deductible • Brand Non-Formulary: 50% After Deductible 	Not Covered
Mail Order – Up to a 90-Day Supply	<ul style="list-style-type: none"> • Generic: 20% After Deductible • Brand Formulary: 40% After Deductible • Brand Non-Formulary: 50% After Deductible 	Not Covered

RATES Per Month

	Employee Only	Employee + 1	Employee + Family
Hourly	9.5% of hourly rate* multiplied by 130 hours to a maximum of	1 Dependent..... Plus Employee 9.5% of hourly rate* multiplied by 130 hours to a maximum of	2 or More Dependents Plus Employee 9.5% of hourly rate* multiplied by 130 hours to a maximum of
	\$390.00	\$390.00 \$390.00 Maximum Deduction	\$721.00 \$390.00 \$1,111.00
Salaried	9.5% of gross monthly income* to a maximum of	1 Dependent..... Plus Employee9.5% of gross monthly income* to a maximum of	2 or More Dependents Plus Employee9.5% of gross monthly income* to a maximum of
	\$390.00	\$390.00 \$390.00 Maximum Deduction	\$721.00 \$390.00 \$1,111.00

*On first day of coverage period

**Once enrolled, contact UHC Member Services for more information:
855.ABM.3456 (855.226.3456) or visit www.myhuc.com**

Note: This plan is not available in Hawaii.

Item 6.2.4 Initial Budget Reduction Plans for Fiscal Year '16 – Review and Discussion

Background Information: The Board of Directors set a target of budget reductions in the amount of \$400,000. Barriers to reaching that amount are many when you consider the district received only two (2) licensed personnel retirements and the other attrition has been relatively small for a normal school contract year. A review of pupil-teacher ratios in grades five and under do not allow for reduction of other teachers unless the Directors want to see K-5 class sizes of 1:28 to 1:30.

District administrators have discussed not filling every position that is vacant but increasing the amount of shared teachers across district schools. Likewise the district may be able to not fill all para positions (depending on needs dictated by IEPs). It is possible to consider losing a fulltime office position in one of the district schools through attrition.

A major impact on budget reductions will be the consideration of contracted services for the food service department and the maintenance/operations. Without contracted services, it may be nearly mandatory to reduce one to two positions in each department.

A suggested plan for initial consideration of budget reductions / enhancements could include but not be limited to:

Licensed Professional Staff:

<u>Position</u>	<u>Fiscal Note</u>
Reduce 1.0 FTE Media Specialist	\$86,228
Reduce .5 FTE Talented and Gifted Instructor	\$42,607
Reduce .5 FTE elementary counselor	\$36,530
Reduce .3 FTE Business Education Teacher	(unknown until share agreement is reached)
Savings through newly hired professionals (estimated)	\$54,488

Support Personnel:

<u>Position</u>	<u>Fiscal Note</u>
Reduce 2.0 paraprofessionals via attrition	\$50,298
Reduce 1.0 office personnel via attrition	\$27,390
Reduce 1.0 computer network support	\$44,753
Reduced school office personnel contracts who are current 12 month to 11 month and 11 month to 10 month	\$18,370

Item 6.2.4 – continued

Budget Enhancements (reductions) for the General Fund

<u>Area</u>	<u>Fiscal Note</u>
Contracted food service	\$87,542
Contracted custodial	\$78,618
Zero Budget for Curriculum Adoption	\$75,000
Technology service contracts to Management Fund	
Eliminate John Baylor Prep for ACT	\$7,350

Suggested Board Action: (no official action planned at this time)

Item 6.2.5 Personnel Recruitment Update for the 2015 – 2016 School Year

Background Information: A significant number of positions are currently advertised and listed on Teach Iowa. Combinations for “back filling” positions as a result of the Teacher Leadership Program are too numerous to list. Interviews could get underway for the primary level positions soon. Discussions are underway now to consider the best combinations for the middle and high schools. Secondary mathematics continues to be a position in strong demand.

Positions currently recruited include (keep in mind, most are not fulltime needs when they stand alone)

<u>Position</u>	<u>Licensing Requirement</u>
Special Education Instructor (1.0 FTE)	Instructional Strategist II: MD
Social Science Instructor (1.0 FTE)	5-12 All Social Sciences
Instrumental / Vocal Instructor (.25 FTE)	5-12 Music
Physical Education (1.0 FTE)	5-12 Physical Education or K-8 Physical Education
Elementary Instructor (2.0 FTE)	K-6 Teacher Elementary Classroom
Mathematics Secondary (2.0 FTE)	5-12 Mathematics
PK-12 Extended Learning Opportunities	ELO endorsement
Secondary Computer Applications	Open

Suggested Board Action: (no official action requested)

Item 7.0 Reports

Each board meeting may have one or more reports from district staff; announcements of future meetings; or general announcements from organizations. Seldom will the information require formal board of director action. If formal action is needed on any item, a recommendation will be provided.

7.1 Administrative Reports

At publication time there were no reports available for the attendance centers or departments.

7.2 Future Conferences, Workshops, Seminars

Wednesday, April 29 – 6 pm to 8:30 pm IASB Spring Workshop: Strategic Board Governance – The Time is Now!

Location: Villisca Middle School Media Center, 406 E. 3rd St., Villisca

Academy of Board Learning Experiences Spring 2015 Workshops

Effective board leadership has never been more vital. With the demands of a changing society, new state mandates and diverse student learning needs, board teams must act in thoughtful ways to ensure the success of the district. Effective governance occurs when board teams use board meetings to stay laser-focused on priorities, identify information needed to tackle complex issues, make decisions and communicate key messages to the public. This interactive workshop will provide you with a suite of tools to support board operating practices leading to success for all students.

Explore tools and brush up on strategies to:

- Strengthen your meeting agenda to ensure the most important topics are at the forefront.
- Unify to move forward after a split vote on complex issues and communicate common messages about key decisions with your public.
- Navigate through the benefits and pitfalls of social media and technology, knowing its impact on public perception and confidence in the board.
- Demonstrate the board's willingness to listen to constituents while balancing the need for effective and efficient meetings in order to accomplish the board's business.
- Invigorate and unify meetings using your vision, mission and goals.

Registration is \$75 and includes dinner and materials. All meetings are from 6 – 8:30 p.m., with dinner served at 5:30 p.m.

Click [here](#) to Register. For more information or questions email cbloyer@ia-sb.org, or call 1-800-795-4272.

7.3 Other Announcements

Special Gatherings This Week

Wednesday, April 29 – 7 pm Tiger Vision II with Architects and Construction Mgt

Item 7.3 – continued

Location: Red Oak High School Media Center

(Board members are encouraged to attend)

Wednesday, April 29 – 5 pm to 8 pm Teacher Leadership Program Orientation
with Facilitator Dana Schon

Location: Administrative Center – Board Room, 20+ attending

April 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 2 Hour Early Release Prof Dev	2	3 No School-Spring Holiday	4 Tr 9/10 Coed @ Glenwood 11:00 a.m.
5	6 No School-Snow Make Up Day Music Boosters Meeting 7:00 p.m. HS Band Room	7 G Tr HS @ Clarinda 4:30 p.m. B Tr HS @ Glenwood 5:00 p.m.	8 2 Hour Early Release Prof Dev	9 Golf @ Griswold 4:30 p.m. G Tr HS Here 5:00 p.m. 2nd Grade Family Music Night 6:00 p.m. IPS Gym	10 B Tr HS @ Clarinda 4:30 p.m.	11 State 2A Music Festival Solos & Ensembles
12	13 Golf @ Southwest Valley 4:30 p.m. Ten Kuemper 4:30 p.m. G(T)/B (H) B Tr HS @ Shen 4:30 p.m. School Board Meeting 6:00 p.m.	14 B Golf @ CBAL Tournament 1:30 p.m. B Tr MS @ Atlantic 4:00 p.m. B Ten @ Audubon 4:30 p.m. G Tr HS @ Griswold 5:00 p.m.	15 2 Hour Early Release Prof Dev Tag A Long Booster Meeting 6:00 p.m. HS MC PTO Meeting 5:15 p.m. IPS	16 B Golf @ Lewis Central 8:30 a.m. G Golf @ Shenandoah Tournament 1:30 p.m. G Tr MS Here 4:00 p.m. Ten Southwest Valley 4:30 p.m. G (H)/B(T) G Tr HS @ Shen 5:00 p.m.	17	18 HS Prom
19	20 Golf/Ten Glenwood G(T)/B(H) 4:30 p.m.	21 Golf Sidney/Southwest Valley 4:00 p.m. G(H)/B@SWV G Tr MS @ Harlan 4:00 p.m. B Tr MS @ Creston 4:00 p.m. Ten Shenandoah 4:30 p.m. G(T)/B (H) G Tr HS @ Treynor 4:30 p.m. B Tr HS Here 5:00 p.m.	22 2 Hour Early Release Prof Dev	23 1st Grade Grandparents Day G Golf @ Lewis Central Tournament 3:30 p.m. Ten Lewis Central 4:30 p.m. G(T)/B (H) G Tr HS @ Bedford 4:30 p.m. 1st Grade Family Music Night 6:00	24 HS Vocal Concert 7:00 p.m. HS Auditorium	25 MS Musical 7:00 p.m. MS Auditorium
26 MS Musical 2:00 p.m. MS Auditorium	27 G Tr HS @ Glenwood 4:30 p.m. School Board Meeting 6:00 p.m.	28 G Tr MS @ Shenandoah 4:00 p.m. Golf Clarinda Here 4:30 p.m. Ten Clarinda 4:30 p.m. G(H)/B(T) B Tr HS @ Mt Ayr 5:00 p.m.	29 2 Hour Early Release Prof Dev H10 Art Show @ Denison	30 B Tr MS Here 4:00 p.m. Golf Atlantic/Shenandoah 4:30 p.m. G@Shenandoah/B(H) Ten Atlantic G(T)/B(H) 4:30 p.m. G Tr HS @ Clarke 5:00 p.m. B Tr JV @ Atlantic 5:00 p.m.		

May 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Drake Relays WIS 5th Grade Oregon Trail Day B Tr HS Here 5:00 p.m.	2 PTO Flower Fund Raiser MS Richard Simpson Band Festival HS Auditorium B Ten @ Atlantic Tournament 9:00 a.m. Drake Relays
3 HS Band Concert 2:00 p.m. HS Auditorium	4 Baseball Practice Begins Golf Creston G(H)/B(T) 4:30 p.m. Ten Creston 4:30 p.m. G(H)/B(T) B Tr HS @ Atlantic 5:00 p.m. Music Boosters Meeting 7:00 p.m.	5 Golf at Atlantic Tournament 1:00 p.m. MS Band Concert 7:00 p.m. HS Auditorium	6 2 Hour Early Release Prof Dev	7 Ten Harlan 4:30 p.m. G(T)/B(H) Coed Tr HS H10 @ Glenwood 4:30 p.m.	8 G Tr MS @ Creston 4:00 p.m. B Tr MS @ Lewis Central 4:00 p.m. PTO Carnival IPS	9 State 2A Music Festival Lg Group B Golf @ Kuemper 8:30 a.m. G Ten Tournament Here 9:00 a.m.
10	11 Softball Practice Begins Golf H10 G @ Glenwood 11:00 a.m. B @ St. Albert 10:00 a.m. B Ten H10 @ Lewis Central 9:00 a.m. Tr MS H10 G @ Shen/B @ Atlantic 4:00 p.m. School Board Meeting 6:00 p.m.	12 WIS Reading on the Square 11:15 a.m. -12:30 p.m. Golf Harlan/Shenandoah 4:30 p.m. @ Harlan B Ten H10 Rain Date Senior Awards Night 5:30 p.m. HS Auditorium PTO Meeting 5:15 p.m. WIS	13 2 Hour Early Release Prof Dev	14 All Iowa 8th Grade Honor Band Ten Boys District Meet TR State Qualifying Meet	15 Golf Boys Sectional Meet	16 Ten Girls Regional Team Meet Ten Boys Prelim Sub-state Meet
17 Graduation 2:00 p.m. HS Gym	18 Golf Girls Regional Meet G Ten H10 Here 9:00 a.m. Coed MS Tr @ Shen 4:00 p.m.	19 G Ten H10 Rain Date Ten Girls Regional Team Meet MS Vocal Concert 7:00 p.m. HS Auditorium	20 WIS Track & Field Day Tag A Long Booster Meeting 6:00 p.m. HS MC	21 Last Day of School Pending Snow Days 2 Hour Early Release Ten Girls Regional Individual Meet TR State Coed Meet	22 Last Day for Students Teachers Last Contract Day Pending Snow End of Year Employees Breakfast 2 hr early dismissal TR State Coed Meet Golf Boys District Meet Ten Girls Regional Team Meet	23 TR State Coed Meet Ten Girls Regional Team Meet Ten Boys Sub-state Team Meet
24	25 Memorial Day Program Band Concert SS/BB @ Fremont Mills 5:30 p.m.	26 Golf Girls Regional Meet SB/BB @ Underwood 5:30 p.m.	27 Annual employee Recognition Breakfast 7 a.m. IPS	28 SB DH @ Atlantic 5:30 p.m. BB @ Atlantic 5:30 p.m.	29 Golf/Ten Boys State Meet SB @ Lenox 5:30 p.m. BB @ Kuemper 5:30 p.m.	30 Golf/Ten Boys State Meet SB Tournament Here 9:00 a.m. BB @ Essex 12:00 p.m.
31						

96