

School Board Meeting:

February 24, 2014

Subject:

Resolution Relating To a Lease-Purchase Financing; Authorizing the Execution and Delivery of a Master Tax-Exempt Lease/Purchase Agreement and That Certain Property Schedule No. 1 Executed Pursuant Thereto; and Approving And Authorizing Execution of Related Documents

Presenter:

Dr. Mat Nelson, Director of Technology and Gary Kawlewski, Dir. of Finance & Operations

SUGGESTED SCHOOL BOARD ACTION:

Recommend board approval

DESCRIPTION:

For some time now, we have been making improvements to our technology infrastructure to better serve our students and staff network needs. Our equipment continues to age and as a result, we are seeing more interruptions in service due to server issues. We made some improvements to our network last fiscal year and paid for those costs out of the capital set aside reserve. The proposed lease purchase will replace the main core servers of the network and will also upgrade our wireless access points in the district.

The first two years of the lease purchase will be paid out of the capital set aside reserves which are already included in the budget. The remaining year will be paid out of our operating capital dollars. The lease purchase is with Key Government Financing and is a 3-year 0% interest lease. The total of the lease is \$398,400.95 which has equal annual installments. The documents have been reviewed by our attorney and found to be acceptable. This resolution authorizes administration to execute the necessary documents to enter into the lease purchase agreement. The intent is to install the equipment by the end of this school year.

ATTACHMENT

1. Resolution Providing For The Approval Of The Sale Of General Obligation School Building Refunding Bonds, Series 2012a; Covenanteeing And Obligating The District To Be Bound By And To Use The Provisions Of Minnesota Statutes, Section 126c.55 To Guarantee The Payment Of The Principal And Interest On These Bonds
2. BHM Schools (MN) - Cisco Finance Proposal - KGF REVISED 2-5-14-financing proposal