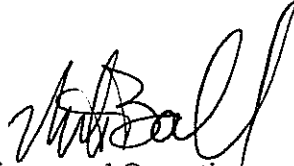




College Station Independent School District

Success....each life....each day....each hour

MEMORANDUM

To: Dr. Eddie Coulson, Superintendent 

From: Mike Ball, Deputy Superintendent for Business and Operations

Date: November 16, 2006

Subject: Lease Financing Quotes for Vehicles

Agenda Item: K-2

Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

During the October, 2006 regular meeting of the Board of Trustees, the Board authorized the purchase of school buses and other vehicles for the Transportation Department. The cost of those vehicles totals \$579,974.

The financing of those vehicles is planned via the use of a three year capital lease. A Request for Quotes has been circularized to interested financial institutions seeking quotes for a capital lease financing contract. Quotes from eleven respondents were received.

The quote from Citimortgage, Inc. appears to be the best value for the District. Their proposal includes a fixed interest rate of 3.91 percent for the duration of the contract. The annual payments would be \$200,785.19, with the first payment due at closing. The required insurance is similar to coverage that the District already carries. Two other respondents with slightly lower interest rates would require the District to purchase additional insurance.

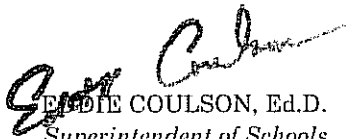
A summary of the proposals is included in the attached Tabulation of Lease Finance Quotes.

RECOMMENDATION

It is recommended that the Board of Trustees of College Station Independent School District consider approval of the proposal from Citimortgage, Inc. to provide lease financing in the amount of \$579,974 with a fixed interest rate of 3.91 percent for a term of three annual payments with the first payment due at closing. It is further recommended that the Board authorize Michael Ball to execute any documents necessary to close the transaction.

MICHAEL BALL, CPA
Deputy Superintendent for
Business and Operations

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EDDIE COULSON, Ed.D.
Superintendent of Schools