

Finance & Facilities Committee

Monday, September 25, 2023 6:00 PM

Waconia City Hall, 201 S Vine Street, Waconia, MN 55387

1. DISCUSSION ITEMS

Presenter: Ra Chhoth,
Director of Finance &
Operations

1.A. Potential Bond Refunding

DISTRICT OVERVIEW:

Waconia Public Schools, ISD 110



Prepared by:

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Roseville, MN 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

School District: Waconia

Assessment Year 2022 (Taxes Payable 2023) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
Totals	4,016,912,478	100.0%	3,723,526,885	100.0%	44,167,563	100.0%
Residential Homestead	2,807,026,418	69.9%	2,795,200,445	75.1%	28,441,485	64.4%
Other Residential	490,973,200	12.2%	486,610,650	13.1%	5,308,528	12.0%
Commercial / Industrial	351,514,300	8.8%	351,514,300	9.4%	6,786,793	15.4%
Non Qualifying Agricultural	88,422,260	2.2%	87,846,390	2.4%	889,670	2.0%
Qualifying Agriculture	266,006,800	6.6%	-	0.0%	1,797,637	4.1%
Seasonal Recreational	12,969,500	0.3%	2,355,100	0.1%	137,774	0.3%
TIF & FD					805,677	1.8%

*Totals include TIF & Fiscal Disparities adjustments

- Operating Referendum
- Local Optional Revenue
- Equity
- 43% of Total Levy**

All other school taxes including building bonds

57% of Total Levy

Waconia Public School District No. 110

Trend of Valuations

Levy Year	Estimated Market Value	Taxable Market Value	Referendum Market Value	Net Tax Capacity (NTC) ¹	% Chg NTC
2017/2018	2,707,179,650	2,577,070,811	2,382,642,200	27,971,153	
2018/2019	2,847,625,400	2,719,688,738	2,523,728,900	29,775,593	6.45%
2019/2020	3,079,202,600	2,961,774,057	2,751,255,700	32,613,929	9.53%
2020/2021	3,189,508,000	3,075,865,174	2,863,100,800	34,110,226	4.59%
2021/2022	3,324,773,100	3,212,725,142	2,995,167,800	35,701,295	4.66%
2022/2023	4,065,925,000	3,970,009,096	3,719,010,500	43,509,389	21.87%

¹ Net Tax Capacity includes tax increment, if any.

Source: Minnesota Department of Revenue

Waconia Public Schools, ISD 110

September 19, 2023

Operating Referendum Revenue Allowances

Election Year	Taxes Payable	Fiscal Year	Voter Approved		Board Renewal*	
			Operating Referendum	Renewal Years for Expiring Authorities	First Date	Deadline
2021	2022	2023	1,038.13			
2022	2023	2024	1,069.68			
2023	2024	2025	1,097.17			
2024	2025	2026	1,123.72			
2025	2026	2027	1,149.34			
2026	2027	2028	1,175.20			
2027	2028	2029	1,199.65	**	July 1, 2026	June 15, 2028
2028	2029	2030	513.82	***		
2029	2030	2031	524.61	**	July 1, 2028	June 15, 2030
2030	2031	2032	0.00	***		
2031	2032	2033	0.00			
2032	2033	2034	0.00			

Estimated Revenue for Fiscal Year 2024

Operating Referendum \$ 4,772,478

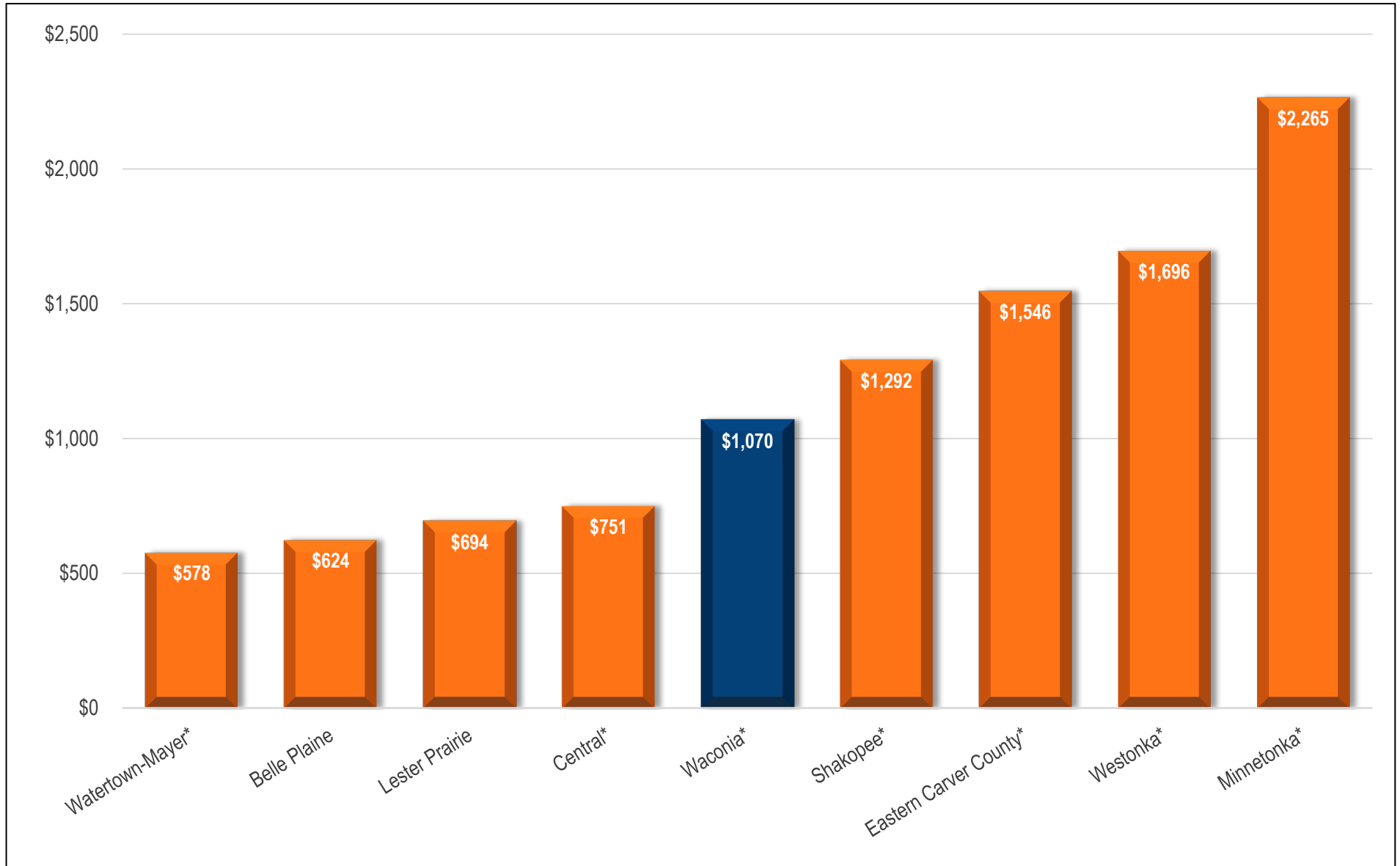
Notes:

- * Minnesota Statute, Section 126c.17 allows school boards to renew an existing operating referendum one-time for the same term and same amount
- ** First year voters can renew expiring voter approved referendum authority
- *** Last year voters can renew expiring voter approved referendum authority

Source: Minnesota Department of Education

Waconia Public Schools, ISD 110

Voter Approved Referendum Authority Per Pupil Unit FY 2023-24

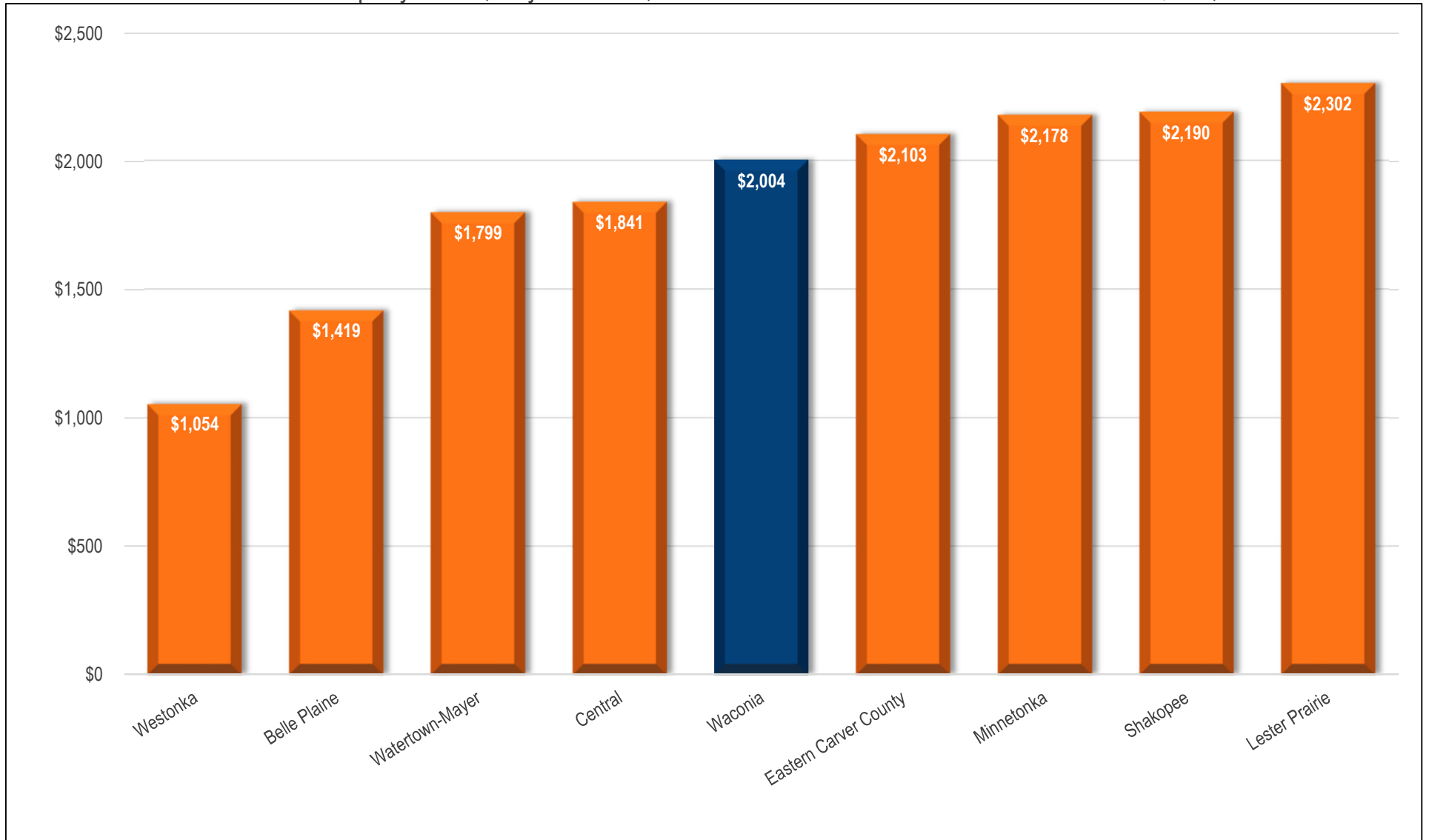


* Authorities with voter approved annual inflationary adjustment

Source: MDE Operating Referendum Phaseout August 2023

Waconia School District

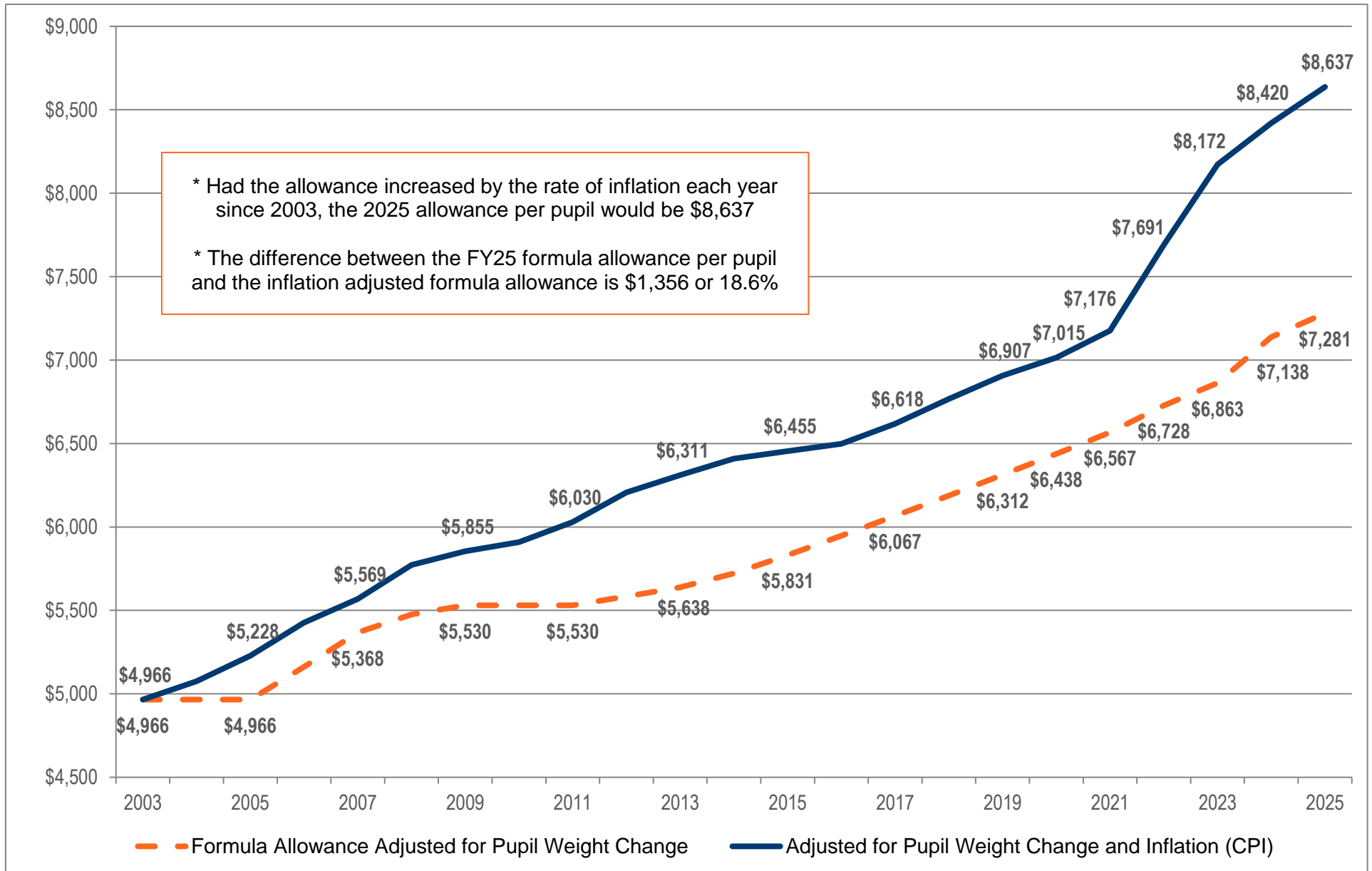
Total School Property Taxes, Payable 2023, on a Home with an Estimated Market Value of \$450,000



Source: Pay 23 School Tax Report

General Education Formula Allowance, 2003-2025

Adjusted for Pupil Weight Change and Inflation (CPI)

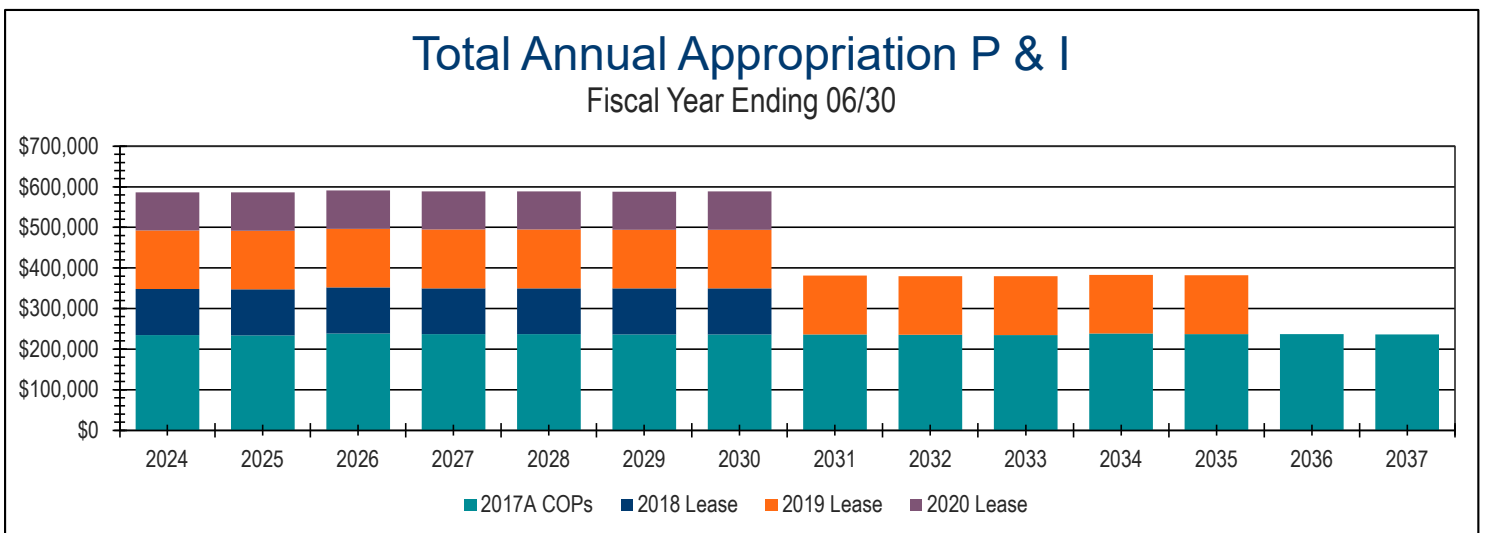
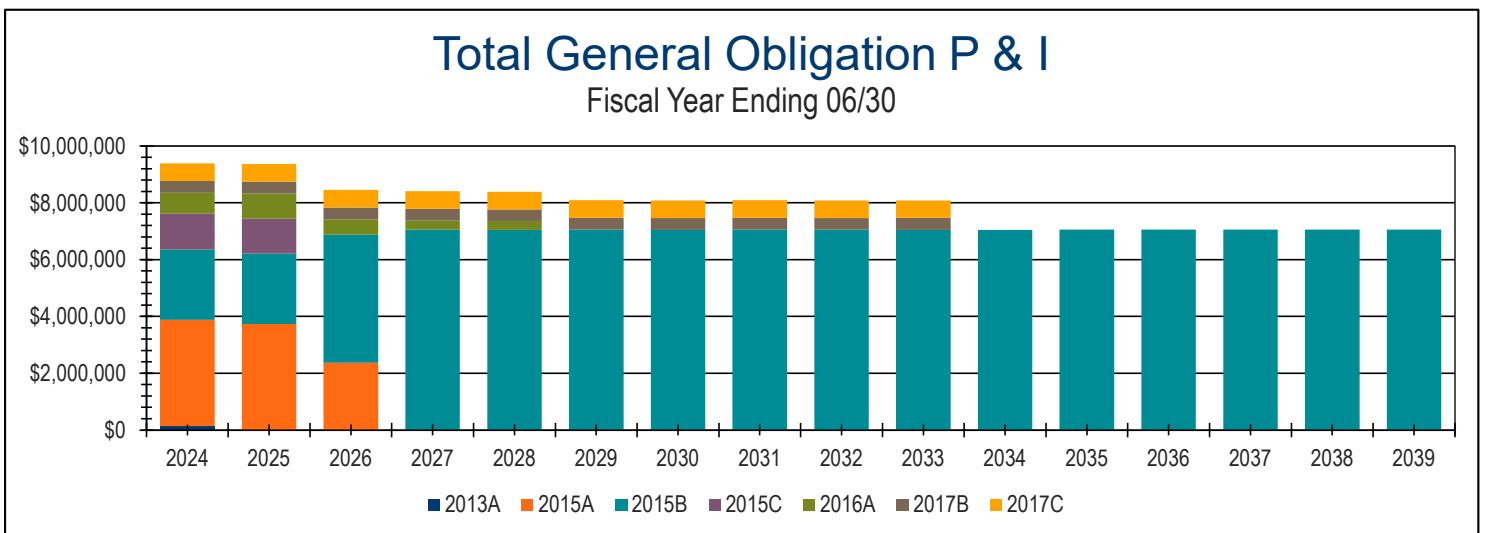


Source: MDE June 2023 Inflation Estimates and Minnesota Laws 2023

Independent School District No. 110 (Waconia Public Schools),

Outstanding Debt (As of 06/30/2023)

	Original Par Amount	Current Outstanding	Final Maturity	Optional Redemption	Callable Coupon Range	Callable Amount
General Obligation						
General Obligation Capital Facilities Bonds, Series 2013A	\$ 1,435,000	\$ 140,000	02/01/2024		===== Non-callable =====	
General Obligation School Building Refunding Bonds, Series 2015A	\$ 17,555,000	\$ 9,050,000	02/01/2026	02/01/2024	4.000% - 5.000%	\$ 5,745,000
General Obligation School Building Bonds, Series 2015B	\$ 75,000,000	\$ 75,000,000	02/01/2039	02/01/2025	3.000% - 5.000%	\$ 75,000,000
General Obligation School Building Refunding Bonds, Series 2015C	\$ 6,830,000	\$ 2,385,000	02/01/2025		===== Non-callable =====	
General Obligation Facilities Maintenance Bonds, Series 2016A	\$ 5,405,000	\$ 2,655,000	02/01/2028		===== Non-callable =====	
General Obligation Tax Abatement Bonds, Series 2017B	\$ 5,040,000	\$ 3,570,000	02/01/2033	02/01/2026	2.000% - 3.000%	\$ 2,590,000
General Obligation Facilities Maintenance Bonds, Series 2017C	\$ 7,290,000	\$ 5,290,000	02/01/2033	02/01/2026	2.000% - 3.000%	\$ 3,870,000
Subtotal		\$ 98,090,000				
Annual Appropriation						
Certificates of Participation, Series 2017A	\$ 3,160,000	\$ 2,510,000	02/01/2037	02/01/2025	3.000% - 5.000%	\$ 2,225,000
Lease-Purchase Agreement, Series 2018	\$ 923,000	\$ 683,000	02/01/2030			
Lease Purchase, Series 2019	\$ 1,585,000	\$ 1,341,000	02/01/2035	02/01/2025	4.200% - 4.200%	\$ 1,161,000
Master Tax Exempt Lease/Purchase Agreement	\$ 844,931	\$ 600,183	07/15/2029	07/15/2020	2.400% - 2.400%	\$ 600,183
Subtotal		\$ 5,134,183				
Total Outstanding		\$ 103,224,183				



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Waconia Public School District No. 110
Analysis of Possible Structure for Capital and Debt Levies

Existing Debt

September 19, 2023

Levy		Tax Capacity		Existing Commitments						Combined Totals				
Payable	Fiscal	Value ¹		Building	Alt Fac/Fac Maint	Abatement	Est. Debt	LTFM	Net	Tax	Initial	State	Net	Tax
Year	Year	(\$000s)	% Chg	Bonds ²	H&S Bonds ²	Bonds ²	Excess ³	Debt Aid	Levy	Rate	Debt Levy	Aid	Levy	Rate
2022	2023	32,307	4.3%	7,854,139	789,390	435,960	(165,946)	(174,287)	8,739,255	27.05	8,913,543	(174,287)	8,739,255	27.05
2023	2024	40,691	26.0%	7,852,695	769,755	434,595	(524,762)	(150,216)	8,382,067	20.60	8,532,283	(150,216)	8,382,067	20.60
2024	2025	45,574	12.0%	7,818,412	928,725	433,125	(485,806)	(129,231)	8,565,225	18.79	8,694,455	(129,231)	8,565,225	18.79
2025	2026	45,574	0.0%	7,221,487	569,730	436,800	(367,210)	(115,244)	7,745,562	17.00	7,860,806	(115,244)	7,745,562	17.00
2026	2027	45,574	0.0%	7,408,492	338,310	435,015	(329,121)	(101,395)	7,751,301	17.01	7,852,696	(101,395)	7,751,301	17.01
2027	2028	45,574	0.0%	7,404,239	321,300	433,125	(327,273)	(79,876)	7,751,515	17.01	7,831,391	(79,876)	7,751,515	17.01
2028	2029	45,574	0.0%	7,406,234	-	438,008	(326,347)	-	7,517,895	16.50	7,517,895	-	7,517,895	16.50
2029	2030	45,574	0.0%	7,403,662	-	437,168	(313,770)	-	7,527,059	16.52	7,527,059	-	7,527,059	16.52
2030	2031	45,574	0.0%	7,407,022	-	436,013	(313,633)	-	7,529,401	16.52	7,529,401	-	7,529,401	16.52
2031	2032	45,574	0.0%	7,405,499	-	434,543	(313,721)	-	7,526,320	16.51	7,526,320	-	7,526,320	16.51
2032	2033	45,574	0.0%	7,404,344	-	438,008	(313,602)	-	7,528,750	16.52	7,528,750	-	7,528,750	16.52
2033	2034	45,574	0.0%	7,403,399	-	-	(313,694)	-	7,089,705	15.56	7,089,705	-	7,089,705	15.56
2034	2035	45,574	0.0%	7,405,709	-	-	(296,136)	-	7,109,573	15.60	7,109,573	-	7,109,573	15.60
2035	2036	45,574	0.0%	7,405,545	-	-	(296,228)	-	7,109,317	15.60	7,109,317	-	7,109,317	15.60
2036	2037	45,574	0.0%	7,404,561	-	-	(296,222)	-	7,108,339	15.60	7,108,339	-	7,108,339	15.60
2037	2038	45,574	0.0%	7,404,561	-	-	(296,182)	-	7,108,378	15.60	7,108,378	-	7,108,378	15.60
2038	2039	45,574	0.0%	7,404,574	-	-	(296,182)	-	7,108,391	15.60	7,108,391	-	7,108,391	15.60
2039	2040	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2040	2041	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2041	2042	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2042	2043	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2043	2044	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2044	2045	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2045	2046	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2046	2047	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2047	2048	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2048	2049	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2049	2050	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2050	2051	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
2051	2052	45,574	0.0%	-	-	-	-	-	-	-	-	-	-	-
Totals				127,014,571	3,717,210	4,792,358	(5,575,836)	(750,250)	129,198,053		129,948,303	(750,250)	129,198,053	

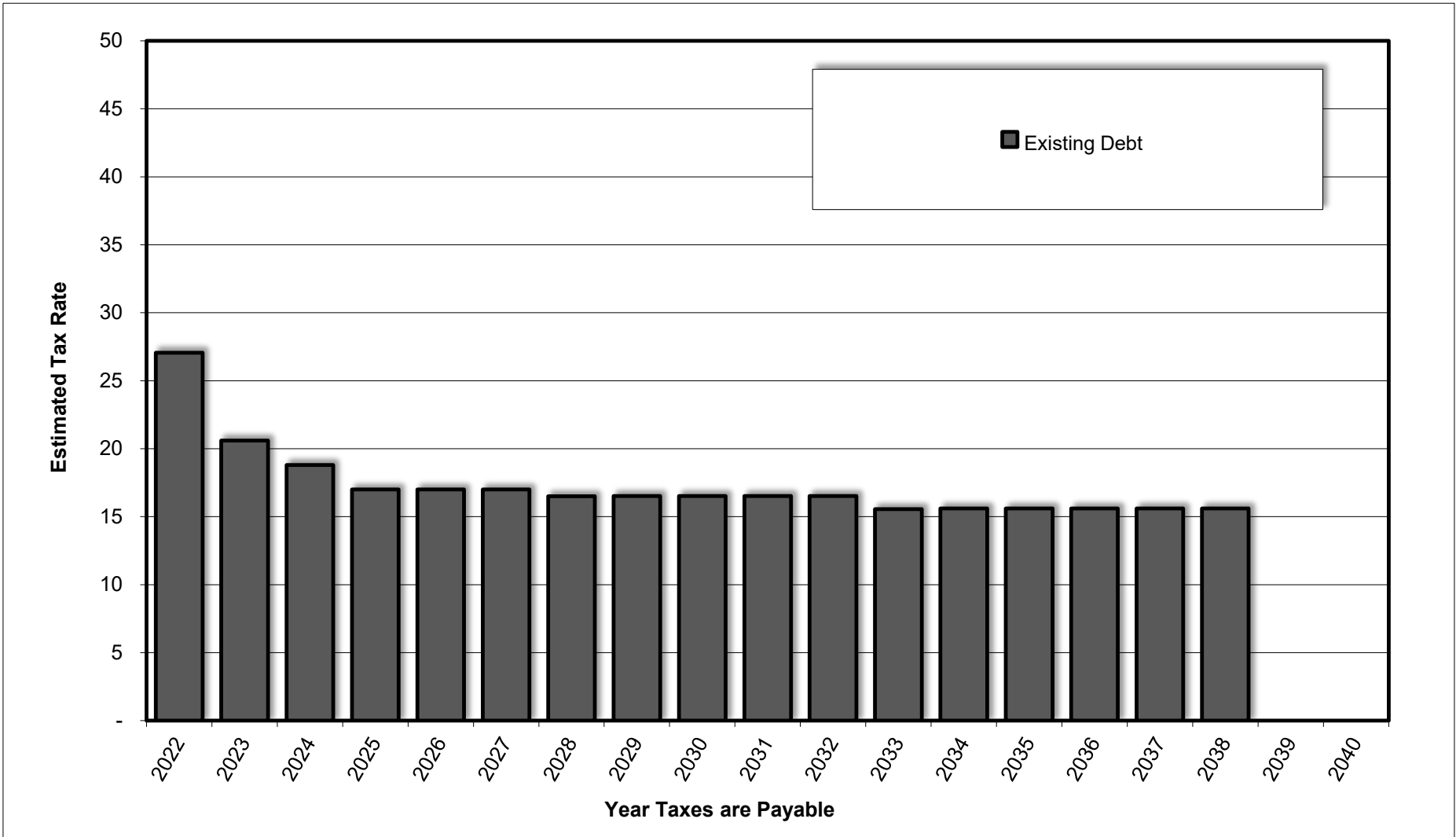
- 1 Tax capacity value for taxes payable in 2022 and 2023 are the actual values. Estimates for future years are based on the percentage changes as shown above.
- 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
- 3 Debt excess adjustment for taxes payable in 2022, 2023, and 2024 are the actual amounts. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Waconia Public School District No. 110
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

Existing Debt



Date Prepared: September 19, 2023

Status Report on Refunding of Existing Bond Issues

Original Bond Amount	Title	Last Maturity	Call Date	Callable Amount	Callable Rates		Status
					Low	High	
\$1,435,000	General Obligation Capital Facilities Bonds, Series 2013A	02/01/2024	-	-	-	-	These bonds are not callable.
\$17,555,000	General Obligation School Building Refunding Bonds, Series 2015A	02/01/2026	02/01/2024	\$5,745,000	4.000%	5.000%	As of August 8, 2023, we estimate that a current refunding will produce a savings of \$56,872, or a present value savings of 0.89%. We will contact you soon to discuss your options for refunding these bonds.
\$75,000,000	General Obligation School Building Bonds, Series 2015B	02/01/2039	02/01/2025	\$75,000,000	3.000%	5.000%	As of August 8, 2023, we estimate that this refunding would not generate sufficient savings to be considered.
\$6,830,000	General Obligation School Building Refunding Bonds, Series 2015C	02/01/2025	-	-	-	-	These bonds are not callable.
\$5,405,000	General Obligation Facilities Maintenance Bonds, Series 2016A	02/01/2028	-	-	-	-	These bonds are not callable.
\$3,160,000	Certificates of Participation, Series 2017A	02/01/2037	02/01/2025	\$2,225,000	3.000%	5.000%	As of August 8, 2023, we estimate that this refunding would not generate sufficient savings to be considered.
\$5,040,000	General Obligation Tax Abatement Bonds, Series 2017B	02/01/2033	02/01/2026	\$2,590,000	2.000%	3.000%	As of August 8, 2023, we estimate that this refunding would not generate sufficient savings to be considered.

Original Bond Amount	Title	Last Maturity	Call Date	Callable Amount	Callable Rates		Status
					Low	High	
\$7,290,000	General Obligation Facilities Maintenance Bonds, Series 2017C	02/01/2033	02/01/2026	\$3,870,000	2.000%	3.000%	As of August 8, 2023, we estimate that this refunding would not generate sufficient savings to be considered.
\$923,000	Lease-Purchase Agreement, Series 2018	02/01/2030	-	-	-	-	These bonds are not callable.
\$1,585,000	Lease Purchase, Series 2019	02/01/2035	02/01/2025	\$1,161,000	4.200%	4.200%	As of August 8, 2023, we estimate that this refunding would not generate sufficient savings to be considered.

Waconia Public School District No. 110

September 18, 2023

Property Tax Levy and Rate Summary, Taxes Payable in 2023 and 2024

		Actual Taxes Payable in 2023	Preliminary Estimate of Taxes Payable in 2024	Estimated Change in Annual Taxes	Estimated % Change
Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes			
Residential Homestead	\$100,000	\$377	\$351	-\$26	-6.9%
	200,000	844	785	-59	-7.0%
	300,000	1,311	1,219	-92	-7.0%
	400,000	1,778	1,653	-125	-7.0%
	425,000	1,892	1,759	-133	-7.0%
	450,000	2,004	1,863	-141	-7.0%
	475,000	2,115	1,966	-149	-7.0%
	500,000	2,226	2,070	-156	-7.0%
	750,000	3,490	3,243	-247	-7.1%
1,000,000	4,754	4,417	-337	-7.1%	
Commercial/Industrial	\$100,000	\$436	\$406	-\$30	-6.9%
	150,000	654	608	-46	-7.0%
	250,000	1,167	1,085	-82	-7.0%
	500,000	2,451	2,276	-175	-7.1%
1,000,000	5,018	4,659	-359	-7.2%	
Apartments	\$200,000	\$1,011	\$939	-\$72	-7.1%
	500,000	2,528	2,347	-181	-7.2%
	1,000,000	5,056	4,694	-362	-7.2%
	2,000,000	10,112	9,388	-724	-7.2%

Key Assumptions:

1. Preliminary Pay 24 RMV is estimated to change by 5.00% and NTC by 12.00% as compared to taxes payable 2023.
 2. Assumes no change in the value of individual parcels of property from 2023 to 2024 taxes. If the value of a parcel changed, the change in taxes will be different than shown above.
 3. Taxes payable in 2024 are based on latest estimates of proposed levy, as of the date above.
- * For commercial-industrial property, the estimates above are for property in the City of Waconia. The tax impact for commercial industrial property in other municipalities in the school district may be slightly different due to the varying impact of the Twin Cities Fiscal Disparity program.

1.B.23 Pay 24 Levy Summary

LINE #	LIMITATION COMPONENTS	2022 PAY 2023 LIMITATION	2022 PAY 2023 CERTIFIED LEVY	2023 PAY 2024 LIMITATION	2023 PAY 2024 PROPOSED LEVY	2023 PAY 2024 CERTIFIED LEVY NOTES
SUBTOTALS BY LEVY CATEGORY						
(5001)	GENERAL-RMV VOTER	4,945,500.64	4,945,500.64	4,725,614.21		
(5002)	GENERAL-RMV OTHER	3,340,446.74	3,340,446.74	3,483,545.60		
(5003)	GENERAL-NTC VOTER					
(5004)	GENERAL-NTC OTHER	1,683,415.48	1,683,415.48	1,990,391.47		
(5009)	COMMUNITY SERV-NTC OTHER	268,547.02	268,547.02	298,360.33		
(5013)	GENL DEBT-NTC VOTER	7,421,265.49	7,421,265.49	7,405,226.40		*1
(5014)	GENL DEBT-NTC OTHER	1,447,362.91	1,447,362.91	1,412,007.85		*1
(5020)	OPEB DEBT-NTC VOTER					
(5021)	OPEB DEBT-NTC OTHER					
SUBTOTALS BY FUND						
(5005)	GENERAL FUND	9,969,362.86	9,969,362.86	10,199,551.28		
(5009)	COMMUNITY SERVICES FUND	268,547.02	268,547.02	298,360.33		
(5015)	GENERAL DEBT SERVICE FUND	8,868,628.40	8,868,628.40	8,817,234.25		
(5022)	OPEB/PENSION DEBT SERVICE FUND					
SUBTOTALS BY TAX BASE						
	REFERENDUM MARKET VALUE	8,285,947.38	8,285,947.38	8,209,159.81		
	NET TAX CAPACITY	10,820,590.90	10,820,590.90	11,105,986.05		
SUBTOTALS BY TRUTH IN TAXATION CATEGORY						
	VOTER APPROVED	12,366,766.13	12,366,766.13	12,130,840.61		
	OTHER	6,739,772.15	6,739,772.15	7,184,305.25		
TOTAL LEVY						
	TOTAL LEVY	19,106,538.28	19,106,538.28	19,315,145.86		

ALLOWABLE INCREASE

ALLOWABLE INCREASE AMOUNT

MAXIMUM ALLOWABLE CERTIFIED LEVY

FOOTNOTES:

*1 SCHOOL BUILDING BOND AGRICULTURAL CREDIT WILL BE CALCULATED USING THE GENERAL DEBT SERVICE LEVY CATEGORIES

NOTE TO SCHOOL DISTRICTS: MUST CERTIFY PROPOSED AND FINAL LEVIES VIA THE WEB-BASED LEVY CERTIFICATION SYSTEM AVAILABLE ON THE MDE WEBSITE, [HTTP://EDUCATION.STATE.MN.US](http://EDUCATION.STATE.MN.US).

1.C. Koch Bus Service Vendor Agreement



Student Transportation Agreement

THIS AGREEMENT is made and entered into as of the 5th day of September, 2023, by and between Independent District 110 (Waconia Public Schools), Waconia, Carver County, Minnesota, with its District Office at 512 Industrial Blvd, Waconia, MN, 55387, hereinafter called "District" and Koch Bus Service, Inc with its local office at 150 Victor Court, Waconia, MN 55387 hereinafter called "Company".

WITNESSETH

WHEREAS, the District desires bus services to transport certain of its students served by the District during the school year; and

WHEREAS, the Company operates a school bus and student transportation service; and

WHEREAS, pursuant to Minnesota Statute 2012, Section 123B.52 sub. 3, District, through direct negotiations, has selected Company to furnish student transportation services to certain District students in accordance with the terms defined herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions agreed to and contained herein, District and Company agree as follows:

GENERAL TERMS AND CONDITIONS

1. **Entire Agreement.** This Agreement (including **Exhibit A**) constitutes the complete and exclusive agreement between the Parties relating to the subject matter hereof. It supersedes all prior proposals, understandings and all other agreements, oral and written, between the Parties relating to this subject matter.
 - The Section headings in this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof.
2. **Privacy of Student Data.** Company acknowledges that certain information pertaining to Students may be subject to privacy protections under State or Federal law or regulations, including the Family Educational Rights and Privacy Act ("FERPA") and the Minnesota Government Data Practices Act ("MGDPA"). Company will abide by any and all such laws and regulations. Company further acknowledges that records of the Services may be subject to a data request under the MGDPA. Compliance with any such request shall be at Company's expense.
3. **Notices.** Unless noted otherwise within this Agreement, any notice provided pursuant to this Agreement will be in writing and will be deemed given (i) if by hand delivery, upon receipt thereof; (ii) if mailed, five (5) days after deposit in the U.S. mails, postage prepaid, certified mail return receipt requested; or if sent via overnight courier, upon receipt. All notices to Company pertaining to this Agreement will be sent: Attn: President/General Manager, 150 Victor Court, Waconia, MN. In the case of any notice to be provided to the District under this Agreement, notice will be sent: Attn: Director of Business Services, District Office at 512 Industrial Blvd, Waconia, MN, 55387. Either party may change its address or its designated addressee by giving written notice to the other party in accordance with the terms of this Section.
4. **Assignment.** Company may not assign this Agreement nor any performance or obligations hereunder to any third party or subcontractor without the prior written consent of the District provided, however, that Company may, without approval, assign this Agreement to a parent, subsidiary, related or affiliated company. Furthermore, Company shall have the right to assign or otherwise transfer this Agreement in connection with a merger, acquisition, corporate reorganization, public stock offering, or sale of all or substantially all of its assets with reasonable notice to the District. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.
5. **Advertising.** A school bus of any type operating under this Agreement with District, transporting students and/or staff on any to/from school routes, field trip or activity trip may not display any type of advertising signage on the inside or outside of the bus.
 - This does not include the Company's name, address, bus number or other legally required letters such as common carrier identification numbers.
6. **Waiver.** The waiver or failure of either party to exercise any right provided for herein will not be deemed a waiver of any further right hereunder.
7. **Amendment.** This Agreement may not be modified or altered except by written instrument duly executed by both parties.
8. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision will be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the parties, and the remainder of the Agreement will remain in full force and effect.
9. **Governing Law; Venue.** This Agreement and performance hereunder will be governed by the laws of the State of Minnesota, without regard to its conflicts of laws rules. The parties' consent to the exclusive jurisdiction and venue of the courts of applicable subject matter jurisdiction in Hennepin County, State of Minnesota.
10. **Survival.** Sections 9, 10, 11, 26, 27, and 28 will survive any termination, expiration or cancellation of this Agreement.



11. **Force Majeure.** In the event Company is unable to provide the transportation services herein specified because of any act of God, civil disturbance, fire, flood, war, governmental action, labor dispute, including picketing, strike, or lockout, or any condition or cause beyond Company's control, District may excuse Company from performance under this Agreement. For the reasons identified in this item, the District shall have the right to terminate this Agreement or assume responsibility for providing the services required under this Agreement. The District shall have the right to operate the buses provided by the Company under this Agreement and employ such employees as the District deems appropriate and necessary to provide the regular services and operations contemplated by this Agreement. District shall pay the Company for the use of such buses used by the District consistent with the rates and provisions in this Agreement that applied to the Company and the District less all expenses and costs incurred by the District and reasonably necessary to secure the services of drivers and other hourly employees to provide the services. The District deduction of reasonable expenses and costs shall not exceed the difference between the total compensation paid the Company for such buses less the Company's fixed costs of operation for this Agreement. If the District agrees to use and operate the Company's buses, the District will provide the Company with a lease agreement, along with insurance and compliance matters, consistent with that required of the Company under this Agreement.
12. **Construction.** Each party acknowledges that it has had an adequate opportunity to review each and every provision in this Agreement and to submit the same to counsel and other consultants for review and comment and that the parties jointly drafted this Agreement. No provision of this Agreement shall be construed more strictly against one party than the other party by reason that one or the other party proposed, drafted or modified such provision or any other existing or proposed provision.
13. **Term.** The term of this Agreement shall commence as of the Effective Date upon the approval of this Agreement by the District and mutual execution of this document by the parties
 - Initial term of agreement is September 5, 2023 – July 31st, 2028
 - After the initial term has concluded, the agreement can be renewed annually following mutual agreement via direct negotiation on pricing no later than January 31st of the current school year.
 - Agreement can NOT be extended or renewed beyond July 31st, 2033
14. **Performance Bond.** Due to longstanding relationship and proven service, Company will NOT be required to provide a performance bond. Should performance issues become a factor in the future, the School District reserves the right to require Company to furnish a performance bond satisfactory to District in the agreed upon amount.
15. **Non-Compliance.** District reserves the right to take whatever action is deemed necessary under the above listed situations to continue safe transportation for its students. Company will provide District with prompt, efficient and quality transportation services always. Failure to provide this service will be considered non-compliance.
16. **Fines for Non-Compliance.** The District shall have the right to impose monetary fines on Company for its failure (including the failure of its employees and agents), to fully perform, or comply with, the terms of this Agreement. All fines are per occurrence and will be subtracted from the monthly invoice.
 - **\$250.00 Fine**
 - A fine of \$250 per day be imposed on Company for:
 - Running a Route without the required equipment as outlined above
 - Running a Route more than 15 minutes late without prior District approval, unless due to a vehicle breakdown, poor weather, or an act of God (or other Force Majeure event)
 - Transporting persons other than the Students without prior approval from the District;
 - Transporting non-school age children on any Bus during Route time;
 - Driver use of a personal cell phone at any time while the vehicle is in motion, or when students are on board
 - Tobacco use on a Bus
 - GPS tracking device is knowingly not functional at beginning of route
 - Driver running a route different from what is routed
 - Failure to staff dispatch during AM Route times OR PM Route times
 - **Fine of \$500.00**
 - A fine of \$500 per day may be imposed on Company for:
 - Allowing a driver to drive a route without the appropriate driver's license;
 - Not running a route due to lack of drivers or equipment without prior District approval
 - Running a Route with a Vehicle that does not have a current inspection sticker;
 - Running a Route without an aide, if an aide is required by the District
 - Running a Route without proper equipment as required by student's IEP
 - Failure to notify the District of accidents
17. **Continued Non-Compliance.** Unreasonable and continuing violations of any terms, conditions or clauses included in this specification shall constitute a material breach of this Agreement.



18. **Termination.** If either party shall fail or refuse to substantially perform the conditions of this Agreement or violate any of the covenants or duties imposed upon it by this Agreement, such failure, refusal or violation shall entitle the other party to terminate this Agreement at any time. The party desiring to terminate for such cause shall give the offending party thirty (30) days written notice to remedy the failure, refusal or violation. If at the end of such time the party notified has not removed the cause of complaint or remedied the purported failure, refusal or violation, then this Agreement shall terminate.
- District and Company agree to meet and make good faith efforts to resolve any disputes within thirty (30) days of the development of the dispute, prior to filing any action in a court of competent jurisdiction. Good faith efforts may include, but are not limited to, mediation and arbitration by mutual agreement.
 - Notwithstanding the above, Company shall not be relieved of liability to the District for damages sustained by the District as a result of any breach of this Agreement by the contactor.
19. **Funds Availability; Federal Funds Contingency.** This agreement may be subject to or impacted by:
- Availability of funds
 - Should the District be presented with the unavailability of funds shall automatically terminate this Agreement and render it void without liability to District
 - District shall notify the Company in writing of such event of termination.
 - Company will be paid for work performed up to the date of termination.
20. **Effects of Termination.** Upon the expiration or termination of this Agreement, the District will pay Company for Services satisfactorily performed by Company as of the effective date of such expiration or termination, in accordance with the terms of this Agreement.
21. **Return of Data.** At the conclusion, termination, or non-renewal of agreement, whichever occurs first, Company shall:
- Return all documents, data and other information provided by the District to Company, or Company's employees or agents in connection with this Agreement. Or, Company, upon the request of the District, shall destroy all copies of such District provided data, documents, or information in Company's possession or control, and provide District with proof of such destruction within 10 business days of separation.
22. **Insurance.** Company shall, at its expense, procure and keep in force during the entire term of this Agreement, public liability and property damage liability insurance protecting District, its board, officers, employees and agents, and Company, its drivers and other personnel. Without limiting the foregoing, Company will comply with all Minnesota vehicle liability laws and workers compensation reporting requirements, regulations and procedures at all times. Valid certificates of insurance must be on file with the District at all times.
23. **Minimum Insurance Coverage.** Insurance coverage required to be in place is subject to State law and may change. At a minimum, Company shall obtain and maintain during the Term coverage in the following amounts:

General Liability:	
General Aggregate Limit –	
Other than Products-Completed Operations	\$ 2,000,000
Products - Completed Operations Aggregate	\$ 2,000,000
Each Occurrence	\$ 1,000,000
Personal and Advertising Injury	\$ 1,000,000
Damage to Premises Rented to You	\$ 200,000
Medical Expense	\$ 10,000
Sexual Abuse or Molestation (Occurrence Coverage)	\$ 1,000,000
Commercial Automobile – Combined Single Limit	\$ 1,000,000
Workers Compensation:	Statutory
Employers Liability – Each Accident	\$ 1,000,000
Employers Liability – Policy Limit	\$ 1,000,000
Employers Liability – Each Employee	\$ 1,000,000
Excess Coverage (over primary coverage listed above):	
Each Occurrence	\$ 5,000,000
Aggregate	\$ 5,000,000

24. **Insurance Conditions.** All coverage must require a minimum of thirty (30) days' advance notice of cancellation, with notice to be provided to the District. All insurance policies will be written with insurance companies licensed to do business in the State of Minnesota. Except for workers compensation, all such policies must list the District as an additional insured party for claims arising under this Agreement.



25. **Relationship of Parties; Subcontracting.** This Agreement is not intended to create, and does not create any partnership, joint venture, agency, fiduciary, employment, or other relationship between the parties, beyond the relationship of independent parties to a commercial contract. Neither party is, nor will either party hold itself out to be, vested with any authority to bind the other party contractually, or to act on behalf of the other party as a broker, agent, or otherwise. Company will not subcontract the Services, or any portion of the Services, nor will it engage independent contractors to perform the Services or any portion of the Services, without the District's prior written consent.
26. **Representations and Warranties.** Company represents and warrants to the District that: (i) it is a legal entity duly organized, validly existing and in good standing and it has all requisite corporate power and authority to execute, deliver and perform its obligations hereunder; (iii) it is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except when the failure to be so licensed, authorized or qualified would not have a material adverse effect on its ability to fulfill its obligations hereunder; (iv) it will comply in all material respects with all laws and regulations applicable to the performance of its obligations hereunder and will keep and obtain all applicable permits and licenses required of it in connection with its obligations hereunder; and (v) that, to Company's best knowledge, all Personnel providing Services under this Agreement will be eligible to legally work in the United States
27. **Indemnification.** Company shall hold District, its governing board, officers, employees, and agents harmless and shall indemnify District, its governing board, officers, employees, and agents from and against every claim or demand which may be made by any person, firm or corporation, or other entity arising from or caused by any act of neglect, default or omission of Company in the performance of this Agreement, except to the extent such claim or demand arises from or is caused by the negligence or willful misconduct of District, its agents or employees. Company also agrees to indemnify and save the District harmless from any claims involving personal injury or property damage arising out of, or in the course of, Company's acts in providing transportation of the Students. To the extent permitted by law, District shall hold Company, its officers, employees, agents, successors and assigns harmless and, to the extent permitted by law, agrees to indemnify Company, its officers, employees, agents, successors and assigns from and against every claim or demand which may be made by any act of neglect, default or omission of District, its governing board, officers, employees or agents, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Company, its agents or employees.
28. **Waiver of Subrogation.** The Company waives all rights against District, its officials, volunteers and employees for damages to the extent covered by insurance required by this Agreement, the policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest.
29. **General Policies and Procedures.** For the period of time that buses are operated under agreement with District, District Policies and Procedures where applicable and appropriate shall apply to students, staff and any authorized riders. The policies below must be reviewed with all Company employees as they will be responsible for compliance with these policies. The most policy in effect shall be the applicable policy at any time during the duration of the Agreement. District shall provide new policies to the Company when a policy has been amended or updated.

SCOPE OF SERVICES

30. **General Obligations.** Company shall transport public and non-public District resident students and open enrolled public-school non-resident students who meet the eligibility criteria of the Minnesota Department of Education. District transports resident students to programs and schools outside the geographic boundary of District. District will determine all eligible students and bus routes. Company shall implement changes in accordance with District's route change process.
- All Students will be transported safely and in reasonable comfort.
 - All Students will arrive at their respective schools in advance of the start of school but not more than thirty (30) minutes before the start of school based on the published bell schedule.
 - All Students will be picked up from their respective schools within ten (10) minutes after the established dismissal time for such schools and transported home or to their designated bus stop in a timely manner.
 - All Students with special education needs will be transported in a dignified and safe manner that accommodates their condition. Without limiting the foregoing, such transportation will comply with Section 504 of the Rehabilitation Act and, if applicable, the student's individualized educational program ("IEP").
31. **Routing.** The Company will provide routing for all contracted bus services
- The District maintains final approval of all route designs.
 - Company will provide District access to routing information and data upon request.
 - Route Elimination/Consolidation: While Company maintains assignment of all current routes, the District reserves the right to increase, decrease, consolidate or eliminate routes when it is in the best interest of the District. All routes will be reviewed with Company to confirm effects and viability. Volume changes are subject to change throughout the Agreement period.



32. **Driver's Route Procedures.** For all routes, the following applies:

- Drivers will transport students on routes and make stops according to the timetable designated by District in accordance with the following rules to and school and on all school related activities:
- Only students assigned by District will be transported on school buses under Agreement with District. Students are to be released from the bus only at school or at the designated school bus stop. The school bus driver does not have the authority to suspend transportation service for a student or to remove a student from the school bus en route.
- No student will be allowed to stand or sit in the lap of another student while being transported. Drivers will notify Company dispatchers if an overload situation exists, and the Transportation Department will make a vehicle or run adjustment.
- Route will be traveled, and pickups and discharges made in accordance with the student transportation policies, which include the following:
- For Type A, C and D buses – Drivers will be responsible to safely load and unload students only in the right lane of the roadway, at bus stops on bus routes approved by District.
- The school bus driver will supervise the safety of the students when they cross the street or highway before entering or leaving the bus, by activating the 8-way light system, stop arm and crossing gate.
- School bus stops are to be made only at the location specified on the route copy. Except for stops, which are specifically listed on the route copy as house stops, the school bus is to stop only at the designated corner, approximately ten (10) feet back from the intersection. Drivers who are approaching school bus stops where students are standing in the street, are pushing or shoving on the curb line or are exhibiting some other type of unsafe behavior must come to a complete stop at least ten (10) feet back from the students and may not finish approaching the students until the unsafe behavior has ceased.
- Loading and/or unloading in a turn lane or in a lane immediately adjacent to a designated turn lane is now legal (for all types of buses), with the permission of District. In Type A, C or D buses, drivers will use the 4-light system and students are not allowed to cross the roadway.
- The school bus driver will always wear a lap/shoulder seat belt when the vehicle is in motion.
- The school bus driver shall have the 2-way radio turned on with the volume adjusted so that the driver will hear when called. Driver will respond when dispatcher calls.
- The school bus driver will not operate a vehicle under this Agreement while wearing headphones or earphones. This does not prohibit the use of hearing aid devices worn by drivers who qualify with these devices under Minnesota Department of Public Safety Rule 7414.1200.
- The school bus driver will take reasonable precautions to protect students from injury.
- The school bus driver will stop the bus at all railroad crossings according to state regulations unless such crossings are marked "exempt."
- The school bus driver will not transport dangerous materials such as firearms or gasoline cans. Animals (except service or companion animals for students with disabilities) are not allowed on the bus. Musical instruments, encased sports equipment (uncased not allowed) or other items must fit between the student's legs and not extend above the student's waist. Objects that might endanger the safety of the driver or passengers are also forbidden.
- The school bus driver will observe the following procedures, which apply to all types of school buses (including Type III), when backing a school bus:
 - Never run a school bus in reverse on school property.
 - During loading at bus stops in which turning the bus around is required, pick up the students before backing up.
 - During unloading at bus stops in which turning the bus around is required, complete the turn-around before discharging the students from inside the bus.
- The school bus driver will obey all posted speed limits while operating a school bus. The driver will adjust the speed of the school bus when conditions (road, traffic, vehicle, light or weather) warrant reduced speeds.
- School bus drivers will not distribute, or allow distribution on the bus, any written, printed or electronic materials unless directed by the Company or Transportation Department staff.
- The school bus driver will follow District's protocol on smoking and tobacco products, which means no smoking, electronic cigarettes, or other tobacco use while on the school bus or on school grounds. Cigarette smoke resides in clothing and on the body. Avoid smoking prior to beginning your shift or while on break.
- The school bus driver will never use a school bus or any other related property for any other purpose than the transportation of students on to/from routes or on school-related activities.
- The school bus driver will stay in the driver's seat of the school bus or at the front door entrance of the bus when students are in the area. Whenever the driver leaves their bus, the driver will stop the engine, remove the ignition key and set the brakes.
- The school bus driver will always keep the entrance door closed when the bus is in motion.
- There will be no students in the school bus when the bus is being fueled.
- The school bus driver will immediately report all accidents or incidents, to the dispatcher or the Safety Supervisor and follow company protocol.
- In case of an accident or mechanical breakdown of the bus, the driver will not leave the bus but will summon help via cell phone if the 2-way radio is inoperable.
- Trailers may be pulled behind school buses for field trips or athletic trips only.
- The school bus driver will conduct a pre-trip safety inspection on the school bus before all trips.



- Twice during each school year, all students will be instructed in safe riding practices and will participate in emergency evacuation drills. All drivers will participate and educate students on the proper procedure to perform an emergency evacuation. This includes how to shut off the bus engine, place the radio microphone outside the driver's window area, where the seat belt cutter is located, and how to properly evacuate with the multiple exit points. The bus driver will instruct all students of the drill in advance and inform them that all personal items will remain in the bus while performing the drill. Each student will be directed of the procedure and demonstrate competency while performing the drill.
- The school bus driver will not use a cellular telephone at any time when the school bus is in motion or there are students on board or about to board. If required for business purposes under MN State Statute 169.443, a driver is to pull over in a safe location, shift into neutral or park and set parking brake. This includes texting while driving.
- The school bus driver must not use a video recording device on their bus to record any type of student interaction or activity.
- Information about individual student(s) pertaining to discipline problems, juvenile corrections, family situations, health conditions or disabling conditions is considered to be confidential information and is restricted under the provision of Section 34 of the Code of Federal Regulations and Chapter 13 of Minnesota Statutes, more commonly referred to as the Minnesota Data Practices Act.
- Confidential information regarding specific students may be supplied to a Company or contract driver, for the protection of the student or to facilitate safe transportation due to the student's unique needs. The school bus driver may not discuss this information with any person other than an authorized DISTRICT staff member. This information may not be released to any individual, or organization. Restricted data includes information on medical or handicapping conditions provided to the driver under state regulations.
- No news media, including reporters and/or photographers for any radio or television station or any newspaper will be allowed on any school bus operating under this Agreement or to interview any DISTRICT students while on the school bus, without the knowledge and permission of the Communications Director and the Transportation Department. Further, no news media will be allowed to photograph students on school property, including DISTRICT-contracted school buses, without the permission of the parent or guardian in the form of a signed release to DISTRICT on file for the school year. Any news organization seeking permission to ride on a DISTRICT route must be referred to DISTRICT.
- The school bus driver will not use profane or indecent language with the public, students, school staff or DISTRICT transportation staff.
- Drivers will take appropriate action to maintain order among the students when they are transported. Drivers will report all incidents of student misconduct or any other violation of the DISTRICT Discipline Protocol to the Dispatcher.
- If an emergency occurs, the school bus driver must immediately radio the dispatcher. The dispatcher must immediately notify the Transportation Department of an emergency after contacting the 911 emergency system dispatcher
- Drivers may not refuse to transport any student without prior approval of DISTRICT.
- The school bus driver must report to their dispatcher any instance in which he/she is requested to transport an unusual or unsafe wheelchair. The dispatcher must immediately forward this concern to DISTRICT.
- All medical devices, such as suction machines, oxygen cylinders, ventilators or respirator units will be securely attached to the wheelchair. Adaptive devices such as walkers or collapsible wheelchairs must be secured whenever the bus is in motion. Booster seats must be restrained whenever they are not occupied by a student.
- All school bus drivers are mandated reporters. If a driver witnesses or is made aware of a student being maltreated by staff or others must report all incidents if they have reason to believe that a student is being abused, neglected, or financially exploited. Maltreatments reports must be submitted directly to the Minnesota Department of Education and DISTRICT transportation must be informed as well.
- The school bus driver will observe all other operating rules and procedures (not listed above) as directed by DISTRICT.
- The DISTRICT School Board may adopt such additional operating rules as deemed necessary to meet local conditions and needs, providing they do not conflict with state laws and regulations.

33. **Loading and Unloading.** School bus drivers must comply with Minnesota State laws, Minnesota Department of Education regulations as well as DISTRICT Policies and Procedures when loading and unloading students. At the school, the bus will load and unload only at the right side of the curb or at designated places on school grounds. Upon leaving school grounds the buses will maintain a safe interval.

- If drivers feel that a designated stop is unsafe, they must notify their dispatchers and management team as soon as possible and inform them of any concerns or hazardous that are present. DISTRICT staff will work with the bus Company to address these concerns.

34. **Student Management on Bus.** Driver needs to maintain an orderly and safe environment on the school bus is the responsibility of the school bus driver.

- A driver who observes a student engaging in inappropriate behavior will verbally warn the student that his/her actions are improper. If the student continues to engage in this behavior, the bus driver will report the student's behavior on a Transportation Incident Report form and return it to their dispatcher.
- A school bus driver must be cautious in the actions he/she takes to achieve a safe environment on the bus. Inappropriate behavior must be reported, in writing, to the Company. The driver may assign seats if necessary.



35. **Prohibited personnel actions.** Company personnel shall NEVER do the following:
- Confront students in a showdown of authority.
 - Threaten a student who disobeys a bus safety rule.
 - The bus driver must refrain from indicating to a student what form of consequences will be administered.
 - Put a student off the school bus.
 - If a student insists on leaving the bus, the driver must instruct the student that he/she is not allowed to leave the bus except at the assigned stops.
 - Grab, hit, push, or use force toward any student on the school bus. Conditions under which a school bus driver is allowed to touch a student are to prevent a student from harming another student or harming himself/herself, or to assist a student.
 - Make statements to students that imply prejudice of any kind.
 - Use brakes as a form of discipline
36. **Discipline Reporting Procedure.** The school bus driver will report all inappropriate behavior to their dispatcher by means of the Transportation Incident Report form.
- Bus Company will enter a bus discipline report into the Transportation Incident Reporting System within 24 hours of the time of the incident.
 - The driver may check with their Dispatcher to review the Company's action taken concerning the discipline problem.
 - Discipline problems that are not reported in writing by the bus driver may result in disciplinary action against the driver.
37. **Special Education Transportation.** Beyond procedures and requirements described in Section 33, "Special Services" transportation involves additional care, training, and precaution to assure the safe transport of Students with special needs, as determined by the District, due to enrollment in a special education program. Company shall provide Special Services pick-up and drop-off services to and from schools as follows:
- Company will ensure that all Drivers assigned to the Special Services program are properly trained to meet specific needs of the student and of the proper disposition to transport and interact with Students in the Special Services program.
 - If Company becomes aware of any reason why a Driver in the Special Services program may not be suitable for an assignment to that program, or if the District notifies Company that it has reason to believe why a Driver in the Special Services program may not be suitable for an assignment to that program, Company will, within three (3) business days after notice is given by the District, promptly reassign any such Driver to a non-Special Services Route and replace the Driver with another Driver who is trained for and suited to the Special Services program.
 - Drivers will take special care in transporting Students in the Special Services program.
 - The school bus driver is responsible for the proper use of the wheelchair securement system and for ensuring that the system is in proper condition for use. The driver must:
 - Inspect the securement straps and the occupant restraint belts prior to use.
 - Report any worn straps to their dispatcher and ensure that worn parts are replaced.
 - Properly secure the system to the wheelchair according to the system manufacturer's operating instructions and pull on each strap and belt assembly to ensure proper attachment and adequate tension.
 - Check to ensure that the student is wearing the mobility device seat belt.
 - If the system is attached to the wheelchair by a bus Para, the driver must check each attachment to ensure the system has been properly applied.
 - Keep straps and belts off the vehicle floor, as much as possible, when not in use.
 - All Drivers must be trained and responsible for knowing and operating all specialized equipment according to District safety protocol including, but not limited to:
 - Wheelchairs
 - Buckle Guards
 - Safety Vests
 - Booster Seats
 - Scooters
 - Support Animals
 - Drivers will pick up and drop off Students in the Special Services program in the manner specified by the District, which could include home to school transportation. Company will provide route maps and stop listings to Drivers, which maps, and listings will indicate the directions of travel, time of pick up and/or drop off and the names and addresses of Students assigned to each Run.
 - Company will strictly comply with any specific policies and procedures of the District with respect to the transportation of children with disabilities.
 - All Drivers and assistants shall be provided specific training on students with disabilities and medical conditions for the students assigned to the route prior to execution of the route or as required by federal, state, or District requirements. Additional training will be required to train drivers in pro-active and de-escalation strategies when working with students who have emotional and behavioral challenges.
 - Training in these two areas will occur for no less than 6 hours and the cost of any such training shall be the sole expense of Company. All information related to students in the Special Services program shall remain confidential, in accordance with applicable federal and state law.
 - Company and its employees shall comply with applicable provisions of the Minnesota Rules 7470.1600 and 7470.1700 when transporting children with disabilities.



38. **Dry Run.** Company, in cooperation with the District, will be responsible to assure proper driver route knowledge including use of “Dry Runs” (live route running) prior to the school year if deemed necessary.
39. **Emergency Drills.** During the school year, Company will periodically conduct emergency exit drills in accordance with applicable laws, rules and guidelines.
40. **Notification of Delays.** Company shall immediately notify the District and each affected school or other site, parent or guardian of any Transportation Service delay in excess of 10 minutes, including bus breakdowns. Company will provide such notice at the commencement or “sign-on” time for the affected Route or as close to such time as reasonably possible. For the avoidance of doubt, it is Company’s responsibility to directly notify all affected schools of any delay in Transportation Services.
41. **Unscheduled School Closing.** To the extent practicable, the District shall notify Company not later than one (1) hour before early dismissal or early school closure and Company shall pick up the affected Students and transport them from school along their typical Routes. Company acknowledges that early dismissals or closures will happen from time to time during the school year, and Company shall establish an early dismissal plan to accommodate early dismissals or closures on a safe and timely basis. The decision to implement an early dismissal or school closure may only be made by the District. Such decisions will be communicated to Company only by the District’s superintendent or another individual designated by the District.
 - Weather. In the event of inclement weather or impassability of roads or whenever school is canceled, delayed or is dismissed early, District shall notify Company not later than 5:30 a.m. on the day of such cancellation
42. **Additional Activity Services.** Company shall provide Transportation Services for extended school day activities, altered school start/dismissal times, and other activities at times and locations as the District may require from time to time.
43. **Emergency.** In the event of an emergency, crisis, or other highly important event the Company must be willing to quickly recruit drivers and dispatch school buses to a location within District to safely evacuate students, staff, and community members to other designated sites within District at a moment’s notice

BILLING AND PAYMENT

44. **Billing.** Company shall invoice District for all services rendered during the previous month within thirty-five (35) days of the end of the previous month.
 - District will process invoices for payment within thirty-five (35) days of receipt
 - The bills and invoices will be in a format and media type as approved by District
 - The standard invoicing structure will include basic information such as number of buses, hours, mileage, and days operated.
 - District requests that the Company sends District a preliminary invoice for all mid-day, excess time, late activity, and adaptive sports invoices.
 - District will review the pre-invoice and work together with the Company to finalize a final invoice to be submitted to District.
 - Live time invoicing will be calculated the following way: on the first and fifteenth of each month District will send the Company a report generated from routing software that provides them with the excess time for each route. The Company will use this report to create a monthly invoice for any excess time billing.
45. **June Billing (annually).** District requires the Company to invoice District twice in the month of June for all year-end services.
 - The Company will invoice all outstanding transportation services for the current fiscal year no later than the end of the week of the last day of school before the summer break. Invoicing will include home-to-school, overtime, field trips, activities, fuel escalation, hold back, and all other transportation-related services. A final cleanup invoice for the month of June will be submitted no later than seven (7) days following the last day of June. This will include all summer school routes for the month of June and any field trip work completed by Company for the school year.
46. **Billing Definitions.** The following will be definitions will be utilized in determining billing:
 - “Live Time” is defined as the time from when bus arrives at the assigned pickup location at the designated time to the time at which all assigned riders are dropped off at their assigned destination
 - “Overage” fees apply when schedule routes run greater than 5 minutes more than projected route time. These will be invoiced in fifteen (15) minute blocks.
 - “Mileage” fees apply when a charter/activities bus runs more than 30 miles outside of District boundaries. This mileage will be determined by the routing software and agreed upon by both Company and District.



47. **Payment and Terms.** District will process invoices for payment within thirty (35) days of receipt pursuant to MN Statute 471.425.
- District has no obligation to pay for services that are not satisfactorily performed or performed in violation of federal, state or local law, ordinance, rule or regulation.
 - In the case of a dispute about satisfactory performance of services, the parties agree to work in good faith to resolve any disputes.
 - If either party does not dispute an invoice in writing within 180 days of receipt of the invoice, no action challenging the invoice may be taken.
48. **Taxes.** District is exempt from paying Minnesota sales/use taxes on certain purchases, per Minnesota Statute, Section 297A.70.
- Company shall not charge District for such sales and use taxes. Alternatively, Company shall be responsible for the payment of any and all sales taxes to the Minnesota Department of Revenue relating to the following taxable items sold pursuant to this Agreement; construction materials, leasing of motor vehicles, food and lodging, [See Minnesota Statute 297A.70]. Company shall promptly reimburse District for any and all such sales and use taxes paid by District to any governmental authority on behalf of Company including penalties and interest with respect thereto and including any and all expenses (including attorneys' fees) or damages that result from a failure by Company to properly remit or reimburse District for any and all such sales and use taxes provided above.
 - District may be obligated by state and federal law to withhold state and federal taxes from the consideration stated herein. These taxes may consist of, but are not limited to, the Minnesota state entertainer tax, Minnesota state nonresident withholding tax, federal withholding on payments to foreign nonresident aliens, and federal backup withholding.

COMPENSATION AND FEES

49. **Fuel Cost Adjustment Fees.** The fuel surcharge/reimbursement is defined as below
- Diesel
 - If the average price of diesel fuel exceeds the fuel base rate, established at \$2.41 per gallon, District will reimburse Company for 100% of the cost over the established base rate.
 - Purchase price of fuel will be the invoice price minus the Federal Excise Tax.
 - Gasoline
 - If the average price of gasoline exceeds the fuel base rate, established at \$1.41 per gallon, District will reimburse Company for 100% of the cost over the established base rate.
 - Purchase price of fuel will be the invoice price minus the Federal Excise Tax.
 - Propane
 - If the average price of propane exceeds the fuel base rate, established at \$2.30 per gallon, District will reimburse Company for 100% of the cost over the established base rate.
 - Purchase price of fuel will be the invoice price minus the Federal Excise Tax.
50. **Compensation for Cancellations.** Should the district cancel routes, Company will be compensated as such:
- For any route cancelled by District during school year, Company will be compensated for the remainder of that operating week.
 - Company will never receive less than due to a cancellation but is responsible to maintain this compensation in escrow to assure payroll should cancellation day be rescheduled.
51. **Compensation for Closures due to Weather.** Compensation for route cancellation due to weather conditions:
- For the first two (2) cancelled operating days due to weather for each school year of the contract, route fees will be 100% waived by Company.
 - For the next five (5) closures, Company will be paid forty percent (40%) of regularly scheduled route rates by District.
 - Any operating days that are postponed/rescheduled will be invoiced during the invoice period in which the rescheduled operating day occurred.
52. **Compensation for extended-term service cancellation.** Should the District be required shut down or significantly reduce its need for transportation services due to circumstances for ten (10) or more operating days BUT maintain the intention of restoring 75% or more of its pre-cancellation operations:
- Company will receive the greater of 50% of all cancelled route rate OR 100% of driver and support staff payroll for up to 120 operating days.
 - Company may NOT lay off personnel utilized during this time
 - District reserves the sole right to EXTEND this benefit
 - In instances in which service is suspended beyond 120 operating days, Company and District will negotiate additional compensation based on State/Federal guidance provided.
53. **Legislative changes impacting operating cost-to-serve.** In the event that legislation is approved/implemented that directly impacts the cost of operating for Company from prior year of ten percent (10%) or more, Company and the District shall negotiate a good faith remedy, including but not limited to pricing modifications different than those documented in Exhibit A, to assure solvency for Company to successfully maintain quality service to District.



RECORDKEEPING AND REPORTING RESPONSIBILITIES

54. **Records Management and Maintenance** Company shall maintain current and update to books, records, and accounting documents.
- District shall have the right to inspect and copy such books, records, and documents only in the event that there is sufficient evidence of financial irresponsibility or discrepancy in billing for services rendered by Company that cannot be resolved unless records are examined. At which point, Company will provide relevant documents only.
 - Company shall make such items available for inspection during normal business hours at Company's place of business. Such records may be subject to copy, review and/or audit by District, State Auditor and/or the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work under this Agreement. All such items shall be retained by Company during the term of this Agreement and for a period of six (6) years after the delivery of the goods and/or services. Any items relating to a claim arising out of the performance of this Agreement shall be retained by Company, its agents and subcontractors, if any, until the claim has been resolved.
55. **Operational Reporting.** Company shall keep accurate records and submit regular written reports to the District on various topics and categories of information in the format preferred by the District upon request (unless schedule dictated below), including, but not limited to the following:
- Monthly ridership and bus load data
 - Maintenance status of all Vehicles
 - MVRs from the MN Department of Public Safety for all drivers (no less than annually)
 - Vehicle inspection reports
 - After the MN Department of Public Safety school bus annual inspection, or after any random inspections which may occur, Company shall forward a copy of the inspection results to District as requested.
 - Company shall provide a weekly updated list of drivers and all pertinent driver data.
 - Accident summary reports (as requested) to be provided by the 10th of each month, summarizing all accidents that occurred during the previous month, however, Company shall promptly notify the District upon the occurrence of an accident as noted above.
 - Load Analysis (monthly)
 - Late buses (daily report)
 - Undeliverable Students example- report of Students whose parent or guardian is not home or at a stop to receive the child (daily report);
 - Personnel status, including number of Drivers on hand, terminated, in training
 - Safety/Discipline reports
 - Driver absences
 - School Bus Seating Charts
 - Stop Arm Violations
 - Fuel Reports
 - Drug and Alcohol Testing
 - Such other reports as the District may reasonably require

DRIVERS AND PERSONNEL

56. **General.** Company shall hire and employ all necessary personnel to perform the Services in a professional manner (collectively, "**Personnel**"). Personnel shall include bus drivers ("**Drivers**"), supervisors maintenance staff, administrative and support staff, and such other personnel as may be required to perform the Services.
57. **Relationship of Employees.** The parties agree that all Personnel shall be deemed the employees of Company and such Personnel will not be considered employees of the District for any reason or purpose. Company shall have the responsibility for hiring, training, retaining and terminating all Personnel. Company shall direct the place, time and performance by Personnel of the duties assigned to such Personnel in the manner Company deems appropriate to provide the Services in accordance with the terms of this Agreement. The District may notify Company of reasonable concerns it has as to certain Company Personnel. In such event, Company shall review the concerns articulated by the District and take prompt action to address the District's concerns in a manner the Company deems appropriate. The determination of any appropriate corrective actions or sanctions shall rest with Company alone, provided, however, that the District shall have the right to require Company to remove from service under this Agreement any employee who, at the District's sole discretion, is deemed unsuitable to provide services under this Agreement, provided the request is made in writing and it does not violate applicable laws and regulations. Company will respond promptly to such District requests. Company acknowledges and agrees that its Personnel are not eligible for any District employee benefits, including, but not limited to: holiday, vacation or sick pay, social security, Medicare, unemployment or disability insurance, workers' compensation, health benefits, 401(k), or any other employee benefit (collectively, "Employee Benefits"). Company alone will be responsible for withholding and paying employment-related taxes for Company Personnel. Company will defend, indemnify, and hold harmless the District and its school board, administrators, employees, and agents from and against any entitlement, assertion, and/or claim to any Employee Benefits made by, or on behalf of, any Company Personnel in connection with the Services provided under this Agreement.
58. **Worker Eligibility in Hiring Process.** Company agrees to meet all Bureau of Citizenship and Immigration Service Requirements in hiring process
- Company shall comply with all applicable requirements of the BCIS relating to employment including but not limited to confirming nationality for all employees and complying with requirements for employing aliens if appropriate.



59. **Nondiscrimination.** The Company will maintain a policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, sex, national origin, age, marital status, disability, public assistance status, veteran status, or sexual orientation and is committed to transacting business only with firms who follow these practices.
- Company must apply every good faith effort to ensure implementation of this policy in their practices of employment, upgrade, demotion or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
 - As applicable, Company shall also develop and have on file for each of its establishments, written Affirmative Action Plans, as may be required by the rules and regulations of the Secretary of Labor.
 - By accepting this Agreement, Company certifies that it complies with all applicable federal and state laws as well as District policies related to non-discrimination, equal employment opportunity, and affirmative action.
 - During the performance of this Agreement, the COMPANY shall not unlawfully discriminate against any employee or applicant for employment because of race, color, creed, religion, gender, national origin, sexual orientation, disability, age, marital status, or public assistance status. The COMPANY will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment in compliance with state and federal laws.
60. **Personnel Health and Safety.** Company shall be solely responsible for the health and safety of its employees and/or self in connection with the work performed under this Agreement. Company shall:
- Make arrangements to ensure the health and safety of all subagents and other persons who may perform work in connection to this Agreement.
 - Ensure all personnel, subagents and/or self are properly trained and supervised and, when applicable, duly licensed or certified appropriate to the tasks performed under this Agreement.
 - Comply with federal, state and local occupational safety and health standards, regulations, and rules promulgated pursuant to the Occupational Health and Safety Act that are applicable to the work performed by Company.
 - Company shall develop and implement an emergency plan and procedures to follow in emergencies.
61. **Driver Qualifications and Background.** Company shall conduct a criminal background check, to the greatest extent allowed by applicable law on all candidates considered for employment and bi-annually after hiring for any personnel under this Agreement. Company shall consider the results of such criminal background check in making its hiring decisions.
- Company shall ensure that no personnel, employee, agent, or subcontractor who has ever pled guilty to or been convicted of any felony crime involving the physical neglect of a child, the physical injury or death of a child, the sexual exploitation of a child, child cruelty, a sexual offense where a minor is the victim, or violation of similar laws of any jurisdiction will work, on a permanent or temporary assignment, at a District school or on a District school bus or have contact with Students at a District school or on a District school bus during the course of his or her employment,
 - Failure to comply with this Section shall be a material breach of this Agreement.
62. **Drugs and Alcohol; Professional Conduct.** Company shall not knowingly permit Drivers to use tobacco in any Vehicle or District property, to drink any intoxicating beverage in any Vehicle, and to be under the influence of drugs or alcohol while operating any Vehicle.
- Company will conduct drug and alcohol testing of its Personnel in accordance with applicable State and Federal laws, and regulations and Company policies.
 - Company shall take reasonable steps to prevent its employees from exposing any Student to impropriety of word or conduct.
 - No Driver shall possess a weapon of any kind or naturewhile in the performance of his/her duties.
63. **Dispatch Staff.** Company will dedicate a minimum of one (1) full-time dispatcher and one (1) part-time dispatcher.
64. **Rules of the Road.** All Drivers shall observe and obey all traffic rules and regulations imposed by the State of Minnesota and municipalities while providing Transportation Services
65. **Training.** Company is responsible to assure all employees, volunteers, agents, and/or subcontractor have received and secured all necessary training, certifications, and licensures to safely and legally perform any task assigned to that individual.
66. **Driver Responsibilities.** The primary responsibility of each Driver shall be the safe transport of Students along established Routes and as otherwise provided herein. Drivers are also responsible for Student discipline in accordance with the terms of this Agreement.
67. **Dress Code.** Company shall require Drivers to wear appropriate work attire, the definition and design of which shall be determined in Company's reasonable discretion. Company will supply any required uniforms and identification badges at its expense.
68. **Substitute/Back-up Drivers.** Company shall employ a sufficient number of Drivers, aides and support Personnel to ensure the Services are provided in continuous and reliable manner. Company shall at all times maintain as backup/substitute Personnel a pool of unassigned trained, qualified, certified Drivers necessary to provide Transportation Services on a daily basis. Substitute/backup Drivers shall fully comply with all requirements pertaining to Drivers under this Agreement. Whenever a regular Driver is off on a planned absence or sick leave of more than two days, to the extent possible, the same substitute Driver shall be used to cover the entire absence of the regular Driver.



69. **Driver-specific Training.** Company shall make sure all Personnel are properly trained in the duties they are employed to provide. Drivers shall be able to communicate effectively orally and in writing. Each Driver will have a valid Commercial Driver's License. Each Driver will have a certified safe driving record according to the requirements of Minnesota law. In addition, Company shall provide:
- Training in these areas prior to driving any Route:
 - Harassment training; bullying; Student management; the District's emergency plan; special needs training; Route sheet reading.
 - Available instruction in the following areas: pre- trip/post-trip inspection instruction; Initial defensive driving instruction; basic control skills instruction; basic operation instruction; road test instruction; emergency equipment and specialized equipment instruction; and such other areas as the District may require.
 - Pre-service and In-service training as prescribed by Minnesota Statute 171.321, subd. 4.
 - District requires preservice training of 40 hours, which will consist of a minimum of 24 hours behind the wheel and 16 hours of classroom instruction.
 - In-Service Training: Company shall conduct mandatory safety meeting(s) attended by all drivers and support staff at a minimum frequency of quarterly. Minutes of each meeting along with the attendance roster will be sent to District.
 - Failure to attend mandatory safety meeting is a violation of District protocol.
 - District shall be allowed to provide training in conjunction with Company to provide training topics and materials to all drivers.
 - Company will require all employees serving District to attend an annual back to school in-service training in August of each school year.
 - Any real-time "live" practices for each a.m., noon, and p.m. route with the assigned driver prior to the school year starting will not be charged to District. The live exercise date will be established by District. This live exercise practice must have the assigned driver driving the route who has already been trained, licensed, and driven the route prior to the event. District and Company will be in the field to review arrival, departure, and bus line up procedures at District sites.
 - Require new drivers to be trained on the actual route they are assigned or bid onto prior to driving the route solo. Each driver will be certified by a driver trainer or designee certifying their knowledge and ability to perform the tasks necessary to perform the route safely and efficiently. A certification process for each driver will be presented to District as the driver comes on board and annually.
 - Require all drivers to be trained and participate in District's PBIS (Positive Behavior Intervention Strategies).
 - Annual and ongoing training will be provided to drivers by the Company and District in collaboration
 - Require all drivers to support and receive training regarding Policy 102 – racial equity in educational achievement.
 - This includes racial equity training designed and delivered by District staff annually.
 - Provide training for drivers of special education will include proper handling and securement of wheelchairs, operation of lift equipment (including instruction and practice in the operation of the lift in the manual mode in the event of an electrical or control unit failure), information about disabling conditions, and behavior management for students with special needs.
 - Provide annual refresher training and certification for drivers who transport students with special needs.
 - This training must include specialized training, including, but not limited to, proper techniques for securing wheelchairs, cam straps, safety vests, and buckle guards.
 - Provide additional training to all drivers who are designated as drivers who can pull trailers behind school buses while in the service of providing field trip work for District
 - Seek prior written approval from the Supervisor of Transportation of each driver who requests to bring their own child with them on the route.
 - The Agreement must have a Child Ride-Along procedure/policy in place that meets the requirements of District.
 - Drivers will be granted permission on a case-by-case basis when space is available.
 - Conduct annual evaluation: Minnesota Statute 171.321 subdivision 5 specifies that drivers will receive a driving evaluation at least once a year. Company shall forward a copy of the certification of the evaluation on all drivers to the District Transportation Department
70. **Notification of Permanent Change of Bus Driver.** In the event Company makes a permanent change of assignment concerning a regular bus driver or regular bus aide, Company shall promptly notify the District's Transportation Department of such change.

VEHICLES AND EQUIPMENT; FUEL

71. **General.** Company is responsible for providing Maintenance Services for the buses used by Company in providing the Transportation Services. Such vehicles are referred to interchangeably herein as "Buses" or "Vehicles."
72. **Condition and Maintenance.** Company shall furnish school buses that meet or exceed the current "National Standards for School Buses and Operations" as adopted by the National Conference on School Transportation and comply with the unique requirements of DISTRICT as established in these Specifications and Appendices. Buses will comply with all Federal and State of Minnesota regulations, laws, and rules for school bus operations.
 - District reserves the right to review maintenance records at any time during the Term.
73. **Fleet appearance/sanitization.** Company shall keep the bus fleet clean and sanitary. Buses will be washed monthly when weather permits, and interiors cleaned a minimum of once per day to assure a clean and safe environment for bus passengers.
74. **Bus Identification.** All buses will be identified by the name of the Company operating the bus on the battery box and will be labeled with the Company's approved name on the beltline and a coordinated numbering system upon consultation with District.
 - The number shall be located under the windshield on each side of the bus.
 - Each bus will have its identifying number a minimum of four inches (4") high in the center of the rear emergency exit door.
 - The bus numbers are to be displayed on the outside of the bus to the left of the front service door.
 - When spare buses are used, the Company shall place a magnetized sign or another acceptable device over the spare bus number with the number bus route it is running and post a sign in the appropriate window on the service door side of the bus.



75. **Vehicle Age.** Company shall maintain modern fleet compliant with State and Federal standards and regulations.
76. **Storage.** Company will store and park buses at the Facility when not in use. Company will abide by all applicable laws and ordinances pertaining to the parking of buses. At anytime during the Term, the District may inspect any and all buses and storage facilities to ensure compliance with Company's maintenance obligations hereunder.
77. **Fuel.** Company is solely responsible for its custody, safe keeping and dispensing of fuel for Company's use. Company assumes the risk of loss from any loss, misuse, theft or damage in relation to Company's usage.
- Company will manage fuel with software and programs approved by District
 - School buses operated on route, field trip or activity trip service under this Agreement may NOT be fueled by compressed natural gas (CNG), liquefied natural gas (LNG) or any fuel other than gasoline, diesel fuel, or propane without the written permission of District.
78. **Mechanics and Technicians.** Company will employ as Personnel a sufficient number of full-time, qualified, certified (when applicable), and experienced mechanics and technicians to provide maintenance services to assure vehicle safety and performance.
79. **P.A. Systems.** Company shall have all new Type C and D buses equipped with a public address system with four functional interior speakers and one exterior speaker for the purposes of communicating with students inside and around the "danger zones" outside of the school bus.
80. **Student Crossing Gates.** Company shall provide crossing gates for all Type A, C, and D buses used in the Agreement.
- Company shall install the crossing gates, maintain them and train drivers in the proper use of the gates
81. **Strobe Lights.** All contracted buses will be equipped with roof-mounted strobe lights for use during poor visibility
82. **Windows.** All new purchased/leased Type A, C, and D school buses with tinted passenger windows.
83. **Seatbelts and Restraints.** Company will provide booster seats and other necessary student securement/restraint systems (safety vests and cam straps) that are needed under the terms of the Agreement and the laws pertaining to special education.
- Company shall use wheelchair securement systems (ratchet type tie-downs) as approved by District and the driver will follow District prescribed tie-down procedure.
84. **Wheelchair Lift Equipment.** Company will provide a sufficient number of Type A with wheelchair lift equipment that meets all A.D.A. requirements, other Federal requirements and State of Minnesota rules and laws to meet District's routing needs.
- All lift buses operating under this Agreement shall be equipped with an emergency fire blanket for use in an emergency "drag type" evacuation of students who use wheelchairs or students that may require a lift bus.
 - Company shall provide a "space blanket" for each student who uses a wheelchair and/or is medically fragile that is assigned to a bus.
85. **Trailers.** Company shall maintain ability to provide up to four enclosed, (weather tight) trailers and a sufficient number of vehicles equipped with proper tow kits to safely tow them.
86. **Two-Way Radio.** All vehicles transporting all students to and from school, on field trips, activity trips, or on between-building programs, must be equipped with working two-way radio equipment. The radio equipment must be turned on and monitored by the driver whenever transporting District students or staff. The radio system must be adequate to provide effective communication between the Company's operational office and any bus on an assigned route. The Company shall provide a cell phone or other communication device, as approved by District if the bus will travel outside the normal range of its two-way radio.
- Should District deem necessary in the future, the Company will work with District to provide approved access to radio frequency/programming District own radios in order to gain access to radio transmissions between the Company and its vehicles
87. **Audio/Video Recording Systems.** District requires that all buses (Type III, A, C, and D) be equipped with digital video & audio recording systems. Required specifications and configurations (and/or changes) will be provided by the district annually, no later than May 1st.
- If the District requests a copy of a video from a camera, Company must upload it to a secure FTP site or electronic means of transferring video that the District can access or deliver the requested video before 11:00 AM the following day. Company shall ensure that the video camera systems are properly installed and operational in all buses. The Company shall ensure that each video system is a "locked system" that may be accessed only by authorized personnel (staff designated by the District and manager and supervisor level Personnel of Company). Company is responsible, at its expense, for maintenance, repair and replacement of such video systems. Company shall inspect video systems during regularly scheduled maintenance and inspections to ensure that the system is functioning as intended, including during times of extreme weather conditions. Company will ensure that all recorded video and audio will be archived for a minimum of fifteen (15) school days.
88. **GPS.** Each vehicle in the company fleet shall be equipped with a GPS system that conforms to the needs and specifications of District. GPS data and software tools shall be provided to DISTRICT as part of the Agreement.
89. **Changes in Laws or Requirements.** If the District or any governmental agency imposes additional equipment requirements other than those set forth in this Agreement, which are specific requirements for the operation of this Agreement or immediate installation is required for continuing operation of the Vehicles, Company and the District shall negotiate in good faith concerning price increases applicable to such equipment installation and any associated increase in Vehicle maintenance costs.



AGREEMENT APPROVAL

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement as of the date indicated next to the name of the party who signs below:

Authorized Signatures

Ms. Dana Geller
School Board Chair
ISD #110 - Waconia Public Schools "DISTRICT"

Mr. Brian Koch
President
Koch School Bus Service "COMPANY"

Date

9/7/2023

Date



EXHIBIT A

1. “To and From” Routes Services

The cost for all regular “to and from” A.M. and P.M. routes, including: Regular routes, Integration/Desegregation routes, open-enrolled home-to-school) open-enrolled home-to-school transportation for the days of school operation. using the following unit costs:

Description	Vehicle Type	“Live” Time incl.	Billed U/M	Overage U/M	2023-24 Contract Rate	2023-24 Overage Rate	2024-25 Contract Rate	2024-25 Overage Rate	2025-26 Contract Rate	2025-26 Overage Rate
Daily Route	C, B, A	4 hours	per day	per ¼ hour	\$335.75	\$21.50	\$369.33	\$22.50	\$402.57	\$23.50
Daily Route [1/2 day/Split]	C, B, A	2 hours	per day	per ¼ hour	\$168.00	\$21.50	\$184.80	\$22.50	\$201.43	\$23.50
Daily Route	Type III	4 hours	per day	per ¼ hour	\$305.50	\$21.50	\$366.60	\$22.50	\$399.59	\$23.50
Daily Route [1/2 day/Split]	Type III	2 hours	per day	per ¼ hour	\$155.00	\$18.50	\$186.00	\$22.50	\$202.74	\$23.50
Partial Route (10 mile max)	Type III		per day	per ¼ hour	\$42.75	\$21.50	\$47.03	\$22.50	\$51.26	\$23.50

2. Special Services/Special Education Route Services

The cost for all special education and special needs A.M. and P.M. services, including open-enrolled home to-school transportation services, for the days of school operation using the following unit costs:

Description	Vehicle Type	“Live” Time incl.	Billed U/M	Overage U/M	2023-24 Contract Rate	2023-24 Overage Rate	2024-25 Contract Rate	2024-25 Overage Rate	2025-26 Contract Rate	2025-26 Overage Rate
Daily SPED Route [Full]	Type A	4 hours	per day	per ¼ hour	\$335.75	\$21.50	\$369.33	\$22.50	\$402.57	\$23.50
Daily SPED Route [Full]	Type A w/ Lift	4 hours	per day	per ¼ hour	\$335.75	\$21.50	\$369.33	\$22.50	\$402.57	\$23.50
Daily SPED Route [1/2 day/Split]	Type A	2 hours	per day	per ¼ hour	\$168.00	\$21.50	\$184.80	\$22.50	\$201.43	\$23.50
Daily SPED Route [1/2 day/Split]	Type A w/ Lift	2 hours	per day	per ¼ hour	\$168.00	\$21.50	\$184.80	\$22.50	\$201.43	\$23.50
Daily Route SPED Route [Any]	Type III	4 hours	per day	per ¼ hour	\$305.50	\$21.50	\$366.60	\$22.50	\$399.59	\$23.50
Daily Route SPED Route [1/2 day/Split]	Type III	2 hours	per day	per ¼ hour	\$155.00	\$21.50	\$186.00	\$22.50	\$202.74	\$23.50
SPED Partial/Shared Route [10 mile max]	Type III		per day	per ¼ hour	\$42.75	\$21.50	\$47.03	\$22.50	\$51.73	\$23.50



EXHIBIT A (cont'd)

3. Activity, Charter, Extra-Curricular, Late Bus, Mid-Day, and Summer School Transportation

The cost for all for services outside of scheduled daily routes using the following unit costs:

Vehicle Type	"Live" Time Route Minimum	U/M	2023-24 Hourly Rate	2024-25 Hourly Rate	2025-26 Hourly Rate	2023-24 Idle Driver Rate*	2024-2025 Idle Driver Rate*	2024-2025 Idle Driver Rate*	2023-2024 Mileage Rate**	2024-2025 Mileage Rate**	2025-2026 Mileage Rate**
Type C	2-Hours	Per Hour	\$55.00	\$60.50	\$65.95	\$30.00	\$32.50	\$35.00	\$1.77	\$1.95	\$2.12
Type A	2-Hours	Per Hour	\$55.00	\$60.50	\$65.95	\$30.00	\$32.50	\$35.00	\$1.77	\$1.95	\$2.12
Type III	2-Hours	Per Hour	\$52.00	\$57.20	\$62.35	\$30.00	\$32.50	\$35.00	\$1.34	\$1.47	\$1.61
Trailer	Trailer	Per Trip	\$50.00	\$55.00	\$59.95						

*Idle Driver rate applies for every hour of non-live time beyond 10 minutes for drop off/pickup when it is NOT logistically or economically responsible to have driver return to company facility and return for pickup

**Mileage applies to every mile driven outside of 30-mile radius of district boundaries

4. District usage of Company Vehicles

The cost for District use of Company vehicles by qualified district personnel (vehicle only)

Vehicle Type	2023-2024 Mileage Rate	2024-2025 Mileage Rate	2025-2026 Mileage Rate
Type III Van	\$1.34	\$1.47	\$1.61

5. Future Years Rate Schedule

Rate changes for future years are defined as below

School Year	Contractual Rate Increase
2024-2025	As presented in Exhibit A or CPI (if CPI is greater)
2025-2026	As presented in Exhibit A or CPI (if CPI is greater)
2026-2027	Greater of 3% or CPI for all services
2027-2028	Greater of 2% or CPI for all services
2028-2029	Direct Negotiation
2029-2030	Direct Negotiation
2030-2031	Direct Negotiation
2031-2032	Direct Negotiation
2032-2033	Direct Negotiation

1.D. Site Logic Discussion