

VOTE TO BE ADOPTED
Town of Cape Elizabeth, Maine School Board

Voted: That under and pursuant to the provisions of Title 20-A M.R.S.A. Sections 1001 and 1055, the Superintendent of Schools is authorized to execute and deliver a tax-exempt lease purchase agreement with M.S.T. Government Leasing, LLC in the name and on behalf of the **Town of Cape Elizabeth, Maine, a Municipal School Unit Acting By and Through Its School Board** (the “Issuer”), for the purpose of refunding and refinancing existing lease purchases of photocopier equipment and lease purchasing additional new and reconditioned photocopier equipment, any service agreements specifically financed in connection with certain equipment, consulting fees, and related costs of issuance, with an aggregate purchase price not exceeding **Two Hundred One Thousand Five Hundred Fifty Dollars and Sixty-One Cents (\$201,550.61)**, at a rate of interest of not more than **3.290%** per year through **August 1, 2016**, and otherwise in such form as the Superintendent may approve; and that the appropriate officials of the Issuer be and hereby are authorized to execute and deliver on behalf of the Issuer such other documents and certificates as may be required in connection with such tax-exempt lease purchase agreement; and that no part of the proceeds of said tax-exempt lease purchase agreement shall be used, directly or indirectly, to acquire any securities or obligations, the acquisition of which would cause the tax-exempt lease purchase agreement to be a “private activity bond” or an “arbitrage bond” within the meaning of Sections 141 and 148, respectively, of the Internal Revenue Code of 1986, as amended (the “Code”); and that the tax-exempt lease purchase agreement issued pursuant hereto be designated as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of said Code; and that the Superintendent be and hereby is authorized to covenant on behalf of the Issuer to file any information report and pay any rebate due to the United States in connection with the issuance of said tax-exempt lease purchase agreement, and to take all other lawful actions necessary to insure that the interest portion of the rental payments under and pursuant to the tax-exempt lease purchase agreement will be excluded from the gross income of the owners thereof for purposes of federal income taxation and to refrain from taking any action which would cause such interest portion of the rental payments to become includable in the gross income of the owners thereof.

TO: School Board Finance Committee

FROM: Pauline Aportria

DATE: October 5, 2011

Re: Photocopier and Printer Lease

I am requesting your consideration and approval of a 5-year municipal lease purchase agreement to address the photocopier and printer needs in our district. The current lease will expire at the end of this year.

I worked with Skip Tilton from Specialized Purchasing Consultants, Inc., and Gary Lanoie to evaluate our district's copiers and printers and prepare bids. Cape Elizabeth's bid was included with 10 other school districts and municipalities for the purchase of equipment and for a service and supply contract. The bid included over 355 machines with approximately 60 million copies. This size of bid increased the competitive nature of the bid and resulted in a total savings in the cost of equipment and service and supply.

We are currently averaging \$0.006627 cost per copy for black and \$0.0881 cost per copy for color for service and supplies, the new service and supply bid cost will average \$0.004029 per copy for black and \$0.064 for color. We currently make approximately 4.6M copies on copiers and printers per year.

The school department currently has 29 copiers and 29 printers on the service and supply contract plan. We would purchase 14 new copiers and upgrade 13 with reconditioned models replacing 27 pieces of older equipment and replacing 20 printers with new equipment and extending the service contract on 8 printers. The new lease would eliminate two copiers and one printer. All of these copiers and printers would be under warranty for 5 years.

The new lease includes \$176,564 in equipment cost for the school department and \$24,987 in equipment for the town departments. This would be a five-year lease at a rate of 3.29%. The new lease cost per year will be approximately the same as the current lease of \$38,125. As in the past the town will pay their portion of the lease and service contract.