



Hunterdon County Educational Services Commission

Lease Purchase Advisory Service

Administration Offices

37 Hoffman's Crossing Road

Califon, New Jersey 07830

Dennis R. Balodis, Financial Services Manager

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September 21, 2023

The Board of Education of the Township of Union
2369 Morris Avenue
Union, New Jersey 07083
Attn: Yolanda Koon, SBA/BS

Re: Lease Purchase Quote, September 21, 2023

Dear Mrs. Koon;

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

The Quote was opened, September 21, 2023, at 1:00 p.m., at the offices of the Board's Business Administrator. The Board solicited Quotes for lease purchase financing to pay for the acquisition of three 24 passenger school buses and any costs of issuance.

The aggregate principal amount for this lease purchase is approximately \$277,912.95. The term requested was four years with four equal annual payments in advance. Funding to escrow is anticipated on October 15, 2023. The four equal annual payments are commencing May 1, 2024. The escrow account should be closed with the payment release for acceptance of your last associated invoice.

The respondents were requested to furnish an interest rate for closings within 30 days. Due to uncertainties in the banking community, the financial community have gone to internal pricing models so our normal request for an indexed rate has been suspended. The respondents were asked to furnish what their penalty for early payoff would be for the aforementioned.

Respondents were asked to disclose any additional charges for escrow accounts or documentation fees if applicable. For purposes of the RFQ document, closing for the lease purchase was set for October 15, 2023. Respondents were requested to furnish a payment stream as a function of their interest rate given the requested parameters.

HCESC uploaded RFQ specifications and links to financial information of the Board to the HCESC web site for access by potential respondents. Fifty eight potential respondents were identified. An e-mail with links to the RFQ and financial information was sent to the potential respondents. There were five respondents submitting a responsible Quote.

The following is your quote results and analysis and recommendation for award:

Quote Results:

Respondent	Rate Lock 30 Days or greater	Purchase Option Penalty (% of outstanding principal balance)	Rate Quote	Additional Fee (Yield including fees)	Recommend
Cogent Leasing and Financing, Inc. FL	Rate lock to 10/19/23	102%	4.57%	None	Recommend for award.
First Hope Bank. N.A. NJ	Rate hold for 120 days	101%	5.31%	None	
TD Equipment Financing NJ	Rate lock to 10/31/23	Yield Maintenance or 101%	5.50%	None	
KS State Bank, KS	Rate hold for 14 days	NPV at 5.61%	5.91%	None	

Township of Union Board of Education Lease Purchase Amortization Schedule

Confirming Quote by Cogent Leasing and Financing, Inc.

Compound Period: Annual

Nominal Annual Rate: 4.57 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	10/15/2023	277,912.95	1		
2 Payment	05/01/2024	76,048.57	4	Annual	05/01/2027

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	10/15/2023				277,912.95
1	05/01/2024	76,048.57	6,990.90	69,057.67	208,855.28
2024 Totals		76,048.57	6,990.90	69,057.67	
2	05/01/2025	76,048.57	9,504.28	66,544.29	142,310.99
2025 Totals		76,048.57	9,504.28	66,544.29	
3	05/01/2026	76,048.57	6,476.08	69,572.49	72,738.50
2026 Totals		76,048.57	6,476.08	69,572.49	
4	05/01/2027	76,048.57	3,310.07	72,738.50	0.00
2027 Totals		76,048.57	3,310.07	72,738.50	
Grand Totals		304,194.28	26,281.33	277,912.95	

Based upon the above results we recommend award be made to Cogent Leasing and Financing, Inc., at their rate of 4.57% quoted for the schedule. The interest rates will be held until for 30 days from the date of the RFQ. The transaction should normally close within the next 30 days.

The contact information for Cogent Leasing and Financing, Inc., is Michael Horkey, President, 420 S. Orange Ave, Suite 150, Orlando FL, 32801. Mike's e-mail is mhorkey@kogentbank.net. He can be reached at (410) 409-7579.

I have informed Cogent that they are apparent low bidder and your Board will 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.

Thank you for this assignment. It is the pleasure of the Hunterdon County ESC to be of service.

Respectfully Submitted,

Dennis R. Balodis

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Financial Services Manager
Hunterdon County Educational Services Commission