

Joe Prom and I recommend approving the Superintendent or Director of Business Services to enter into a lease-purchase agreement with American Capital Financial Services, Inc. This will finance the purchase of three buses sold by North Central Bus & Equipment, Inc. of St. Cloud, MN and grounds equipment sold by Minnesota Equipment, Inc. of Rogers, MN.

-Equipment being purchased includes:

(3) Blue Bird Buses - 88 Passenger	\$ 340,660.44
John Deere 4066R Tractor	40,943.07
John Deere H180 Front-end Loader	5,970.77
Frontier AP12F Pallet Forks	933.16
Land Pride 14' Mower Deck	14,610.00
BOSS Front V Snow Plow	9,500.00
Lely HR Fertilizer Spreader	3,870.00
AgriMetal 72" Aerator	6,975.00
John Deere 24' Tank Sprayer	3,975.00
	<u>\$ 427,437.44</u>

- Financing quotes were received from three potential lenders. Amounts quoted below were received from American Capital, which quoted the lowest rates. The lease agreement has been reviewed by administration and is similar to prior agreements.

- Buses and equipment will be leased over five years, with the first payment (July 2016) being a down payment. Amounts for lease payments are included in the budgets for the transportation and grounds departments. The district will own all equipment after all lease payments have been made.

**Bus and Grounds Equipment Lease
Summary of Estimated Costs**

Equipment Costs

Various (see above)	\$ 427,437.44
Down Payment	<u>\$ (88,677.93)</u> July 2016 Payment
Total Amount Financed	\$ 338,759.51
	\$ (88,677.93) July 2017 Payment
	\$ (88,677.93) July 2018 Payment
	\$ (88,677.93) July 2019 Payment
	<u>\$ (88,677.93)</u> July 2020 Payment
Total Interest Costs	\$ (15,952.21)

Lease Interest Rate **1.85%**