

March 30, 2015

Dr. Stephen L. Malone, Superintendent of Schools
Joe Prom, Director of Business Services
Becker Public Schools (ISD #726)
12000 Hancock Street
Becker MN 55308

Re: Strategic and Financial Management Services - Student Transportation Follow-up

Dear Superintendent Malone and Director Prom:

I prepared this letter to address matters as a continuation of the report I made to the Becker District School Board on February 2nd. A major theme of my report was that the District is

1. providing quality services to students attending the District,
2. experiencing operating costs of transportation services increasing the past three fiscal years, and
3. entering a period where cost improvements and betterments may be available and realizable.

One area I addressed in my report and identified in my presentation of the report as cost improvements and betterments that could be realizable for fiscal/school year 2015-16 were:

1. Transportation supervision and administrative staffing
 1. Addressed the responsibilities and duties for the next Transportation Director/Supervisor and reviewed the position description,
 2. Present organization with Director/Supervisor also handling training, part-time route driver, occasional subdriver, dispatching as needed, occasional maintenance is reasonable;
2. Mechanic staffing
 - a. District presently has a 1.2 FTE mechanic staffing,
 - b. District contracted out maintenance and repairs totaling \$157,000 in 2013-14 and budgeted \$140,000 for 2014-15
 - c. Industry guideline for mechanic staffing is 25 units to 1 mechanic
 - d. District has 37 buses and vans
 - e. The age of the bus and van fleet will be a factor in the demand for repairs and maintenance;
3. Costs of repairs and maintenance, and parts
 - a. We reviewed the 2013-14 payments for "out sourced" maintenance and repairs services and believe some could be completed "in-house" with diesel and general mechanic skills of mechanics and a staffing at 1.5 FTEs
 - i. We estimated that the labor cost differential between out-sourced and in-house services at \$35,000-40,000 per year; a cost savings; and
4. Capital investment in buses and vehicles

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- a. Complete a capital budgeting plan, with financing plan included, for a 10 or 12 year plan
- b. Contemplate a bus replacement reserve in General Fund unreserved fund balance
- c. Assess financing methods

Again, we are pleased with the opportunity to work with the District to achieve your objectives for quality student transportation services. I plan to attend the School Board meeting Monday evening.

If you have any questions, please call me at 651-490-1653.

Sincerely,
The Watson Consulting Group

Thomas N. Watson

Thomas N. Watson, CMC
Principal