

Joe Prom and I recommend approving a lease-purchase agreement with Sovereign Bank via Hogle Bus & Truck Co. Two 77-passenger buses will be leased over five years. The lease payment is included in the FY14 budget for the transportation department. Financing quotes were received from four potential lenders. The lowest rate was received from Sovereign Bank resulting in the amounts below: The lease agreement is similar to previous bus leases.

Summary of Estimated Costs

2 - 2014 International 77 pass. school buses	\$169,515
Down Payment	\$(35,395) October 2013
Total Amount Financed	\$134,120
	\$(35,395)October 2014 Payment
	\$(35,395)October 2015 Payment
	\$(35,395)October 2016 Payment
	\$(35,395)October 2017 Payment
Total Interest Costs	\$ (7,460)
Lease Interest Rate	2.20%