

TO: Jeffrey P. Simons, Superintendent of Schools
FROM: Larry Edson, Assistant Superintendent for School Business Finance
MaryAnn Belmont, Transportation Supervisor
DATE: October 1, 2018
RE: **Status of Transportation Department School Bus Fleet**

During the annual budget process, there is a comprehensive review of the transportation department school bus fleet. The initial review is completed by Ms. Belmont, Transportation Supervisor, in conjunction with her staff. Subsequently, any proposals for new or replacement vehicles are considered by the Assistant Superintendent for School Business Finance and then the Superintendent of Schools. The Board of Education, after its own review, authorizes voter propositions for bus purchases by borrowing and from the bus purchase reserve. Residents have the opportunity to vote on bus purchase propositions at the annual budget vote in May.

FLEET OBJECTIVES

Please be advised of the following objectives with regard to the school bus fleet, steps being taken to fulfill those objectives, and other accomplishments:

1) Provide safe transportation to and from school for all students

Status: It is a continuous objective of the transportation department to provide safe transportation. The department strives to meet all federal and state regulations, hire the most qualified staff, and provide professional development to all drivers on a semi-annual basis.

2) Standardize fleet purchases for optimal maintenance and purchasing of replacement parts

Status: There are three manufacturers of the 103 school buses within the fleet as of October 1, 2018: International (70), Girardin (12), and TransTech (21). Newer buses are being purchased on New York State Contract or by a bid process.

3) Track repair cost for each bus in the fleet

Status: The transportation department utilizes Bus Hive software to track all repairs made on each bus, including mileage, labor and inventory. The software information is used to determine trade-in points for buses, service timelines, and identify service issues.

4) Work to attain a 100% NYS Department of Transportation safety inspection rate

Status: For the last State reporting period of April 1, 2017 to March 31, 2018, the department achieved a 100% Department of Transportation pass rate. DOT reported that the District's commendable performance indicated a strong dedication to safety and a commitment to sound maintenance standards and practices.

5) Review spare bus capacity in light of student transport needs and industry standards

Status: By June 30, 2018, there were 20 spare buses in the 103 school bus fleet, a 19.4% ratio. For the 2017-2018 school year, there are 21 spare buses in the fleet for a 20.4% spare ratio. This is within the 15% to 20% industry standard quoted in the Shared Services Study by Transportation Advisory Services. Over the past six years, the fleet has been reduced by 14 buses in order to reduce the spare capacity. There is no intention to further reduce the spare capacity.

6) Evaluate replacement of buses in the fleet against industry standards

Status: Several factors are taken into consideration for a proposal to replace buses, not just industry standards alone. Each bus must be evaluated in terms of body condition, total mileage, and repair expenses over time. Normally, small buses have an expected life of eight to ten years, while larger buses may last twelve to fifteen years. The transportation department also evaluates the benefits of newer buses in terms of fuel efficiency, lower emissions, engine control, and child and driver safety features.

7) Timely apply for state aid reimbursement on bus purchases

Status: Subsequent to each purchase of a school bus, the District files form SA-16 to claim state transportation aid. SA-16 forms have been submitted electronically to SED for buses purchased in 2017-2018 and 2018-2019.

8) Utilize reserve funds whenever possible to avoid legal and interest expenses associated with borrowing

Status: The voters of the District approved a proposition to establish a new bus purchase reserve fund on May 15, 2018. The District intends to utilize the reserve fund as much as possible to avoid future borrowing costs.

FLEET STATUS

At the end of the current fiscal year, June 30, 2019, the District is anticipated to have the following school buses on hand:

66 Passenger Buses	58
28-30 Passenger 4Wheel Drive Buses	6
28-30 Passenger Buses	23
22 Passenger Buses	8
Wheelchair Equipped Buses	8
Total Buses in Fleet	103

During the 2013-2014 year, the District completed plans to reduce the size of the fleet to 105 buses in consideration of overall declines in enrollment, reduction in regular transportation routes, and the need to adjust spare capacity. A reduction of two buses in the fleet size occurred in 2016-2017; fleet size in the future may increase dependent upon enrollment and the anticipated number of regular routes.

FLEET REPLACEMENT PLAN

The District has historically had a successful voter-supported replacement plan. The current year and proposed fleet replacement plan is as follows:

2018-2019 Budget Year

Purchases:

- 3 - Sixty-six passenger buses, Total Cost \$332,422.55
(Reserve purchase: \$221,615.03, Borrowing: \$110,807.52)
- 4 - Twenty-eight passenger buses, Total Cost \$230,386.24
(Reserve purchase: \$230,386.24,)
- 2 - Twenty-two passenger buses, Total Cost \$113,451.60
(Reserve purchase: \$113,451.60)
- 1 - Wheelchair bus, Total Cost \$69,173.95
(Reserve purchase: \$69,173.95)

Trade-Ins:

- 3 - 2005 Internationals, sixty-six passenger
- 1 - 2006 International, sixty-six passenger
- 4 - 2007 GMC, twenty-eight passenger
- 1 - 2007 GMC, wheelchair bus
- 1 - 2009 GMC, thirty passenger

Fleet Size:

Beginning of Year - 103 buses, 2 service vehicles
End of Year - 103 buses, 2 service vehicles

2019-2020 Budget Year

Planned Purchases (all from reserve):

- 4 - Sixty-six passenger buses, Total Estimated Cost \$453,848
- 4 - Thirty passenger buses, Total Estimated Cost \$248,932

Planned Trade-Ins:

- 1 - 2005 International, sixty-six passenger
- 3 - 2006 International, sixty-six passenger
- 1 - 2009 GMC, thirty passenger, 4 wheel drive
- 1 - 2009 GMC, wheel-chair multiple station bus
- 2 - 2009 GMC, thirty passenger

Fleet Size:

Beginning of Year - 103 buses, 2 service vehicles
End of Year - 103 buses, 2 service vehicles

2020-2021 Budget Year

Planned Purchases (all from reserve):

- 4 - Sixty-six passenger buses, Total Estimated Cost \$465,188
- 3 - Thirty passenger buses, Total Estimated Cost \$191,361
- 1 - Thirty passenger bus 4 wheel drive, Total Estimated Cost \$81,295

Planned Trade-Ins:

- 4 - 2008 International, sixty-six passenger
- 2 - 2010 Chevrolet, thirty passenger
- 1 - 2009 GMC, thirty passenger
- 1 - 2009 GMC, thirty passenger 4 wheel drive

Fleet Size:

Beginning of Year - 103 buses, 2 service vehicles

End of Year - 103 buses, 2 service vehicles

2021-2022 Budget Year

Planned Purchases:

4 - Sixty-six passenger buses

3 - Thirty passenger buses

1 - Thirty passenger 4 wheel drive

Planned Trade-Ins:

2 - 2008 International, sixty-six passenger

2 - 2009 International, sixty-six passenger

2 - 2010 Chevrolet, thirty passenger

2 - 2010 Chevrolet, thirty passenger 4 wheel drive

Fleet Size:

Beginning of Year - 103 buses, 2 service vehicles

End of Year - 103 buses, 2 service vehicles

SPARE CAPACITY

The District has calculated its spare capacity as follows:

	Total Buses (A)	Regular Routes (B)	Regular Trips (C)	Spares (D)	Spare Percent (D)/(A)
June 30, 2013	117	79	7	31	26.6%
June 30, 2014	105	76	7	22	21.0%
June 30, 2015	105	76	7	22	21.0%
June 30, 2016	105	73	7	25	23.8%
June 30, 2017	103	73	7	23	22.3%
June 30, 2018	103	76	7	20	19.4%
*June 30, 2019	103	75	7	21	20.4%

Note that buses under column (C) are used on a regular daily basis for trips to athletic competitions or approved educational field trips. Therefore, they are not technically available to be used as spare buses. An asterisk denotes projected spare percent calculations.

The August 2010 report issued by Transportation Advisory Services (TAS) for the Rensselaer Student Transportation Collective indicated that our spare capacity exceeded the industry standard of 15 to 20 percent. However, in questioning TAS, they note that the spare capacity is derived from their experience in consulting with school districts rather than a published industry standard. Despite this information, we reviewed the spare status in the District and believed their comments to have some merit. Accordingly, we made efforts over the past few years to reduce spares so the 20.4% ratio for 2018-2019 would be right near the TAS quoted industry standard.

The spare capacity varies from year to year dependent on the number of regular routes established by the Transportation Supervisor. Over time, the number of regular routes has declined due to lower student enrollment and routing efficiencies. For example, when three drivers took the state retirement incentive during the summer of 2010, their regular routes were discontinued and not replaced. Historically, the number of regular routes was between 88 and 91 from 2003 to 2009. However, there was only need for 76 regular routes last year and 75 this year. The Transportation Department will continue to look for future efficiencies to control cost.

BUS PURCHASE RESERVE

The success of the replacement plan has been complemented with the use of funding from the capital reserve begun in 1994, which is now closed. Additionally, District voters approved establishment of a reserve during the May 18, 2010 school vote, which is expected to be closed during 2018-2019. Voters approved a new reserve during the May 15, 2018 school vote.

The benefits of utilizing the capital reserve method to fund buses are as follows:

- 1) *Creation of a funding stream for future purchases:* State transportation aid received on prior bus purchases must be deposited in the capital reserve that can only be used to buy more buses.
- 2) *Save taxpayer dollars:* Borrowing is typically a costly alternative to using capital reserve funds. When the District borrows to purchase buses, it incurs legal and interest expenses.
- 3) *Voter control of funding:* Only the voters of the District can authorize deposits to the reserve (through state aid) and withdrawals from the reserve (as part of a proposition at the annual vote for bus purchases).
- 4) *Flexibility:* The 2018 capital reserve allows additional discretionary funding each year when financial conditions are favorable. The additional funding further offsets the need to borrow when purchases are made.

On May 15, 2018, the voters of the East Greenbush Central School District approved the following proposition #4:

RESOLVED: That the Board of Education of the East Greenbush Central School District is authorized to establish a reserve fund pursuant to the Education Law Section 3651, to be known as the 2018 Bus Purchase Reserve Fund, for the purchase of school buses and related equipment and expense, in an ultimate amount not to exceed \$5,000,000 plus interest earnings and for a probable term of 15 years. The Board is authorized; to pay into the fund in the 2017-2018 school year and annually thereafter available funds of the District in an amount determined by the Board, including state aid reimbursement to the District on account of bus purchases and the proceeds of the sale of used buses, as well as the remaining balance from the 2010 Bus Purchase Reserve Fund which will be transferred to the 2018 Bus Purchase Reserve Fund no later than June 30, 2019 and such other monies as the voters may direct.

2010 Bus Purchase Activity

<u>Year</u>	<u>Beginning Balance</u>	<u>Optional Funding (1)</u>	<u>State Aid (2)</u>	<u>Bus Purchase (3)</u>	<u>Ending Balance (4)</u>
2013-14	\$1,585,321	\$200,000	\$322,131	\$1,202,801	\$904,651
2014-15	\$904,651	\$200,000	\$364,884	\$903,820	\$565,715
2015-16	\$565,715	\$200,000	\$368,457	\$497,694	\$636,478
2016-17	\$636,478	\$200,000	\$354,842	\$403,123 budget purchase \$584,989	\$606,331
2017-18	\$606,331	\$200,000	\$465,557	\$325,954 budget purchase \$557,597	\$714,291
2018-19	\$714,291	\$0	\$0	\$221,938 budget purchase \$634,627 transfer \$110,808 funded by borrowing	\$79,664

2018 Bus Purchase Reserve Activity (Estimated)

<u>Year</u>	<u>Beginning Balance</u>	<u>Optional Funding (1)</u>	<u>State Aid (2)</u>	<u>Bus Purchase (3)</u>	<u>Ending Balance (4)</u>
2018-19	\$79,664	\$200,000	\$550,607	\$0	\$830,271
2019-20	\$830,271	\$250,000	\$500,650	\$702,780	\$878,141
2020-21	\$878,141	\$250,000	\$473,408	\$737,844	\$863,705

Notes:

(1) Optional funding under the 2010 reserve was limited to \$200,000 per fiscal year. Under the 2018 new reserve, the \$200,000 limit per year was removed. Optional funding is always at the Board's discretion and dependent upon the District's overall financial condition.

- (2) State aid is paid over a five-year period based on a formula related to bus purchases. The state aid estimates above also includes interest generated on the reserve fund.
- (3) Bus purchases for 2019-2020 are conditional upon a positive vote on proposition #2 set for a resident vote on May 21, 2019. Bus purchases are estimated for 2019-2020 in accordance with the fleet replacement plan above.
- (4) The anticipated balance in the 2010 reserve at September 30, 2019 is \$79,664. This amount will be closed out and transferred to the 2018 reserve in accordance with the direction established in the May 2018 voter proposition. If the District maintains the optional funding amounts suggested, there may not be a need to borrow for bus purchases in the next three years.

If you have questions on this information, please contact Mr. Edson or Ms. Belmont for further clarification.

Appendix A: Bus Fleet as of September 17, 2018

Bus No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
234 *	2005	66	Internatl	IC	Spare	117,070
238 *	2006	66	Internatl	IC	Spare	134,376
240 *	2006	66	Internatl	IC	Spare	117,930
241 *	2006	66	Internatl	IC	Spare	118,481
243 **	2008	66	Internatl	IC	Spare	122,414
244 **	2008	66	Internatl	IC	Spare	128,473
245 **	2008	66	Internatl	IC	Spare	117,945
246 **	2008	66	Internatl	IC	Spare	118,335
247	2008	66	Internatl	IC	Spare	105,708
248	2008	66	Internatl	IC	Spare	112,566
249	2009	66	Internatl	IC	Trips	144,292
250	2009	66	Internatl	IC	Trips	113,698
251	2009	66	Internatl	IC	Trips	126,040
252	2009	66	Internatl	IC	Trips	137,457
253	2009	66	Internatl	IC	Trips	135,986
254	2010	66	Internatl	IC	Trips	127,141
255	2010	66	Internatl	IC	Trips	132,825
256	2010	66	Internatl	IC	Route	94,762
257	2010	66	Internatl	IC	Route	121,746
258	2010	66	Internatl	IC	Route	132,461
259	2012	66	Internatl	IC	Route	102,253
260	2012	66	Internatl	IC	Route	98,203

Bus No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
261	2012	66	Internatl	IC	Route	105,741
262	2012	66	Internatl	IC	Route	110,711
263	2012	66	Internatl	IC	Route	118,106
264	2012	66	Internatl	IC	Route	98,808
265	2012	66	Internatl	IC	Route	78,236
266	2014	66	Internatl	IC	Route	57,664
267	2014	66	Internatl	IC	Route	58,311
268	2014	66	Internatl	IC	Route	61,681
269	2014	66	Internatl	IC	Route	82,567
270	2014	66	Internatl	IC	Route	64,421
271	2014	66	Internatl	IC	Route	69,202
272	2015	66	Internatl	IC	Route	51,087
273	2015	66	Internatl	IC	Route	62,227
274	2015	66	Internatl	IC	Route	51,262
275	2015	66	Internatl	IC	Route	61,106
276	2015	66	Internatl	IC	Route	65,560
277	2015	66	Internatl	IC	Route	56,232
278	2016	66	Internatl	IC	Route	48,681
279	2016	66	Internatl	IC	Route	43,101
280	2016	66	Internatl	IC	Route	45,498
281	2016	66	Internatl	IC	Route	53,656
282	2016	66	Internatl	IC	Route	46,827
283	2016	66	Internatl	IC	Route	44,715
284	2017	66	Internatl	IC	Route	30,603

Bus No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
285	2017	66	Internatl	IC	Route	32,585
286	2017	66	Internatl	IC	Route	28,138
287	2017	66	Internatl	IC	Route	23,825
288	2017	66	Internatl	IC	Route	30,617
289	2017	66	Internatl	IC	Route	30,693
290	2018	66	Internatl	IC	Route	20,051
291	2018	66	Internatl	IC	Route	17,650
292	2018	66	Internatl	IC	Route	17,942
293	2018	66	Internatl	IC	Route	14,212
294	2019	66	Internatl	IC	Route	1,851
295	2019	66	Internatl	IC	Route	1,908
296	2019	66	Internatl	IC	Route	1,922
624 *	2009	30	GMC	Girardin	Spare	166,116
625 *	2009	30	GMC	Girardin	Spare	183,088
626 **	2009	30	GMC	Girardin	Spare	160,059
627 *	2009	12/2 WC	GMC	Girardin	Spare	184,389
628 *	2009	30/4 WD	GMC	Girardin	Spare	151,408
629 **	2009	30/4 WD	GMC	Girardin	Spare	166,815
630 **	2010	30	Chevrolet	Girardin	Route	139,805
631 **	2010	30	Chevrolet	Girardin	Spare	145,992
632	2010	30	Chevrolet	Girardin	Route	136,043
633	2010	30	Chevrolet	Girardin	Route	126,691
634	2010	30/4 WD	Chevrolet	Girardin	Spare	131,547
635	2010	30/4 WD	Chevrolet	Girardin	Spare	157,985

Bus No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
636	2014	18/ 2 WC	Internatl	AE	Route	59,322
637	2014	24/1 WC	Internatl	AE	Route	46,367
638	2014	18/2 WC	Internatl	AE	Route	68,488
639	2014	18/2 WC	Internatl	AE	Spare	45,212
640	2014	30	Internatl	AE	Route	71,429
641	2014	30	Internatl	AE	Route	89,746
642	2014	30	Internatl	AE	Route	83,045
643	2014	30	Internatl	AE	Route	94,084
644	2015	18/2 WC	Internatl	AE	Route	48,187
645	2015	30/0 WC	Internatl	AE	Route	52,420
646	2015	22	Chevrolet	Trans	Route	97,686
647	2015	22	Chevrolet	Trans	Route	73,910
648	2015	22	Chevrolet	Trans	Route	57,674
649	2015	22	Chevrolet	Trans	Route	45,348
650	2014	30	Internatl	AE	Route	62,147
651	2014	30	Internatl	AE	Route	47,695
652	2016	28/4 WD	Chevrolet	Trans	Route	47,747
653	2016	28/4 WD	Chevrolet	Trans	Route	41,551
654	2016	30	Chevrolet	Trans	Route	38,965
655	2016	30	Chevrolet	Trans	Route	32,088
656	2017	28	Chevrolet	Trans	Route	21,800
657	2017	28	Chevrolet	Trans	Route	17,574
658	2017	28	Chevrolet	Trans	Route	24,886
659	2017	28	Chevrolet	Trans	Route	27,225

Bus No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
660	2017	22	Chevrolet	Trans	Route	23,170
661	2017	22	Chevrolet	Trans	Route	25,010
662	2018	28	Chevrolet	Trans	Route	984
663	2018	28	Chevrolet	Trans	Route	958
664	2018	28	Chevrolet	Trans	Route	1,058
665	2018	28	Chevrolet	Trans	Route	1,242
667	2018	22	Chevrolet	Trans	Route	799
668	2018	18/1WC	Chevrolet	Trans	Route	933
669	2018	22	Chevrolet	Trans	Route	637

Appendix B - Service Vehicles as of September 17, 2018

Veh. No.	Model Yr	Capacity	Make	Model	Assigned	Mileage
S-1	2017	3	Ford	F350	Service	2,264
S-2	2009	5	Chevrolet	Impala	Service	34,709

Notes:

*Trade-Ins Expected During 2019-2020 School Year

**Trade-Ins Expected During 2020-2021 School Year

Trade-Ins Expected During 2021-2022 School Year - Buses Not Selected Yet

Bus 645 is an adjustable floor plan wheelchair bus that has been adjusted to seat 30 passengers with no wheelchair station. It was necessary to adjust for routing needs.

Abbreviations:

WD - Wheel Drive

WC - Wheelchair Equipped Bus

AE - Model Description of Smaller International Buses, Typically Built on an Incomplete or Cutaway Van Chassis

IC - International Corporation

Trans - TransTech