



South Washington County Schools

Keith Jacobus, Ph.D., Superintendent

District Service Center

7362 E. Point Douglas Rd. S.

Cottage Grove, MN 55016

Phone: 651-425-6300 Fax: 651-425-6318

ADMINISTRATIVE REPORT

TO: Members of the School Board
Keith Jacobus, Ph.D., Superintendent of Schools

FROM: Robert Berkowitz, Director of Technology

DATE: June 12, 2019

TOPIC/PURPOSE OF REPORT: Approval of Lease Financing for High School Chromebooks

REFERENCE TO POLICY/STRATEGIC PLAN: 701, Establishment and Adoption of School District Budget

RECOMMENDED BOARD ACTION: Approval

DATE FOR BOARD ACTION: June 20, 2019

REPORT

As part of the continued work to ensure the availability of devices for student use, District 833 will be entering into a 4-year fair market lease for 3,900 HP Chromebook 11A G6 EE units.

This purchase will be on NCPA contract number 01-43 from Firefly Computers in Arden Hills, MN. The lease financing will be through Northpoint Commercial Credit in Minneapolis, MN

The yearly lease payment of \$202,500.00 will be funded by the voter approved 2017 Capital Projects Levy.

Administration recommends approval of this lease.

May 23, 2019

Mr. Bob Berkowitz
South Washington County School District
7362 E. Point Douglas Rd.
Cottage Grove, MN 55016

Dear Mr. Berkowitz,

The following lease proposal is in response to your request for our master lease rates for your personal property, herein called the "Equipment".

LESSEE	South Washington County School District
LESSOR	Northpoint Commercial Credit
EQUIPMENT	3,900 – HP Chromebook 11A G6 EE 3,900 – Chrome Management Console White Glove Service
EQUIPMENT COST	\$819,000.00
ESTIMATED DELIVERY DATE	This proposal applies only to those items of equipment delivered and accepted on or before July 15, 2019.
TERMS OF THE LEASE	The lease term for the equipment shall commence on the delivery date of the equipment. The lease will be comprised of a base term of 4 annual payments.
RENTAL PAYMENTS	Base rents are to be made annually, each in advance and each in the amount of: \$202,500.00
RENTAL ADJUSTMENTS	The effective lease rates contained within this proposal is tied to the like-term treasury index. If there is an increase in this treasury index at the time of lease commencement, the effective rate fixed within the lease will be adjusted basis point for basis point for such change.
LEASE EXPIRATION OPTIONS	Upon lease expiration, Lessee shall have the following options: <ol style="list-style-type: none">1. Return the equipment to Lessor2. Extend the lease at its then Fair Market Value3. Purchase the equipment for its then Fair Market Value

INSURANCE

Prior to delivery and acceptance of the equipment, Lessee will be required to furnish physical damage and liability insurance in the amounts and with endorsements acceptable to Lessor.

**CLOSING COSTS, DEPOSITS,
OR LEGAL FEES**

Standard \$500.00 Documentation/UCC Filing Fee

OPERATING EXPENSES

All operating expenses, including insurance, maintenance and taxes, will be the responsibility of the Lessee.

FINANCING STATEMENT

Upon Lessee's acceptance of this lease proposal and Lessor's credit approval of the transaction, Lessee shall allow Lessor to file a UCC-1 Financing Statement, which will later be amended with an appropriate equipment description, serial numbers, etc.

COMMITMENT

This is a proposal only and is subject to the review and approval of the Lessor's Credit Committee.

This proposal must be accepted by South Washington County School District prior to June 7, 2019, or it will expire automatically.

I appreciate the opportunity to submit this proposal. If you have any questions or need additional information, please call me at 612-999-6395. I look forward to working with you.

Sincerely,

Northpoint Commercial Credit

Daniel J. Novak
Vice President, Business Development

Agreed and Accepted:

SOUTH WASHINGTON COUNTY SCHOOL DISTRICT

By: _____

Title: _____

Date: _____