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## AUTHORIZING EXPENDITURES FOR SCHOOL BUS REPLACEMENT

**Policy Reference:** OE-6, Financial Administration; OE-7, Asset Protection

**Background Information:**

On February 17, 2014, Dr. Rick Maxey presented a proposed bus replacement cycle to the Board at the budget workshop. To maintain the current fleet, the 2014-15 proposed budget included the replacement of 8 regular buses and 2 activity buses for a total cost of \$840,000.

On May 19, 2014, the Board authorized the utilization of undesignated/unassigned fund balance to purchase 10 buses in the amount of \$840,000. This coupled with the 10 buses included on the 2014-15 approved budget, allowed the district to purchase 20 buses in the current year.

On March 9, 2015, the Board directed the administration to prepare a recommendation to increase the funding to purchase 20 buses and research the application of alternative fuel sources.

**Purpose:**

Although four more months remain in the current fiscal year, the most recent projection indicates that we will have a surplus of \$5.2 million. We are seeking authorization to place orders for 20 buses in the current year. As the delivery lead time is typically 120-150 days, the actual delivery of the buses will be this summer.

In addition, the 2015-16 proposed budget includes funding for 10 buses. Upon approval, the district will be able to update the fleet by a total of 30 buses in 2015-16.

Our initial research indicates that the buses will cost an additional \$13,350 per bus to utilize propane as an alternative fuel source. In addition, propane refueling options will be a challenge due to the lack of commercial refueling stations.

**For Further Information:** Please contact Daryl Brown at Daryl Brown at 488-6771 or by e-mail at [dbrown002@horrycountyschools.net](mailto:dbrown002@horrycountyschools.net) or John Gardner at 488-6896 or by e-mail at [jgardner@horrycountyschools.net](mailto:jgardner@horrycountyschools.net)

**Recommendation:**

It is recommended that the Board authorizes the utilization of Undesignated/Unassigned Fund Balance in the amount of \$1,680,000 to purchase 20 buses in the current fiscal year.

**Estimated Project Cost:**

**The cost is expected to be approximately \$1,680,000**

**Recurring    Non-recurring X**

**Funding Sources: General Fund**