



## Daimler Truck Financial

For additional information, please visit [daimler-truckfinancial.com](http://daimler-truckfinancial.com) or call 800-222-4221.



Bus Sales & Leasing  
9294 South St. Rd. 15 Box 157 • Silver Lake, IN 46982  
260.352.2722 FAX: 260.352.2011  
[www.kerlinbus.com](http://www.kerlinbus.com)

<sup>1</sup> Daimler Truck Financial does not offer or endorse any tax advice, accounting advice or tax strategy to its dealers, customers or potential customers. Please consult with your tax or financial adviser for tax and accounting treatment.

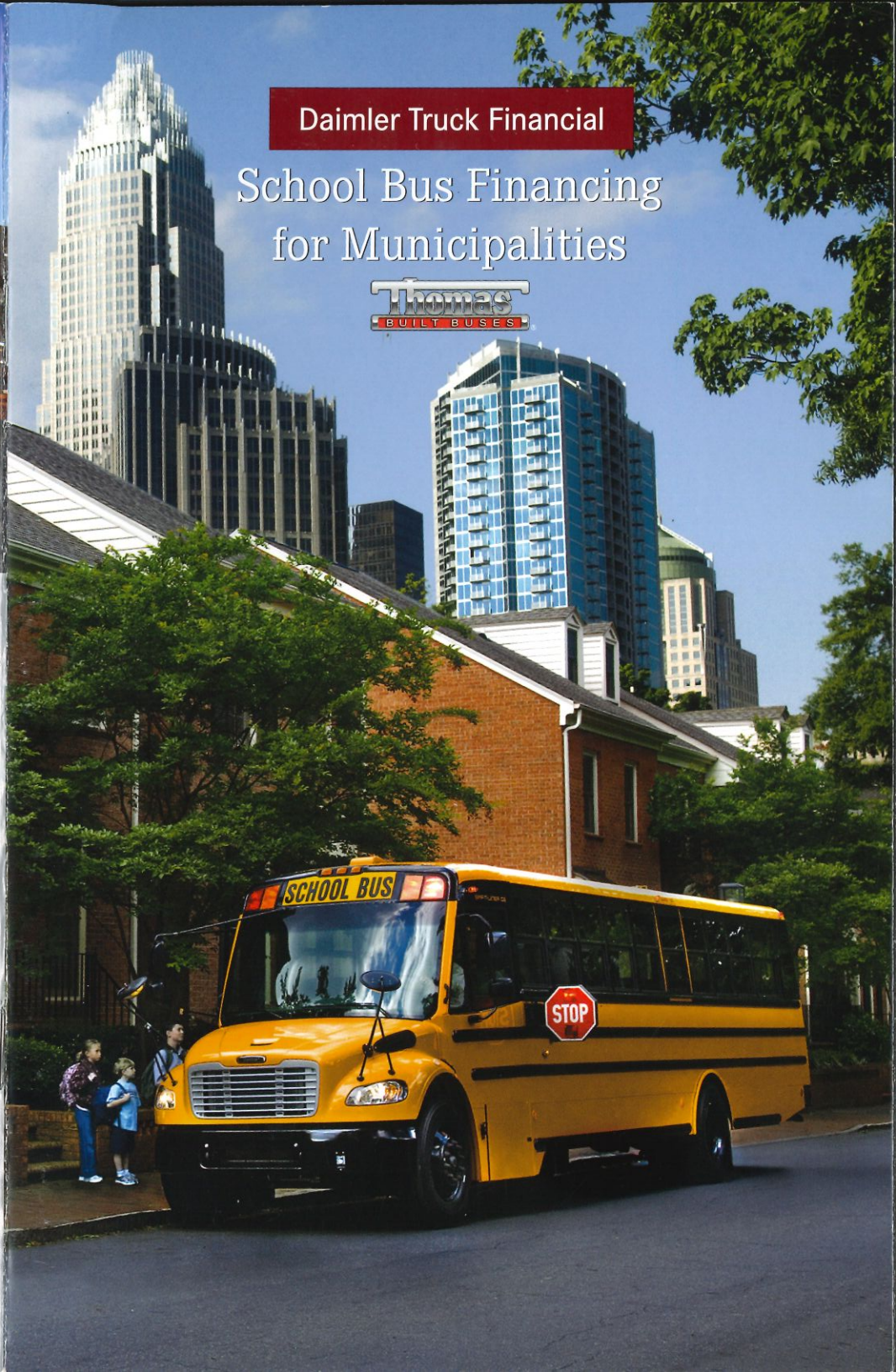
<sup>2</sup> Subject to IRS rules.

<sup>3</sup> Actual rates, terms, down payment, advance and program eligibility will be determined by Daimler Truck Financial's Credit team based on creditworthiness of customer.

DTF-B-TB-1027 (December 2013/3,500) © 2013 Daimler Truck Financial is a business unit of Mercedes-Benz Financial Services USA LLC. All rights reserved.

## Daimler Truck Financial

# School Bus Financing for Municipalities







Thomas Built Buses is committed to building buses that give you peace of mind day after day, mile after mile. And as the captive financial services provider for Thomas Built Buses, Daimler Truck Financial genuinely understands the priorities of the pupil transportation industry. There is a lot riding on you, and our focus is helping Thomas Built customers like yourself get the financing required for the buses needed to provide safe, environmentally-friendly access to education.

## We Understand Your Business

We know that having school buses that provide the lowest cost of ownership while making the most of your operating budget is of primary concern for municipal school districts. Daimler Truck Financial finance programs are tailored to your municipality's needs. We can help ease budgetary concerns and enable you to acquire the school transportation equipment you need *today* while allowing you to pay for it over *time*.

We work to provide the most competitive and cost-effective municipal finance programs available. In addition to simple-interest retail loans, we can also offer tax-exempt<sup>1</sup> municipal financing programs, which can increase your purchasing power and stretch your appropriated budget. In fact, in the last decade alone, we have financed more than \$500 million in municipal and other government agency business.

Daimler Truck Financial has extensive experience working with states, counties, cities, colleges, school districts and other municipal entities, to help them acquire the buses and other vehicles they need. We are dedicated to supporting your bid and purchase cycles, offering various purchase scenarios and driving financing solutions that maximize your budget. And best of all, our municipal finance programs are not considered debt<sup>1</sup>.





## Tax-Exempt Municipal Financing

### What is a Tax-Exempt Contract?

- A contract that allows a public entity to purchase equipment and related services<sup>2</sup> by making periodic payments over the useful life of the asset (i.e., an installment purchase contract).
- Included as a line item in the borrower's operating budget and treated as a lease (**not debt**) under applicable state law<sup>1</sup>.
- Interest rates are lower than commercial rates due to the tax-exempt treatment.
- Installment payments are subject to annual budgetary appropriations by the municipality.
- Voter referendum is generally not required.

### What are the Benefits of Tax-Exempt Financing?

- Borrower (municipality) holds the title
- Low-cost, tax-exempt capital
- Flexible repayment terms
- Maximizes use of budgeted funds
- Protection against obsolescence
- Matches expense with product useful life
- Easy to add on schedules
- Transaction treated as a lease (not debt) under applicable state law
- Straight-forward and efficient

### Who is Eligible?

Any municipality or political subdivision that can issue tax-exempt securities generally can utilize tax-exempt financing. Examples include<sup>1</sup>:

- States
- State universities
- Counties
- Cities
- School districts
- Special purpose districts
- Government-owned hospitals

### Benefits of Financing with Daimler Truck Financial include<sup>3</sup>:

- Competitive rates
- Tax-exempt contracts
- Municipal expertise
- Up to 100% financing with no down payment
- Annual, semi-annual, quarterly or monthly payment options
- Customized finance packages (such as variable, skip or balloon payments)
- Flexible repayment terms (based on your budget)
- Terms up to 10 years
- Used equipment financing
- Easy application process
- Simplified documentation



# Financing to Lower Operating Costs

New buses will help save money in fuel costs and maintenance costs while reducing the average age of your fleet. This savings, combined with adding financing options to your transportation strategy, will allow your operating budget to go even further. Please see below for an example of how financing can lower expenses.

## Situation

A school district has an aging fleet, increasing maintenance costs and a shrinking budget.

## Assumptions

Average Age of Fleet	7.97 years
Total Units in Fleet	44
Annual Acquisition Budget	\$190,000
Annual Maintenance Budget	\$150,000
Cost of New Bus	\$87,649

## Purchase Strategy

Equipment:	Purchase 2 buses
Payment:	\$175,298
Average Age of Fleet:	7 years
Annual Maintenance Cost:	\$136,250

## Municipal Financing Strategy

Equipment:	Finance 18 buses
Annual Payment:	\$238,999 (for 7 years)
Average Age of Fleet:	3.16 years
Annual Maintenance Cost:	\$71,750

## Results of Financing in First Year

Maintenance Savings:	\$64,500
Fuel Cost Savings:	\$41,801 @1 mpg
<b>Total Savings:</b>	<b>\$106,301</b>

## Solution

By turning an acquisition payment into lease payments, a municipality can lower the average age of its fleet and reduce the total cost of ownership and operation.

This financing strategy works whether your district has a five bus fleet or a 5,000 bus fleet. Let Daimler Truck Financial show you how.



## Let Us Help

Let our municipal financing experts develop a program that meets the fiscal challenges of your budget and stretches available funds while allowing you to focus on the safe transportation of students. Our extensive experience in municipal financing can help structure a program that lowers your fleet acquisition costs by taking full advantage of all available tax benefits, low municipal rates and flexible repayment terms. We'll work with you to extend the power of limited capital to help acquire the vital equipment your community needs.

Talk to your local Thomas Built Buses dealer and find out more about the many ways that Daimler Truck Financial can meet your financing needs.

