

## Summary Explanation and Background

On July 17, 2001, the School Board adopted Resolution No. 02-01 (Original Resolution), authorizing Lease Purchase Financing (LPF) for certain educational services related equipment. The Original Resolution authorized an aggregate principal amount of \$30 million. Subsequent to the Original Resolution, the School Board adopted various resolutions to increase the aggregate principal amount to \$115 million. The resolutions are listed as follows:

		<u>Aggregate Principal Amt.</u>
• Resolution No. 04-53 (adopted April 20, 2004)	\$30 million	\$60 million
• Resolution No. 07-94 (adopted May 22, 2007)	\$15 million	\$75 million
• Resolution No. 10-02 (adopted July 21, 2009)	\$15 million	\$90 million
• Resolution No. 13-86 (adopted June 11, 2013)	\$25 million	\$115 million

As of Fiscal Year 2013-14, the District has repaid principal in the amount of \$85.5 million.

Upon total utilization of the aggregate principal amount of \$115 million, there remains zero availability for future equipment acquisitions even though the principal is being paid down. Hence, future acquisitions via LPF cannot be financed unless the School Board authorizes additional principal amount.

The attached resolution will authorize additional financing authority of \$155 million, which will bring the total aggregate principal amount to \$270 million. For your information, the District Educational Facilities Plan (DEFP) includes \$30 million acquisition of buses, vehicles and technology for Fiscal Year 2014-2015. The remaining \$125 million LPF authority will allow for future lease purchases for the second through fifth years.