



Geneva Community Unit School District 304
227 North Fourth Street
Geneva, IL 60134

Board of Education Report

To: Dr. Kent Mutchler, Superintendent
Board of Education – Finance Committee

From: Dean Romano, Assistant Superintendent – Business Services

Date: Wednesday, May 8, 2019

Meeting: Monday, May 13, 2019

Agenda Item:

Purchase of Buses

Item Type: Consent Action Information Discussion

Recommended Motion:

Motion to move this item to the Board of Education for action.

Vision Connection: Effective Communicators

Policy Reference (if applicable): 4:110 - TRANSPORTATION

4:60 – PURCHASE AND CONTACTS

Background Information:

As presented at a previous meeting, the District is preparing for the purchase of 4 buses to replace four existing buses. The existing buses will be fully depreciated at the end of this school year and the District will no longer receive financial support from the State of Illinois for these units.

Midwest Transit Equipment currently holds the 2019 State of Illinois bid award for 30-passenger school buses and has two of these vehicles available for sale. Additionally, Midwest Transit Equipment has one used 2017 Chevrolet-Starcraft 32-passenger school bus and one used 2017 Chevrolet-Starcraft 28-passenger school bus available for sale at that this time. Administration recommends the purchase of these four vehicles as replacements for the existing four 2014 27-passenger school buses.

In review of the financial aspects of this transaction, a direct purchase without financing will create the least cost of ownership for these vehicles. The State of Illinois Pupil Transportation Claim Reimbursement does not allow for financing costs to be included in the depreciation schedule. Additionally, the general cost of financing does not exist with a direct purchase. Current fund balance within the Transportation Fund will allow for this purchase without risk of dropping below the 30% fund balance threshold set by Board Policy. However, it will be important to keep this purchase in mind while budgeting in future years so that fund balance is monitored to

ensure that a similar purchase can be made for new equipment five years from now when these units are replaced.

The purchase of these buses is recommended during the regular Board of Education meeting following the Finance Committee meeting. Upon approval, administration will review the Transportation Fund year end revenue to expense projections when June tax receipts are known to determine if whether this equipment will be expended during the current 2018-2019 fiscal year (June) or be budgeted and purchased during the 2019-2020 fiscal year (July).

The total estimated cost for these four vehicles combined is \$219,494.

ATTACHMENT(S): Midwest Transit Equipment Quote_5-8-19
