

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

The buses are being purchased from North Central Bus Sales; state contract pricing and net of trade-in of one bus. The buses will be leased over five years. The amounts for lease payments are included in the FY18 budget for the transportation department.

Financing quotes were received from three potential lenders. The 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 received a favorable opinion letter from our legal counsel regarding the terms and agreements of the lease agreement.

Estimated Equipment Costs	
2 - 2019 Blue Bird All American 88 Passenger School Buses	\$222,719
1 - 2019 Blue Bird Vision Lift Equipped School Bus	\$121,476
Total Equipment Costs	\$344,195
Down Payment, Due February 2018	-72,406
Total Amount Financed	\$271,789
February 2019 Payment	-72,406
February 2020 Payment	-72,406
February 2021 Payment	-72,406
February 2022 Payment	-72,406
Total Interest Costs	\$(17,835)
Lease Interest Rate	2.56%