

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION  
AGENDA STATEMENT

No. 8 b.

MEETING OF September 13, 2023

ITEM TITLE:

**CONSENT CALENDAR:**

Motion to approve a four-year lease agreement  
with American Capital

**REVIEWED BY:**

Superintendent  
 Finance

SUBMITTED BY: Daniel Schuler, Business Manager 907 247 2116

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent

SUMMARY STATEMENT:

The School Board is being asked to approve a four-year lease agreement with American Capital as the financing mechanism for an eight-year computer refresh program.

ISSUE: Board Policy governs the district's purchasing and contracting procedures. Board Policy requires Board approval for expenditures and financial obligations over \$25,000.

BACKGROUND:

American Capital Finance has worked with education and municipal marketplace for over thirty years crafting solutions to providing necessary equipment, whether it be Chromebooks, iPads, laptops, network equipment, copiers, printers or buses. Their programs are tailored to allow school districts and municipalities to leverage increased buying power by layering in purchases over multiple fiscal periods.

RECOMMENDATION:

Approval of a four-year lease agreement for the acquisition of 800 Chromebooks and 75 laptops to allow the IT department to compensate for not purchasing these items during the FY2022-2023 fiscal year.

ATTACHMENTS:

- Sample Leasing Document (subject to finalized underlying equipment acquisition and legal review)
- Business & Operations Manager Memo

FISCAL NOTE:

EXPENDITURE REQUIRED: \$85,000 (not to exceed)

AMOUNT BUDGETED: \$124,800

RECOMMENDED ACTION: "I move that the Board of Education approve a four-year lease agreement with American Capital Finance in the amount not to exceed \$85,000 for fiscal year 2023-2024 and \$315,000 over the four-year term of the agreement."

**Ketchikan Gateway Borough School District**

333 Schoenbar Rd. • Ketchikan, Alaska 99901

Ph. (907) 247-2109 Fax: (907) 247-3820

Michael Robbins, Superintendent • Melissa Johnson, Deputy Superintendent

Daniel Schuler, Business and Operations Manager • Sally Stockhausen, Special Services

Alonso Escalante, Human Resources Director • Michael Cron, Director of Support Services



September 7, 2023

To: Michael Robbins, Superintendent & the KGBSD Board of Education

From: Daniel B. Schuler, Business & Operations Manager

RE: American Capital Finance Equipment Lease

A large, stylized handwritten signature in black ink, which appears to be 'D. Schuler', is written over the 'From:' line and extends into the 'RE:' line.

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During FY2022-2023, the IT department worked within the guidelines of the budget pressures and did not purchase either new student Chromebooks or staff laptops. While they were able to finesse this situation, it was never meant to be a long-term solution.

For FY2023-2024, not being able to infuse new equipment into the mix has compounding effects. Our older student Chromebooks will no longer be able to access the required State of Alaska testing due to the fact that the Chromebooks have an end of life in which they can no longer be updated. The IT department has done yeoman's work in terms of shuffling the existing student and staff machines but necessary updates are now at hand.

This scenario presented the opportunity to review other methods of accessing the necessary outright purchasing of equipment. By using municipal leasing as a vehicle for equipment acquisition, KGBSD will be able to spread out the corresponding funding of the equipment acquisition over multiple budgetary years and then begin to layer in future acquisitions, thereby establishing a known budgetary amount in future fiscal years and ensure that can be built into those future years and continue to maintain a replenishment of equipment to keep machines current and not run the risk of being used beyond their useful lives.

The underlying purchase of equipment is being handled through QETC, the buying consortium out of Oregon that has been the school district's go to source for computer purchasing. At the time of this memorandum, KGBSD is still awaiting a finalized quote on staff laptops. That is why the recommendation is being brought, in deference to time constraints with respect to ordering the equipment as soon as possible, as a not to exceed amount to provide some flexibility in that quote. A number of \$870 has been used in the chart provided that shows Options #1 and #2 that were considered. Option #1 is being recommended in order to "catch up" for the equipment not purchased last year and on the recommendation of the IT department.

