



Transportation Consortium Update

Ann Arbor Board of Education

April 25, 2012

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Nov 2011 Report (Updated)

Transportation Consortium Update Ann Arbor Schools November 6, 2011

***Note:** This report was originally issued in November 2011. Updates as of April 2012 have been inserted, where appropriate, into the report and have been italicized to highlight them.*

2010-11 Year

The first half of the first year of operating the transportation consortium was spent on discovery, relationship-building, process implementation and crisis management. As we delved into and explored these areas, we also focused on the long-term goal of achieving standards of safety, quality and efficiency. During the second half of the year we provided participating districts with optional ways to modify their existing transportation operations, including providing savings estimates.

We also used supervisory and routing staff at locations they had not previously worked to share knowledge and/or implement best practices. In addition, we had the opportunity to present various transportation options to the Ann Arbor and Ypsilanti districts.

Keeping our focus on safety, the implementation of a fleet manager for the entire three-district fleet garnered positive results. Mechanics conducted a thorough fleet assessment in August, identifying the vehicles with significant maintenance issues that needed attention before the start of school and into September and October. Some vehicles were pulled from service until they were repaired. A comparison of the state police inspection results from 2010 to 2011 follows:

| District | # Inspected | Passed | Yellow Tag | Red Tag |
|-------------------|------------------------|---------------|-------------------|----------------|
| Ann Arbor - 2011 | 131 | 130 | 0 | 1 |
| 2010 | 131 | 131 | 0 | 0 |
| Willow Run - 2011 | 18 | 15 | 0 | 3 |
| 2010 | 18 | 4 | 0 | 14 |
| Ypsilanti - 2011 | 45 | 39 | 1 | 5 * |
| 2010 | 44 | 31 | 1 | 12 |

*Note - For 2011, 2 of the 5 red-tagged buses were removed from service permanently due to the extent of the needed repairs. For 2010, Ypsilanti had one bus that was not inspected due to extensive necessary repairs; it was still off the road in August 2010.

April 2012 Update – *The State Police have not yet scheduled the school bus inspection for the current year.*

Due to the timing of the transportation consortium implementation and at the request of the local districts, no major operational changes to achieve additional savings were put in place during 2010-11. At the beginning of 2010-11, Ann Arbor added three (3) special education routes and six (6) shuttles at Skyline to address student needs. Fuel prices rose dramatically in 2010-11, with average prices increasing approximately 23%. These factors, along with others, makes an apples-to-apples comparison between the two years a bit of a challenge. However, we have included a cost analysis as an attachment to this report (Attachment 1).

In addition to the direct financial benefits, there were also indirect benefits/savings to the district. The primary area to cite is in payroll and human resources. While the benefit of not having to process all those hourly time sheets, field trip sheets, and other payroll and human resource matters might be difficult to quantify, it is by no means inconsequential. The sharing of supervisory and routing staff also benefited all the districts in the consortium, providing access to trained staff to cover for vacations, illnesses, etc. Consortium districts also shared bus drivers, monitors, and buses to assist as needed to cover trips, absences and bus breakdowns.

Recruiting new employees has also been a significant area of focus. With improvements in the job market, our turnover has been higher than desirable, which made it difficult to keep up with district needs particularly regarding field trips. Hiring and training continued to demand significant attention during the summer in preparation for the start of school.

Another focus during the year was to provide enhanced training opportunities for our transportation employees. The following is a list of training sessions that were held during the 2010-11 year:

- **August 30 - WISD Transportation Orientation**
Need to Know, Communication, Technology, Operations Overview, Routing, Dispatch, Epi-pen and Allergies by Nurse Debita Graham
- **September 1 - Special needs inservice held at WISD**
Lynette Arons-WISD Physical Therapist
- **September 2, 10, 24 - Special needs in-service at Ann Arbor facility for Head Start employees**
Debita Graham, nurse and Pam Hanson Ann Arbor routing/dispatch supervisor
- **October 1, March 17, April 28 - Transportation in-service in Ypsilanti**
Supervisors Kim Searcy and Deborah Payne
- **October 5, March 25, April 4 - Transportation in-service in Willow Run**
Supervisors Tom Moore, Kim Searcy, Tammey Ranger, Deborah Payne, Charlie Bugg, Gary Saunders
- **October 19 and 20 - First Aide/CPR training for transportation employees at WISD**
Dummies on the Run
- **October 29, November 17, January 5, February 10, March 11, April 13, May 16 - Transportation Staff meeting at Ann Arbor facility**

Tom Moore

- **December 10 - SET-SEG for Ypsilanti employees**
Darlene Wood-SET-SEG consultant
- **December 15 and January 4, 28, April 12, 14, June 8 - SET-SEG for Ann Arbor employees**
Darlene Wood-SET-SEG consultant
- **May 24 – Positive Behavioral Interventions and Support for Ann Arbor Employees**
Makini Jackson – Ann Arbor Public Schools – Student Coordinator
- **January 10, March 25, April 21 - SET-SEG for Willow Run employees**
Darlene Wood SET-SEG consultant

In addition, a number of new driver orientation meetings and new driver training sessions have been held for drivers.

April 2012 Update – *Regular safety meetings for the staff have continued to take place in their respective districts, starting with the August full day session, and with additional sessions in November, January, March and April. Another training is scheduled for May 2012.*

2011-12 Year

So where are we for the 2011-12 year? As the Board requested, I will stick with the challenges.

First, our main challenge is driver retention/turnover. Over the years, the position of a bus driver transitioned from being one that was held by a student's parent or grandparent for supplemental income to one that people held as a primary source of income and benefits. However, the economic conditions over the last few years have left school districts in a difficult position of having to reduce the cost of non-instructional services, including transportation. This circumstance often causes staff to have to reexamine their current position and to choose to become employed elsewhere, often at public transit companies and trucking/delivery companies, thereby increasing our driver turnover. In an attempt to address the current reality, we've attempted to recruit student's family members and also retirees, moving back to identifying people looking for a supplemental income. Unfortunately, finding and retaining those candidates is often difficult.

The split-shift nature of the position is also sometimes a major impediment to overcome. While that often works for the groups we've identified for recruitment, it often does not work for candidates looking at this as primary income. We do address the flexibility of being able to deal with appointments and other tasks that need to be addressed during the 9 to 5 period. However, some people need a full forty (40) hours of work and the corresponding income and these positions generally range between 25-32 hours per week.

April 2012 Update – *Ongoing hiring and training continues to demand a significant amount of our attention and effort. Over 50% of our current driving staff has been hired since July 2010. Since August 2011, we have had 34 drivers and 14 monitors leave employment with WISD. The majority have left for other positions that offer more hours and year-round employment. We stress the benefit of the retirement system when staff start their employment, and do our best to be a fair employer. We continue to actively recruit drivers to try to build up an active list of substitutes that could fill positions as they become vacant. We have attached a copy of the current wage scale and benefits information for the drivers and monitors. The Ann Arbor Transportation Authority (AATA) does not post or share information on wages and benefits offered. However, former AATA drivers have indicated to us that the wage rates are generally higher and they have a 401k plan as opposed to the Michigan Public Schools Employees Retirement System.*

Despite the challenge of not having an adequate substitute pool, we were still able to provide extensive coverage for district field trips. Since August 2011, we were able to serve the district by providing field trip service for over 2,600 field trips.

Another challenge this year was having all three districts in the consortium make significant operational changes in order to reduce their costs. Ann Arbor's enforcement of its walk zone policies, moving to community stops for high school, and other modifications were a routing challenge. In addition, the public reaction to the changes created a significant overload on the human and technological resources at our disposal. I've attached a chart (Attachment 2) summarizing the call volumes from mid-August into October. As you can see, it would be extremely difficult to attempt to provide adequate, trained staff that could answer questions for such a short period of time. Our goal is to work even more closely with district staff on communicating modifications to the parents and community when changes are made.

April 2012 Update – *Further detail regarding the policy changes and the resulting impact on operations is included in Tab 2. In addition to the above suggestion regarding the phone call overload from September, we also plan to have additional staff answer phones if significant policy changes are made. While they might not be able to answer all of the questions, the caller will have gotten the chance to talk to a live person who can take a message and pass it on to the proper personnel. We have also increased the capacity of each person's voicemail box in case calls do have to be handled by voicemail. Our guideline is to return every call within 24 hours, however, the eventual resolution of some issues may take longer depending on the research necessary and what parties need to be involved in the process.*

Data integrity and timeliness will also be a potential obstacle to overcome. The transportation routing software is dependent on having the correct students in the system, with all the student data being complete and accurate and transferred to the routing system in a timely manner. As you know, Power School is the primary student database of the district and we have established the ability to have a regular data transfer to the transportation routing software. We are currently working with the district to build into the student data maintenance system (not just the software)

the update of transportation-related data, such as the pick-up or drop-off address which is not always the same as the home address. Also, the new Teacher Student Data Link caused some issues with the roll up of data last year, which moves students from one grade level to the next and to the new school of attendance. We will be working with the district during the year to identify issues and solutions as we begin to route for the 2012-13 year.

With the establishment of the consortium under WISD, a new employee group was formed since WISD did not operate transportation services. A unionization vote was held during 2010-11 and the group chose to unionize under the umbrella of the Michigan Education Association. No formal bargaining has taken place yet but we anticipate it will begin in the near future.

April 2012 Update - *We have had a number of bargaining sessions at the end of the calendar year and beginning of January. The MEA requested mediation, which has slowed the process down considerably because of the need to coordinate a significant number of schedules.*

Another upcoming challenge will be the need to invest in the capital resources of the fleet. First, due to a change in FCC regulations, all radios, including our bus radio/dispatch systems, will need to be converted to a “narrow band” frequency. We are hoping to come up with a cost-effective way to limit the investment in the radio system; however, it could mean that the entire system might need to be replaced. This could, however, also be an opportunity to invest in units that come equipped with GPS, which could greatly enhance our ability to track the location of vehicles in an emergency situation, and also allow us to address operational efficiencies, respond to parent/community concerns about driver behavior, etc. Second, while our fleet operations staff does a great job keeping vehicles operating in excellent condition, the fleet is aging. The following chart summarizes the chronological age of the fleet:

| Vehicle Age on June 30, 2012 | # of Vehicles |
|-------------------------------------|----------------------|
| ➤ 10 Years | 39 |
| 8 Years | 3 |
| 7 Years | 28 |
| 6 Years | 30 |
| 4 Years | 15 |
| 3 Years | 16 |
| Total | 131 |

As you can see, approximately 30% of the fleet is greater than 10 years old, with the ten oldest buses being 13 years old by June 30, 2012. We were able to reduce the number of route buses needed with the operational changes made this year, which will save the districts over \$500,000 in vehicle replacements. However, we will need to work with the district administration on a reasonable capital replacement plan for these older buses while keeping in mind the ongoing budget constraints the district is under.

April 2012 Update – *We are currently in discussions with the District administration regarding the replacement or modification of the existing bus radio system. WISD issued a bid request to*

provide a replacement to the existing system in order to gauge the level of investment that would be required if this was deemed the best option. The District administration is currently working with its communications consultant to identify other options and to determine the pros and cons of each option.

In regards to the bus replacement issues, the Fleet Manager took a sample of 9 buses from each model year of the fleet and tracked the actual mechanic wages (excluding benefits) and parts used to maintain the buses since July 2010. The following chart shows the cost per mile to maintain the buses in the respective age range:

| <i>Bus Age (Yrs)</i> | <i>3</i> | <i>4</i> | <i>6</i> | <i>7</i> | <i>8</i> | <i>10</i> | <i>11</i> | <i>12</i> |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>Cost/Mile</i> | <i>\$0.0970</i> | <i>\$0.1576</i> | <i>\$0.1709</i> | <i>\$0.1655</i> | <i>\$0.1916</i> | <i>\$0.2502</i> | <i>\$0.2726</i> | <i>\$0.4825</i> |

As you can see, the cost of maintaining a 10-year old bus is 2.5 times greater than a 3-year old bus, and the cost almost doubles when the bus ages from 10 to 12 years. These figures provide a clear picture as to why it is important to attempt to remain on a 10-year bus replacement schedule if at all possible.

I've included a projection and analysis of our anticipated costs for the 2011-12 year (Attachment 3). No provision has yet been made in this budget for the capital needs identified above.

If you have any questions regarding this report, please contact Tom Moore at 734-994-8100, x3111 or Brian Marcel at 734-994-8100, x1402.

April 2012 Report Update

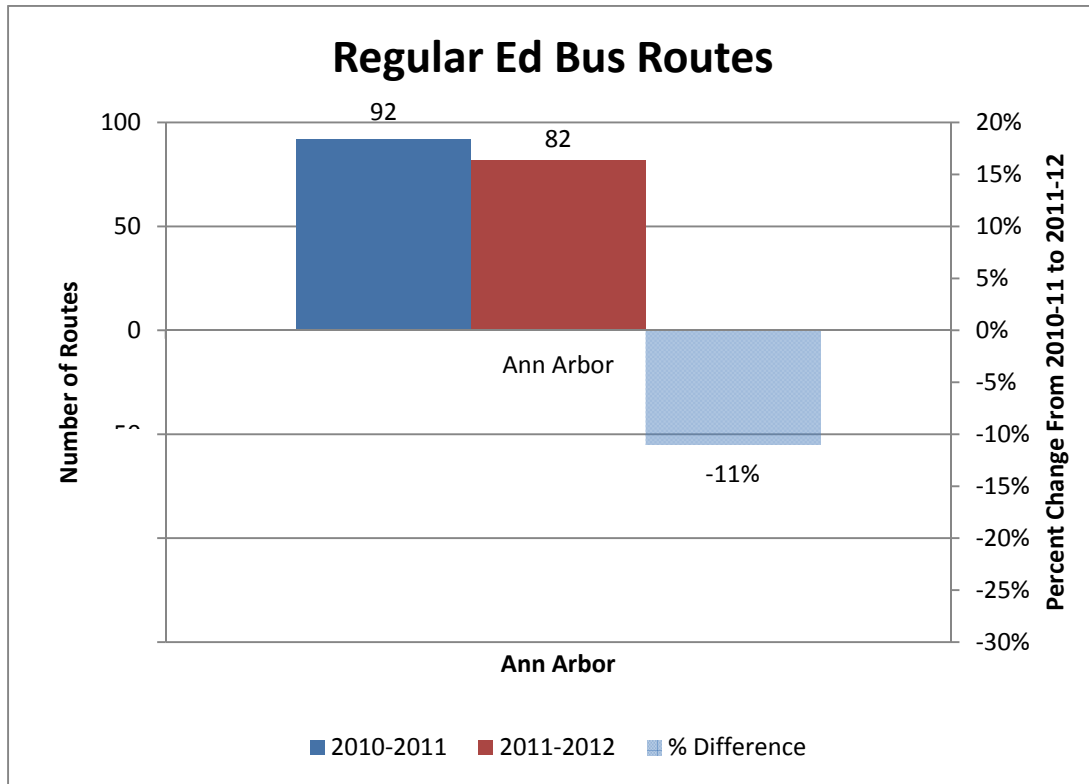
Transportation Consortium Update Ann Arbor Schools Supplement to the November 6, 2011 Report April 25, 2012

In the first half of 2011-12, our second year in operation, much of our time was spent on hiring and implementing the transportation plans as directed by the District. The changes impacted all grade levels, generating telephone calls that overwhelmed the telephone system and staff despite numerous attempts to communicate the changes ahead of time. Routing changes occurred almost daily over the first 6 weeks of the school year as we worked with the District administration to implement the transportation policy changes and due to the changing dynamics.

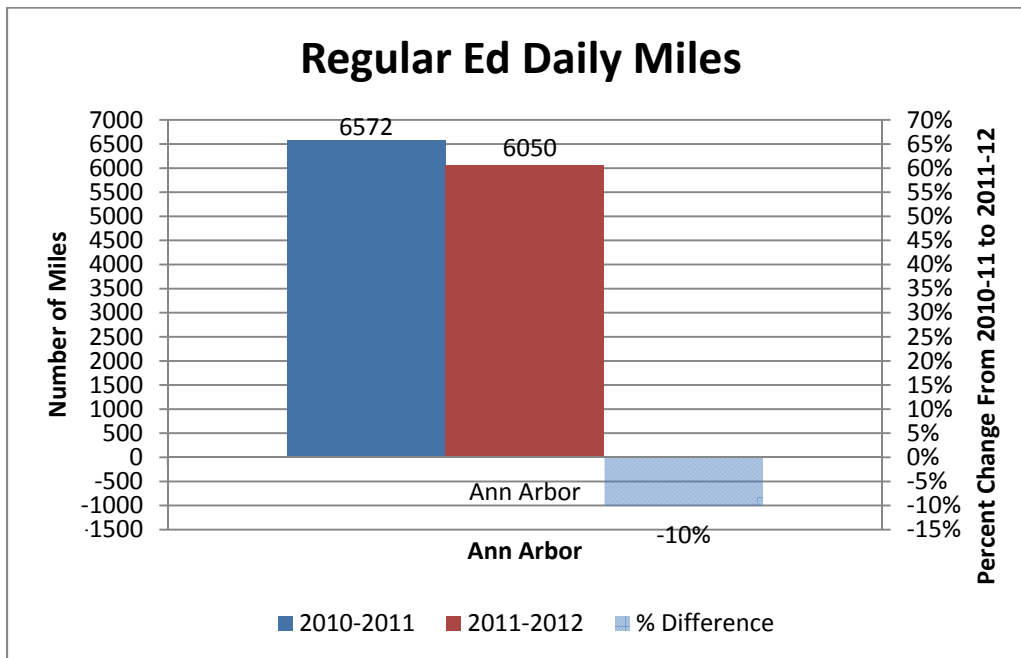
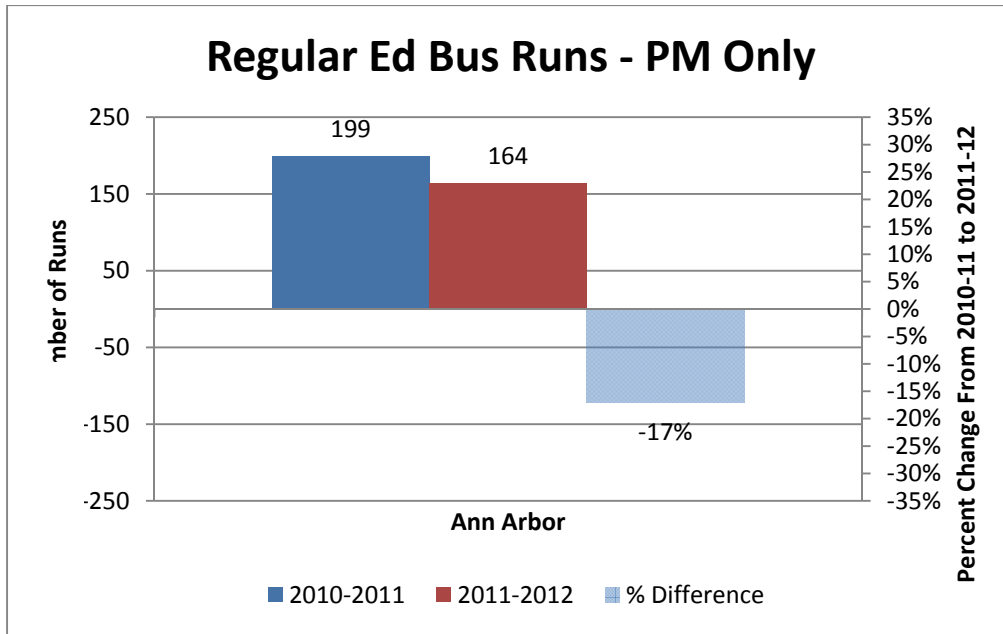
Ann Arbor transportation policy changes included:

- Walk policy to school of 1.5 miles
- Expanded walk zone to bus stops of ½ mile for all students
- Seating capacity of 2 to a seat secondary, 3 to a seat elementary
- Combine bus routes aligning them with feeder schools
- Common pickup sites for high school students
- Elimination of 7th hour busing

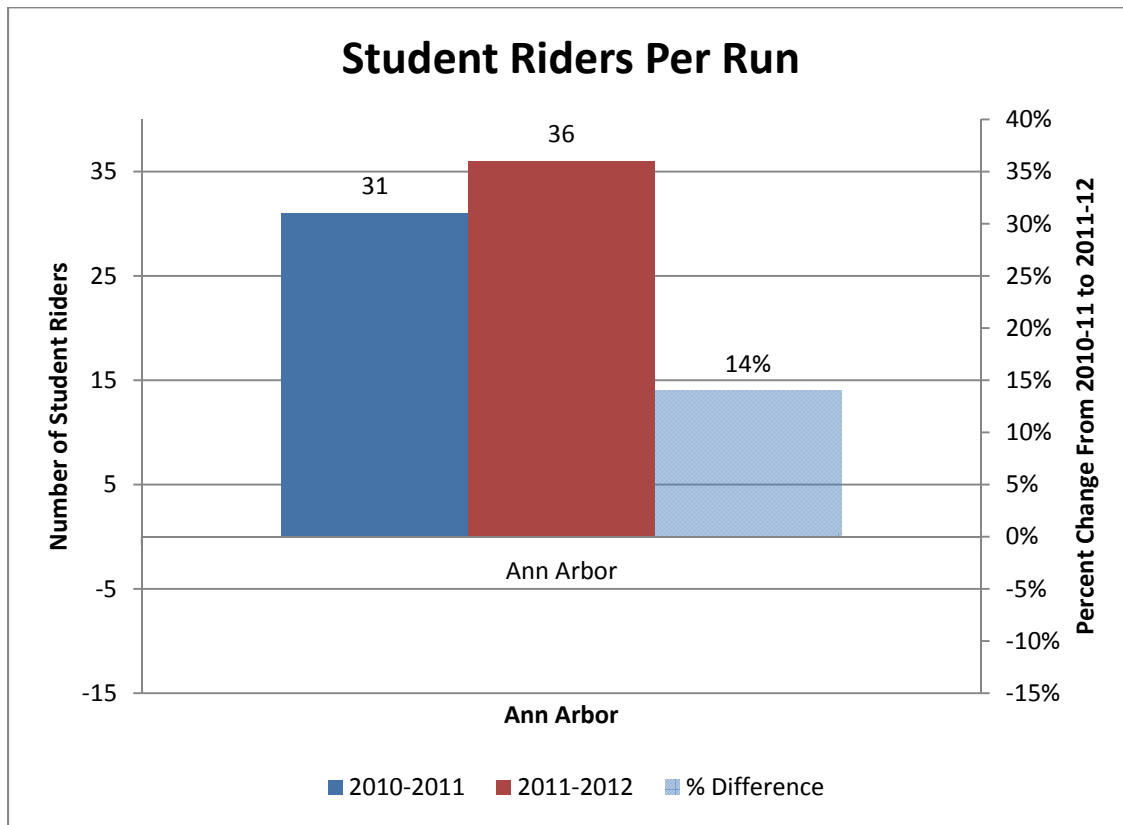
The following charts on the following pages summarize the operational impacts of these policy changes.



When looking at the graph on reducing the number of routes, you can potentially garner both short-term and long-term savings information. First of all, a “route” is a packaging together of various bus runs that one driver, generally using a single bus, would perform for the year. From a short-term perspective, this looks to be positive, but must be taken into account with the data on regular education daily miles per bus. From a long-term perspective, the reduction in the number of routes will eventually reduce the amount of vehicle capital expenditures a district needed to maintain its level of service, which is estimated to be approximately \$80,000 per bus.



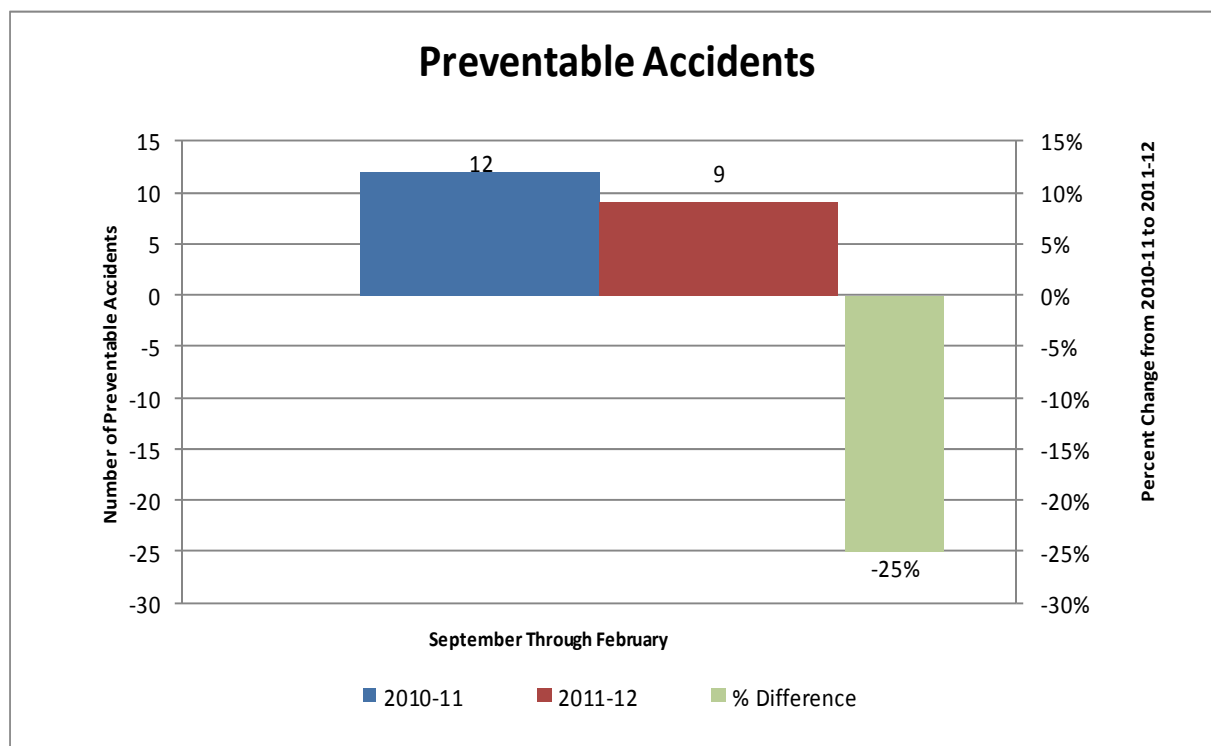
The charts on the number of bus runs and the daily miles help to look at the operation from a more short-term cost standpoint. While the number of general education runs was able to be reduced fairly significantly, many of those runs had to be expanded to include more miles than the previous year since the same attendance areas needed to be covered with fewer vehicles.



As you can see from the chart on student riders per run, we were also able to increase the capacity utilization of each bus, thereby making more efficient use of our capital assets. Correspondingly, this should reduce the number of buses needed to service the student population and reducing the number of buses that will need to be replaced in the long-term. Historically, as in the case in most every district, transportation is planned based on an expectation of how many students eligible to ride a particular bus will actually utilize the service. The past experiences with various neighborhoods are also factored into the planning, but the age of the students is a better predictor of the likelihood of riding for the District.

This is one of the most difficult aspects of the operation to manage in an efficient manner without a positive response from a family indicating they want to utilize the transportation service. The expected correlation used to project the general ridership on a bus is that the younger the student the more likely they are to ride the bus. Therefore, at the elementary level, buses are usually assigned eligible riders approximately up to the capacity of the vehicle since most of them are likely to ride. As you move to the middle school and high school levels, buses are usually assigned eligible riders in excess of the actual capacity of the bus. At the extreme, a few runs at the high school level are actually assigned in excess of 200 eligible riders.

In order to improve the efficiency of this aspect of the operation, we are requesting that the district consider participating in an effort to gather ridership information from parents. This suggestion was made to the District for the 2010-11 year, however, due to the transportation policy changes it was felt it would be best to delay the implementation of this recommendation.



Given our emphasis on safety, we have also been collecting data on preventable accidents. As you can see from the consortium-wide graph above, there has been a reduction in preventable accidents for the period from September to February from 2010-11 to 2011-12.

On-Time Arrival Data

Currently, buses are not equipped with GPS technology, so obtaining objective, detailed data in regards to arriving to locations on time is very difficult. However, transportation supervisors do visit building locations for safety reviews on a regular basis. During those reviews, supervisors also have been observing the times buses have been arriving at the schools.

Generally, buses are arriving prior to the bell times at the schools for both morning drop-off and afternoon pick-up. All morning drop-offs occurred prior to the bell time. We noted 2 afternoon buses arriving within 2 minutes of the bell time, however, since students still need time to gather their belongings and walk to the bus stop, we do not view these instances as being late. There was one instance of a bus arriving at a middle school approximately 7 minutes after the bell time.

According to the supervisor, this was related to the bus getting back from a field trip due to traffic conditions unanticipated traffic conditions.

Cost Savings Suggestions

As was the case last year, we are currently working with the administration to provide cost savings suggestions and well as to cost out other ideas brought forward by the administration. We have assisted the administration with costing out options for the elimination of the intra-district schools of choice transportation, modifying the bell time at Skyline, combining the Bryant and Pattengill Elementary runs, eliminating the after school program transportation, and elimination of the midday shuttles. We will continue to work with them on other suggestions that may arise during these difficult financial times.

Customer Service Plan

As a service agency, WISD is concerned about how its local school districts and customers feel about the customer service they have received. From the feedback we have received, we realize that the Board has not felt they have been kept abreast of the status of the transportation operations and we are intent on rectifying that situation. This report is the first step in that process.

While we have worked closely with the administration over the past year and a half, we feel we can still improve in that area. To that end, we have proposed that we meet formally at least three times a year to discuss the status of the operations with all three districts in the consortium. This will allow us to also discuss any concerns prior to critical periods (beginning of the year and summer transportation and routing for the following year). We're suggesting that those meetings be conducted prior to the start of school in August, sometime mid-year, and then again in May. Attendees would include the Transportation Director, the WISD Asst. Superintendent for Administrative and Support Services, and the Superintendent from all four entities. If the Superintendent felt other administrators should be involved, then they would be invited at their prerogative. In addition, we're suggesting that a Board liaison should also be appointed and invited to attend. The Superintendent and/or the Board liaison could then report back to each board to keep all the members up-to-date.

The beginning of the 2010-11 year was definitely hectic with the implementation of the transportation policy changes. As you read earlier, we have made some changes to address that circumstance should additional policy changes be recommended. As was also mentioned earlier, this situation was made more difficult with the state's implementation of the Teacher Student Data Link (TSDL). Student grade levels are maintained in Power School, which is the system from which we obtain the students' building of attendance. The TSDL upload also comes from Power School. Unfortunately, the district could not roll forward the students to their proper building of attendance for the 2011-12 year until the TSDL upload was complete, which was well beyond the time we needed it to be to complete the new routing scheme. We will be

working with the District's administration to determine the best way to provide us with the proper school of attendance for each student for the 2012-13 year starting in early May.

Transportation Services Satisfaction Survey

Please see the appropriate tab for the results of the survey which was recently conducted.

Budget Update

Our original budget projection for the 2011-12 year was approximately \$6,660,000. Unfortunately, fuel prices have continued to rise by an additional 13% in 2011-12 resulting in an estimated increase in fuel cost of approximately \$90,000. In addition, the age of the fleet continues to rise resulting in significant additional repairs accounting for an increase in the budget of approximately \$80,000. Taking these modifications into account, we are projecting the annual net cost to be approximately \$6,820,000.

The final state transportation expenditure report for 2009-10 showed total expenditures, excluding bus amortization/depreciation of \$8,073,000. At the time, the state retirement rate was 16.94% of payroll. Adjusting the expenditures to reflect the current retirement rate of 24.46%, expenditures would have been \$8,407,000. Even without adjusting for higher fuel prices, additional special education routes, higher homeless transportation expenses and higher parts usage as mentioned above, the current transportation expenditures are \$1,587,000 less than the adjusted 2009-10 expenditures, which is approximately 19%.

Closing

In closing, we would like to thank the Board for the opportunity to serve the District. We value the partnership we have had over the years and hope to continue to develop that relationship into the future. We hope the suggestions we have made in the Customer Service Plan section will move us into a more cohesive understanding of the service being provided to the district in the area of transportation.

If you have any questions, please contact Brian Marcel at 734-994-8100, ext. 1402, or Scott Menzel at ext. 1300.

Wage/Benefit Data

Current Driver/Monitor Wage Scale

| Years of Service | Driver Wage (per hr) | SE Driver Wage (per hr) | Monitor Wage (per hr) |
|------------------|----------------------|-------------------------|-----------------------|
| 0 | 13.00 | 13.50 | 10.00 |
| 1 | 13.25 | 13.75 | 10.25 |
| 2 | 13.50 | 14.00 | 10.50 |
| 3 | 13.75 | 14.25 | 10.75 |
| 4 | 14.00 | 14.50 | 11.00 |
| 5 | 14.25 | 14.75 | 11.25 |
| 6 | 14.50 | 15.00 | 11.50 |
| 7 | 14.75 | 15.25 | 11.75 |
| 8 | 15.00 | 15.50 | 12.00 |
| 9 | 15.25 | 15.75 | 12.25 |
| 10 | 15.50 | 16.00 | 12.50 |
| 11 | 15.75 | 16.25 | 12.75 |
| 12+ | 16.00 | 16.50 | 13.00 |

**Washtenaw ISD - Flexible Compensation Plan – Transportation
Employee Contribution by Medical Plan Option**

| | | Employee % Contribution | Maximum Monthly Employer Contribution (\$) | Per Pay Employee Contribution (20 Pays) | | |
|--------------------------------|----------|----------------------------|--|---|-----------|------------|
| | | | | CORE | OPTION II | OPTION III |
| 30+ Hours (Full Year) | | | | | | |
| | Single | 0% | 330.00 | - | 45.00 | - |
| | 2 Person | 20% | 605.00 | 95.00 | 194.00 | - |
| | Family | 20% | 680.00 | 120.00 | 219.00 | - |
| 30+ Hours (10 Months) | | | | | | |
| | Single | 10% | 330.00 | 20.00 | 65.00 | - |
| | 2 Person | 25% | 605.00 | 113.00 | 271.00 | - |
| | Family | 25% | 680.00 | 128.00 | 245.00 | - |
| 20-30 Hours (10 Months) | | | | | | |
| | Single | 20% | 330.00 | 39.00 | 84.00 | - |
| | 2 Person | 40% | 605.00 | 181.00 | 284.00 | 31.00 |
| | Family | 40% | 680.00 | 204.00 | 321.00 | 35.00 |