

MONROE COUNTY COMMUNITY SCHOOL CORPORATION
BOARD OF SCHOOL TRUSTEES
Work Session, April 4, 2008

MEMORANDA

The Board of School Trustees of the Monroe County Community School Corporation met in work session, for which proper notice had been given, at 9:00 a.m. on Friday, April 4, 2008, at the School Administration Center, 315 E. North Drive, Bloomington, Indiana.

Board members present: Jeannine Butler, Susan Daniels, Teresa Grossi, Valerie Merriam, Jim Muehling, Lois Sabo-Skelton {arrived when indicated in minutes}, and Sue Wanzer

Also present: James Harvey, Superintendent; Tim Thrasher, Comptroller; Mike Scherer, Director of Extended Services; Mike Clark, Director of Transportation; Janet Tupper, Administrative Assistant; and Bethany Nolan, Reporter for *The Herald-Times*. In addition to the above, six contract bus drivers signed the visitor list (which is included as a part of the official record of this meeting).

President of the Board, Teresa Grossi, called the meeting to order at 9:00 a.m. Dr. Grossi explained that this was a time for the Board to receive information and discuss contract bus route bids. She suggested that if those present to observe the discussion had questions, they should save them for the next regular meeting of the Board when a time is set aside for dialogue with the public.

Contract Bus Route Bids – Mr. Harvey said contract bus route bids were opened on April 2. Noting that bidders can bid on one or multiple routes, he said we have a computer program that analyzes all of the bids by considering various bid combinations, similar to a class scheduling package, and produces what is the most economical situation. He explained that there may be bidders on five routes and they are low on all five thus we will not get the lowest bidder on the other four routes. In response to a question, Mr. Scherer confirmed that generally the lowest bidders will be assigned a route.

Mr. Harvey further explained that the shortest routes tend to have the highest per mile cost because the driver has some fixed costs that must factor into the equation. He said there are some variables but in the end the administration determines which route will go to which bidder. He said there were 38 bidders on 34 routes and four individuals will not get routes.

Mr. Scherer pointed out the budget shortfall that would result with any combination of bids, including if a cap is set and re-bids or negotiations result in drivers accepting the cap. He explained the tabulation of bids, noting fifteen (15) low bidders and advising that of the fifteen some were low bidders on as many as eight routes but those listed were felt to be the best fit. He said his recommendation would be that we reject the nineteen (19) remaining bids and re-bid with a suggested cap and that cap was noted on the spreadsheet in 'red'.

Mr. Harvey said they tried to take into account if a low bid had set the target, i.e. had we accepted that bid there was somebody willing to run that route for that amount. He said drivers are worried about a three-year commitment and they protected themselves. He said since the state took away state support for transportation we have no place to go for additional money and we must give the bidders some idea as to what we think is reasonable. {Dr. Sabo-Skelton arrived}

In response to a question, Mr. Thrasher said the budget calculations are based on what we spent in previous years. He said we do know, based on state statutes, that our maximum increase will be four percent. Mr. Harvey added that we have not advertised the 2009 budget yet but the state will tell us how much we can generate. Both agreed that gas prices account for a significant increase in the cost of bids received. Mr. Harvey said Mr. Scherer and Mr. Clark started in the fall trying to design more efficient routes and we will drive about 500 miles per day less next year because of that efficiency. He agreed that more walk-in areas would help; however, some of these routes must be run.

In response to a question regarding whether there was any discrepancy in route 125, Mr. Scherer said this is a former Lawrence County driver who lives in the area of this route. He confirmed that the total amounts listed are annual amounts but noted that the drivers must deduct from that fuel costs, taxes, repairs, bus costs, insurance, etc. Mr. Harvey added that they had a discussion with drivers about the age of buses.

A suggestion was made that it would help if the cap for rejected bids included a per mile amount, i.e. the cost per mile could go up to accommodate fuel escalation or perhaps they could bid fixed costs but include a fuel escalation. Mr. Harvey said that had been taken into account. Mr. Clark said they will now check fuel costs two times per month. Mr. Scherer confirmed that if school started tomorrow we would start with an increment the first day. He responded that the State Board of Accounts will not permit school corporations to purchase fuel in bulk at a lower price and then sell to contract drivers; there would be no way to verify how the fuel is used. Board members asked about the possibility of the drivers creating a cooperative to purchase gas at a cheaper price. Although government contracts operate differently, they believe it is worth investigating. Mr. Thrasher will check with the State Board of Accounts.

During ensuing discussion Mr. Harvey explained that the bid 'cap' for these routes would be a suggested target for receiving bids. He said the bids received could come in higher or below it. Mr. Scherer confirmed that awarding bids is strictly based on a dollar figure; it is a business. Board members agreed that the budget is created at the state level and local school systems make the best of the situation. It is clear that the amount of money available drives the decision, eliminating the possibility of looking at other considerations (such as how long a driver has driven a route, parent choice to keep the same driver, etc.). Mr. Harvey pointed out that the routes we are bidding this time are not identical to existing routes. He expects to hear from parents because of not having the same driver. He said in some cases these are combined routes. He said a driver may bid on five routes but prefer to have one or two, but they may end up with one that was not their first choice.

Mr. Harvey noted that in 2006 when we changed the calendar, which added additional days to that year's budget, and as fuel prices escalated the transportation fund went into deficit. He said the fund did not go into 'red' in 2007 but the General Assembly has taken away all of the ways we have to shore up this fund. He said if we have a shortfall, we may have to put off ordering tires, etc. Board members commented on budget difficulties: we can build schools but can't meet transportation expenses; 65% of the budget must go to 'instruction' but social workers are critical to the process and they do not count as 'instruction'; etc. Mr. Clark mentioned the fact that school systems must now provide transportation for 'homeless' children even if they live in another county and that additional cost is not funded either.

Board members discussed with Mr. Scherer the timeline for awarding bids. He said plans are to bring a recommendation to the Board on April 15 to award bids for fifteen routes and reject bids and re-bid nineteen routes as noted. He said the bid process requires ten days between the last advertisement and opening bids. **Consensus:** Board members agreed to facilitate the process by meeting in special session at 5:00 p.m. on Tuesday, April 8, for the purpose of awarding bids for contract bus route bids.

Mr. Scherer responded to questions regarding pros and cons of re-bidding routes as opposed to negotiating with low bidders. State statute supports using either process for finalizing these contracts. Dr. Grossi confirmed that this will be the only agenda item for the special meeting on April 8. Mr. Scherer said the administration should be ready to bring other recommendations (for any routes re-bid) to the Board by the first meeting in May.

The work session adjourned at 9:50 a.m.

Teresa Grossi, President

Jeannine Butler, Vice President

Valerie Merriam, Secretary

Susan P. Wanzer, Assistant Secretary

Susan Daniels, Member

Jim Muehling, Member

Lois Sabo-Skelton, Member