

**Joe Prom and I recommend approving the Superintendent or Director of Business Services to enter into a lease-purchase agreement with Sovereign Bank via Hognlund Bus & Truck Co.**

Two buses will be leased over five years. The amounts for the lease payments are included in the FY15 budget for the transportation department. Financing quotes were received from three lenders. The amounts shown below are from Sovereign Bank, which quoted the lowest rates. The lease agreement has been reviewed by the administration and is similar to prior bus leases.

**Bus Lease**

**Summary of Estimated Costs**

**Estimated Equipment Costs**

2 - 2015 International 77 Passenger School Buses	\$	188,231	
Down Payment		(39,140)	July 2014 Payment
Total Amount Financed	\$	149,091	
		(39,140)	July 2015 Payment
		(39,140)	July 2016 Payment
		(39,140)	July 2017 Payment
		(39,140)	July 2018 Payment
<b>Total Interest Costs</b>	<b>\$</b>	<b>(7,469)</b>	
<b>Lease Interest Rate</b>		<b>1.90%</b>	