

# EDUCATIONAL SERVICES COMMISSION OF NEW JERSEY

1660 Stelton Road  
Piscataway, New Jersey 08854  
Telephone: (732) 777-9848 Fax: (732) 777-9855

Mark J. Finkelstein  
*Superintendent*

<http://www.escnj.k12.nj.us>

Patrick M. Moran  
*Business Administrator/  
Board Secretary*

Gary E. Molenaar  
*Assistant Superintendent for  
Learning/Educational Services*



December 5, 2017

## Township of Union Board of Education

2369 Morris Avenue  
Union, New Jersey 07083  
Attn: Gregory E. Brennan, SBA/BS

Re: Lease Purchase Quote December 5, 2017

Dear Mr. Brennan;

At your request the ESCNJ Lease Purchase Quote Coordination Service conducted a quote for the Township of Union Board of Education (Board) for lease purchase financing. The following is the summary of the results, analysis and recommendation for award.

The quote was held on December 5, 2017, at 1:00 p.m., at the offices of the Board's Business Administrator. The Board solicited quotes for the lease purchase financing to pay for the acquisition of radio equipment. The repayment term for the principal amount of \$448,000.00, will be for five years with annual payments commencing January 17, 2018

Closing and funding will be to an escrow account which is anticipated to be on or about January 5, 2018 to allow for the delivery and acceptance of your equipment from your vendors. This transaction will rely on the quote rate which will be fixed until closing on January 5, 2018. Please make sure that the index is also included in your resolution of award since interest rates are subject to movement up or down if closing occurs after January 5, 2018.

The respondents were requested to furnish an interest rate, an index of the rate and what their penalty for early payoff would be for the aforementioned term structure and disclose any additional charges for escrow accounts or documentation fees. For purposes of the quote document, closing for the lease purchase was set for January 5, 2018.

ESCNJ uploaded quote specifications, links to financial information of the Board and equipment description to the ESCNJ web site for access by potential respondents. There were two respondents as a result of this request.

This transaction required funding to a GUDPA approved interest bearing escrow account. This requirement and the additional fees associated with the escrow did not have an impact to this recommendation of Award.

Academy Learning Center • Bright Beginnings Learning Center • Center for Lifelong Learning • NuView Academy  
NuView Academy Annex • Piscataway Regional Day School

Child Study Team & Related Services • Collaborative Educational Services • Cooperative Pricing – Lease Purchase Bidding • Cooperative Transportation  
Home Instruction • Nonpublic School Services • Children's Specialized Hospital • Itinerant Services for Children with Hearing Loss • Professional Development Academy

The following is our quote results and analysis:

Quote Results:

<b>Respondent</b>	<b>ICE Swap Rate Constant Maturity%/ Index Date</b>	<b>Purchase Option Penalty (% of outstanding principal balance )</b>	<b>Rate Quote</b>	<b>Additional Fee</b>	<b>Total Cost of Financing</b>
US Bancorp	2.214% 5 Yr. Swaps 12/1/2017	103% or Break Funding Fees	2.476%	No Fee	\$22,566.35
MLC	2.135% 5 Yr. Swaps	101%	2.177%	\$695.00 Document Fee	\$20,531.00

Based upon the above results we recommend award be made to Municipal Leasing Consultants (MLC) and or their assignee, at their rate and index as listed above.

The interest rates will be held for 30 days. For funding after that date will be indexed to 65% of the change in the above ICE Swap Rate index. Please insure that the index is included in your resolution to award. If there is a question regarding the calculation please call.

The contact information for MLC is Renee M. Piche, President, 7 Old Town Lane Grand Isle, VT 05458-2325. Renee's number is 802-372-8435, e-mail [renee.piche@powerofleasing.com](mailto:renee.piche@powerofleasing.com) I have informed MLC that they are apparent low respondent and that your Board will tentatively make the award at your next meeting. This is being done to permit the bank to begin documentation in order to facilitate closing of the Lease Purchase.

Thanks for your membership in our state approved co-op, thank you for this assignment, your cooperation and assistance. It is the pleasure of the ESCNC to be of service.

Respectfully Submitted;

*Patrick M Moran*

Patrick M. Moran

Business Administrator/Board Secretary/Lease Purchase Coordinator

Educational Services Commission of New Jersey