

Minnesota School Districts Replace Their Aging Cleaning Equipment Fleets Using No-strings, No-interest Leases

OVERVIEW

Osseo Area Schools were overdue for an upgrade of their cleaning equipment. With 36 school facilities to maintain across eight communities in the suburbs of Minneapolis, Minnesota, the maintenance department was challenged with service interruptions and rising repair costs.



CHALLENGES

- About two-thirds of Osseo's cleaning equipment, which includes vacuums, floor scrubbers and carpet extractors, were more than a decade old.
- Given the age and condition, Osseo's annual repair costs ballooned to \$120,000 a year.
- Osseo was faced with spending \$1.9 million in replacement costs, money that just wasn't available in the budget.

RESULTS

- Osseo Area Schools developed a replacement cycle, allowing them to phase in new equipment and spread out the costs via lease terms from All-Lines Leasing.
- The first interest-free lease Osseo entered allowed them to acquire \$749,845 in new cleaning equipment from Hillyard, and the second phase allowed the district to acquire another \$419,845 in new equipment.
- With new equipment that is still under warranty, Osseo's annual repair costs now come in at less than \$10,000 for its cleaning equipment, a fraction of what they were paying prior to the lease.
- Leasing new equipment allows Osseo's busy maintenance staff to do more as a result, while district funding can be allocated to other needs.



OTHER SCHOOLS THAT CHOSE THE 0% LEASING OPTION:

MILACA SCHOOL DISTRICT

- Acquired \$51,000 in floor scrubbers to keep its two school buildings clean.
- Like all municipal leases, should budget conditions of this small district worsen, the agreement lets them terminate without paying a penalty.

NORTH BRANCH AREA PUBLIC SCHOOLS

- This medium-sized district was trying to stay on top of tasks while maintaining aging cleaning equipment.
- Hillyard facilitated a no-interest, no penalty municipal lease for \$218,950.

ST. LOUIS PARK PUBLIC SCHOOLS

- No-interest municipal lease for \$145,756

