



Board Action Required X

No Action Required

To: Coppell ISD Board of Trustees
From: Sid Grant
Date: April 23, 2012
cc: Dr. Jeff Turner, Kelly Penny

Re: Dallas County Schools Offer to Purchase Buses Owned by Coppell ISD

Dallas County Schools (DCS), our provider of student transportation services, has offered to purchase all school buses owned partially or fully by Coppell ISD. As part of our long-term agreement with DCS, we annually have purchased one bus for every one bus they purchased. On several occasions, we purchased fifty percent (50%) interest in some buses. Last year, through state grants and property tax supported financing, they actually purchased all needed buses and we did not have to expend district funds.

In a letter from the DCS Assistant Superintendent for Business, Wesley Scott states that in an effort to find additional resources for ISD's that DCS currently serves in a time of financial distress, DCS would like to purchase all existing buses. He further states that they intend to continue purchasing 100% of the buses for the foreseeable future.

Their offer includes the purchase of 19 buses either owned 100% or 50% by Coppell ISD. DCS used the depreciated book value (10 year life) as the approximation of the fair market value. The net book value, based on a ten year depreciation, of these 19 buses is \$328,065.54. Once received, these dollars would be placed into our general fund balance. According to DCS, this is a onetime, non-negotiable offer.

By selling these buses to DCS, there would be no operational changes in our agreement with DCS. These same buses will continue serving the students of CISD. Also, these buses are not currently carried as assets on Coppell ISD's financials, nor do we carry them on our insurance policy. The buses are carried on the books and covered by the insurance of DCS.

Recommendation: That the Coppell ISD Board of Trustees consider selling our interest in 19 school buses to DCS for the net book value of \$328,065.54 and execute an addendum modifying our existing Interlocal Agreement.