

Kevin Januszewski and I recommend approving the Superintendent or Director of Business Services to enter into a lease-purchase agreement with American Capital.

- The bus is being purchased from North Central Bus; state contract pricing and net of trade-in of one car.

- The bus would be leased over five years. Amounts for lease payments are included in the FY20 budget for the transportation department.

- Financing quotes were received from two 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 bus leases; we also receive an opinion letter from legal counsel regarding the terms and agreements of the lease agreement.

Bus Lease

Summary of Estimated Costs

Estimated Equipment Costs

1 - 2020 Blue Bird All American 88 Passenger School Bu	\$	122,957
Total Equipment Costs	\$	122,957
Down Payment	Due August 2019	(26,412)
Total Amount Financed	\$	96,545
	August 2020 Payment	(26,412)
	August 2021 Payment	(26,412)
	August 2022 Payment	(26,412)
	August 2023 Payment	(26,412)
Total Interest Costs	\$	(9,103)
Lease Interest Rate		3.70%

Becker Public Schools
Bus Lease Options

Assumptions

5 payments with a 4-year lease term

Payments would be due on or about 8/1 each year starting in 2020

Last payment would be around 8/1/23

	<u>American Capital</u>	<u>First American</u>
Down payment	\$26,412.01	\$26,807.46
Total Finance amount	\$96,545.44	\$96,149.99
Total bus costs	<u>\$122,957.45</u>	<u>\$122,957.45</u>
Interest Rate	3.700%	4.514%
Number of payments	4	4
Annual payment	\$26,412.01	\$26,807.46
Total cost	\$132,060.05	\$134,037.30
Total Interest Cost	\$9,102.60	\$11,079.85