



Traxis Financial Group | 201 Orange Street | New Haven, Connecticut 06510 | 203.562.0200

## CASE STUDY

# Creative School Bus Leasing Solutions for Blue Bird Dealers and their Customers Tax Exempt Municipal Lease Purchase Product

## Reynolds School District's Purchase of 4 Blue Bird Buses through Western Bus Sales via Tax-Exempt Municipal Lease Purchase, Financed by Blue Bird Financial Services.

Blue Bird Financial Services (BBFS), a member of the Traxis Financial Group (TFG), was contacted by Western Bus Sales regarding Reynolds School District's (Fairview, OR) desire to finance its purchase of four Blue Bird All American Forward-Engine school buses. The All American 3904 model, with its 232" wheel base and 84 passenger seating capacity, is among the largest and most expensive of the Blue Bird offerings. By utilizing BBFS's lease-purchase product, Reynolds School District was able to immediately acquire and put into service four All Americans for considerably less cost than the upfront cash

purchase price (~\$94,000) of one All American 3904. The annual payment obligation for the four buses was \$84,832, as seen in the example below. BBFS thus enabled Reynolds School District to make the most of its annual budget appropriation and produce a much larger impact on its bus fleet than it otherwise could have accomplished with a cash-only purchase. School districts across the country confront budget constraint challenges on a daily basis. Oftentimes, a school district will not have sufficient funds to replace all of the buses in its fleet that are beyond their useful life. Older and/or defective buses

are costly to maintain and repair, putting further strain on school district budgets. By financing the acquisition of new buses through a BBFS lease-purchase, school districts such as Reynolds are able to achieve a far greater and more immediate reduction to the average age of its fleet and a significant improvement in its cost efficiency (i.e. downtime, operating & maintenance and repair costs). Just as importantly, the comfort and safety of its students are further enhanced through the introduction of additional new buses.

EXAMPLE	
Dealer:	Western Bus Sales
Customer:	Reynolds School District (Fairview, Oregon)
Transaction Type:	Lease-Purchase
Term of Lease-Purchase:	5 years
Payment Frequency:	Annually, 1st payment deferred 218 days
Number/Type of Buses:	4 All American Forward-Engine 3904 Buses
Total Cost of Buses:	\$378,072/\$94,518 each
Leasing Rate:	4.60%
<b>Annual Lease Purchase Payment:</b>	<b>\$84,832*</b>

\*less than the price of one bus purchased with cash upfront

[www.traxisfinancialgroup.com](http://www.traxisfinancialgroup.com)