



**MEQUON-THIENSVILLE SCHOOL DISTRICT
BOARD OF EDUCATION**

EXECUTIVE SUMMARY

Subject: Action to Approve Transportation Rates for 2011-12	Category: <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Attachments: History of Rate Increases Survey Results	Date for Consideration: September 19, 2011

Background

The transportation contract requires consideration of the following factors when determining the annual rate of increase for transportation service for the upcoming school year: 1) district transportation costs in comparison to surrounding school districts; 2) change in the Consumer Price Index; and 3) percentage of increase or decrease in the revenue available to the district relative to state revenue limits (i.e. district affordability).

A history of rate increases is attached. In addition, a summary of results from a recent transportation survey has been provided for your information.

Highlights:

The average percentage increase in routes experienced by Milwaukee area school districts for 2010-11 was 1.91%. The average percentage increase in routes for those with approved contracts for 2011-12 is 2.16%.

- The one year change in the All Urban Consumer Price Index from July 2010 to July 2011 was 3.6%.
- The change in the district revenue limit for 2011-12 was -5.5%.
- The average increase in routes provided Alltran since 2010-11 was 2.7%.

Strengths	Needs Improvement/Challenges
<ul style="list-style-type: none"> • Above factors provide flexibility for district in consideration of annual rate increase. • Providing a minimal rate of increase keeps pace with surrounding area school districts. • Larger rate of increase is justified in the special education routes due to vehicle replacements targeted in this area and higher per pupil costs. • Adopted budget is sufficient to provide recommended rate of increase – no budget adjustment is necessary. Contingency exists to provide for fuel costs if necessary. 	<ul style="list-style-type: none"> • District has on-going challenge generating sufficient revenue to balance budgets. • Contractors/service providers have costs independent of the district's ability to raise revenue. • Transportation contractor has larger capital expenses than other district service providers per the terms of their contract. • District incurs the cost of fuel for transportation services.

Recommendation

Based on all of the above variables, an average 1.6% rate increase in routes is recommended for the 2011-12 school year.

Submitted By: Gail Grieger, Director of Business Services	
Board of Education Action:	<input type="checkbox"/> Approve <input type="checkbox"/> Reject <input type="checkbox"/> Research/Report Back

MEQUON-THIENSVILLE SCHOOL DISTRICT		
History of Transportation Rate Increases		
Year	% Increase	
2011-12	1.60%	Proposed
2010-11	2.00%	
2009-10	2.00%	
2008-09	3.00%	
2007-08	2.50%	
2006-07	2.00%	
2005-06	2.00%	
2004-05	3.00%	
2003-04	2.90%	
2002-03	3.18%	
2001-02	3.50%	
2000-01	3.50%	
Average % Increase	2.60%	

TRANSPORTATION SURVEY 10-11/11-12

SCHOOLS	Single Run	Double Run	Triple Run	10-11 % inc.	Est. % inc. 11-12	Who assumes Cost of gasoline?			
						District	Contractor	Shared	Other explain
Brown Deer	\$90.56	\$50.46	n/a	Rebid – saw drop	3.5%			X	Currently Base \$1.50, with .50 charge to invoice for every 8 cent change per gallon for the month.
Elmbrook	\$20.02 regular route 1 day	\$149.68 large bus 1 day	n/a	+3.0% increase	-3.0% decrease	X			Paid on a per route basis, increasing/decreasing w/cost of gasoline.
Franklin	\$170.76	+\$74.43	+\$31.08	3%	2%			X	For 2010-11, \$2.00 per gallon was included in the route rates. The district paid for fuel costs beyond that.
Germantown	\$190.90	\$211.26	\$231.63	3%	TBD			X	Net of refundable taxes less \$1.15 pd by Riteway. District pays the remaining \$'s billed monthly.

SCHOOLS	Single Run	Double Run	Triple Run	10-11 % inc.	Est. % inc. 11-12	Who assumes Cost of gasoline?			
						District	Contractor	Shared	Other Explain
Greendale	n/a	n/a	\$277,866 ÷ 5 = \$55,573 per route	3%	2.86% then 0% thru 2016			X	up to \$3.00/gal accrued by contractor.
Hamilton	\$222.40	\$231.30	n/a	3%	3.03%	X			
Kettle Moraine	1 st run \$162.91 2 nd run \$136.11	\$299.1	\$316.40 Sp Ed non-wheel chair	2.90%	1.25%	X			District shall pay for all fuel used by the Contractor.
Menomonee Falls	\$120.04	\$80.08	\$40.63	2.6%	2.7%		X		Benchmark rate for #2 Diesel Ultra Low Sulfur fuel for 2010-11 is \$2.28 per gal excluding fed. fuel tax. If gal exceeds \$2.28 surcharge paid to Johnson Bus = % increase in fuel x 10% per month. Benchmark rate adjusted for each school year beginning in 2011-12 by same % + 1%. District agrees to provide federal fuel tax exemption.

SCHOOLS	Single Run	Double Run	Triple Run	10-11 % inc.	Est. % inc. 11-12	Who assumes Cost of Gasoline?			
						District	Contractor	Shared	Other explain
New Berlin	\$107.46 cost per bus per day	\$19.87 cost per route per day	n/a	-9%	2.8%	X			
Pewaukee	\$204.94	\$215.17	\$225.56	2.5%	1.5%			X	Contractor assumes cost of the first \$1.50 in the rates.
Port Washington – Saukville	\$178.35	\$219.86	n/a		4.1%			X	We pay above \$1.81 gallon.
Waukesha	Mid day \$49.40 AM & PM \$192.52	\$69.00 +18.31 if < 2hrs \$25.65 if > 2hrs added to base run per trip	n/a	4%	3%	X			Total route miles/7= gallons used x average cost per gallon.

(Based upon a 72-passenger bus.)