

Livonia Public Schools

Finance Office

Date: February 5, 2019

To: Andrea Oquist, Superintendent

From: Alison Smith, Director of Finance

Re: Bus Purchase

We would like to discuss a recommendation to purchase buses at the February 11, 2019 Finance Committee meeting. We are pleased to share that the District has been awarded grant funds to replace five of our older 20 passenger buses, used to transport our students with special needs. This grant was applied for by our Transportation Supervisor and Accounting Supervisor, and will reimburse the District 25% of the cost of these five buses. Funds to support this grant opportunity come from the State of Michigan Department of Environmental Quality and the U.S. Environmental Protection Agency via an allocation authorized by the Diesel Emissions Reduction Act.

During our last budget amendment approved by the Board of Education on December 27, 2018, \$750,000 was earmarked in the General Fund for a potential school bus replacement purchase. Sinking Funds are not an allowable source of funds for school bus purchases. Bond funds may be used to purchase school buses if approved by the voters. The District was very fortunate to be able to replace 66 of our 110 school buses over a number of years through the 2013 Bond. The replacement of an additional nine 77-passenger buses was approved by the Board in April 2018.

Out of our fleet of 110 school buses, 35 buses remain that are over ten years old. The DEQ DERA grant will help cover a portion of the cost for five of these older buses. The estimated cost to the District for these five buses is \$215,000 with the remaining cost being picked up by the grant. If the Board authorizes the use of the entire \$750,000, that would allow the District to purchase two additional mini buses and five 77-passenger buses for total replacement of 12 buses. A purchase of 12 buses this round would leave the District with only 23 buses on our fleet that are over ten years old.

This proposed purchase would take place through the Michigan School Business Officials bus purchasing program, which fulfills purchasing requirements. I will have a quote to share with the Board at the February 11, 2019 Finance Committee meeting.

Please include this item on the agenda. Thank you.

AS/kp