


Bendzinski & Co.

municipal finance advisors

32

March 11, 2019

Board of Trustees
Township of Northfield
8350 Main Street
Whitmore Lake MI 48189

Dear Board of Trustees:

This letter will attempt to summarize a meeting with Township officials, the Township Attorney, Bond Counsel and Township Engineers. The Township has two options to finance this project. The first would be the issuance of General Obligation Limited Tax Bonds for the amount of the project costs. The bonds would require a 45 day right-of-referendum. However, the Township could pledge sewer revenues for the payment of the debt service or they could pay the bonds from any legally available funds of the Township.

The second option to the Township is the issuance of Sewer System Revenue Bonds. This also requires a 45 day right-of-referendum; however, the bonds are payable solely from sewer system revenues. The Township would be required to fund a bond reserve in an amount equal to approximately 10% of the par amount of the bonds. This could be funded from cash on hand or could be funded from bond proceeds. The Township would have to set rates on an annual basis that would produce approximately 110% of the debt service requirements. These bonds would sell for 50-100 basis points higher than General Obligation Limited Tax Bonds. The General Obligation Limited Tax Bonds would produce a lower interest rate than the revenue bonds to the Township.

We are enclosing Schedule of Debt Service Requirements for a bond issue in the amount of \$5,500,000 payable over 20 years. The average annual debt service is approximately \$385,500 and would require each Residential Equivalent User ("REU") to pay \$94.00 per year or \$7.84 per month.

We believe this summarizes the meeting and the options available as discussed at the meeting. We look forward to working with the Township on a successful financing of this project. In the meantime, should you have any questions or require any additional information, please do not hesitate to call.

Sincerely,
BENDZINSKI & CO.
Municipal Finance Advisors



Robert J. Bendzinski, CIPMA
Registered Municipal Advisor

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\$3,500,000
TOWNSHIP OF NORTHFIELD
COUNTY OF WASHTENAW, STATE OF MICHIGAN
CAPITAL IMPROVEMENT BONDS, SERIES 2020
(WWTP Improvements)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

On a Calendar Year Basis

| Year | Principal Due April 1 | Interest Rate | Interest Due April 1 | Interest Due October 1 | Total Principal & Interest Requirements |
|------|--------------------------|---------------|-------------------------|---------------------------|--|
| 2020 | \$ - | 4.000% | \$ - | \$ 70,000 * | \$ 70,000 |
| 2021 | 120,000 | 4.000% | 70,000 | 67,600 | 257,600 |
| 2022 | 120,000 | 4.000% | 67,600 | 65,200 | 252,800 |
| 2023 | 125,000 | 4.000% | 65,200 | 62,700 | 252,900 |
| 2024 | 130,000 | 4.000% | 62,700 | 60,100 | 252,800 |
| 2025 | 135,000 | 4.000% | 60,100 | 57,400 | 252,500 |
| 2026 | 145,000 | 4.000% | 57,400 | 54,500 | 256,900 |
| 2027 | 150,000 | 4.000% | 54,500 | 51,500 | 256,000 |
| 2028 | 155,000 | 4.000% | 51,500 | 48,400 | 254,900 |
| 2029 | 160,000 | 4.000% | 48,400 | 45,200 | 253,600 |
| 2030 | 165,000 | 4.000% | 45,200 | 41,900 | 252,100 |
| 2031 | 175,000 | 4.000% | 41,900 | 38,400 | 255,300 |
| 2032 | 180,000 | 4.000% | 38,400 | 34,800 | 253,200 |
| 2033 | 190,000 | 4.000% | 34,800 | 31,000 | 255,800 |
| 2034 | 195,000 | 4.000% | 31,000 | 27,100 | 253,100 |
| 2035 | 205,000 | 4.000% | 27,100 | 23,000 | 255,100 |
| 2036 | 210,000 | 4.000% | 23,000 | 18,800 | 251,800 |
| 2037 | 220,000 | 4.000% | 18,800 | 14,400 | 253,200 |
| 2038 | 230,000 | 4.000% | 14,400 | 9,800 | 254,200 |
| 2039 | 240,000 | 4.000% | 9,800 | 5,000 | 254,800 |
| 2040 | 250,000 | 4.000% | 5,000 | - | 255,000 |
| | <u>\$ 3,500,000</u> | | <u>\$ 826,800</u> | <u>\$ 826,800</u> | <u>\$ 5,153,600</u> |

Assumptions:

Bonds Dated: 04/01/2020
First Interest Payment: 10/01/2020
Number of Days: 180 *
Subsequent Interest Payment: 04/01/2021
Number of Days: 180
First Principal Payment: 04/01/2021
Projected Interest Rate 4.00%

**615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997
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The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

34

\$2,000,000
 TOWNSHIP OF NORTHFIELD
 COUNTY OF WASHTENAW, STATE OF MICHIGAN
 CAPITAL IMPROVEMENT BONDS, SERIES 2020
 (Sewer Improvements)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

On a Calendar Year Basis

| Year | Principal Due April 1 | Interest Rate | Interest Due April 1 | Interest Due October 1 | Total Principal & Interest Requirements |
|------|-----------------------------|------------------|----------------------------|------------------------------|--|
| 2020 | \$ - | 4.000% | \$ - | \$ 40,000 * | \$ 40,000 |
| 2021 | 70,000 | 4.000% | 40,000 | 38,600 | 148,600 |
| 2022 | 70,000 | 4.000% | 38,600 | 37,200 | 145,800 |
| 2023 | 75,000 | 4.000% | 37,200 | 35,700 | 147,900 |
| 2024 | 75,000 | 4.000% | 35,700 | 34,200 | 144,900 |
| 2025 | 80,000 | 4.000% | 34,200 | 32,600 | 146,800 |
| 2026 | 80,000 | 4.000% | 32,600 | 31,000 | 143,600 |
| 2027 | 85,000 | 4.000% | 31,000 | 29,300 | 145,300 |
| 2028 | 90,000 | 4.000% | 29,300 | 27,500 | 146,800 |
| 2029 | 90,000 | 4.000% | 27,500 | 25,700 | 143,200 |
| 2030 | 95,000 | 4.000% | 25,700 | 23,800 | 144,500 |
| 2031 | 100,000 | 4.000% | 23,800 | 21,800 | 145,600 |
| 2032 | 105,000 | 4.000% | 21,800 | 19,700 | 146,500 |
| 2033 | 110,000 | 4.000% | 19,700 | 17,500 | 147,200 |
| 2034 | 110,000 | 4.000% | 17,500 | 15,300 | 142,800 |
| 2035 | 115,000 | 4.000% | 15,300 | 13,000 | 143,300 |
| 2036 | 120,000 | 4.000% | 13,000 | 10,600 | 143,600 |
| 2037 | 125,000 | 4.000% | 10,600 | 8,100 | 143,700 |
| 2038 | 130,000 | 4.000% | 8,100 | 5,500 | 143,600 |
| 2039 | 135,000 | 4.000% | 5,500 | 2,800 | 143,300 |
| 2040 | 140,000 | 4.000% | 2,800 | - | 142,800 |
| | <u>\$ 2,000,000</u> | | <u>\$ 469,900</u> | <u>\$ 469,900</u> | <u>\$ 2,939,800</u> |

Assumptions:

Bonds Dated: 04/01/2020
 First Interest Payment: 10/01/2020
 Number of Days: 180 *
 Subsequent Interest Payment: 04/01/2021
 Number of Days: 180
 First Principal Payment: 04/01/2021
 Projected Interest Rate 4.00%

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35

\$5,500,000
TOWNSHIP OF NORTHFIELD
COUNTY OF WASHTENAW, STATE OF MICHIGAN
CAPITAL IMPROVEMENT BONDS, SERIES 2019

SCHEDULE OF DEBT SERVICE REQUIREMENTS

On a Calendar Year Basis

| Year | Principal Due April 1 | Interest Rate | Interest Due April 1 | Interest Due October 1 | Total Principal & Interest Requirements |
|------|--------------------------|---------------|-------------------------|---------------------------|--|
| 2020 | \$ - | 4.000% | \$ - | \$ 110,000 * | \$ 110,000 |
| 2021 | 185,000 | 4.000% | 110,000 | 106,300 | 401,300 |
| 2022 | 190,000 | 4.000% | 106,300 | 102,500 | 398,800 |
| 2023 | 200,000 | 4.000% | 102,500 | 98,500 | 401,000 |
| 2024 | 205,000 | 4.000% | 98,500 | 94,400 | 397,900 |
| 2025 | 215,000 | 4.000% | 94,400 | 90,100 | 399,500 |
| 2026 | 225,000 | 4.000% | 90,100 | 85,600 | 400,700 |
| 2027 | 235,000 | 4.000% | 85,600 | 80,900 | 401,500 |
| 2028 | 245,000 | 4.000% | 80,900 | 76,000 | 401,900 |
| 2029 | 255,000 | 4.000% | 76,000 | 70,900 | 401,900 |
| 2030 | 265,000 | 4.000% | 70,900 | 65,600 | 401,500 |
| 2031 | 275,000 | 4.000% | 65,600 | 60,100 | 400,700 |
| 2032 | 285,000 | 4.000% | 60,100 | 54,400 | 399,500 |
| 2033 | 295,000 | 4.000% | 54,400 | 48,500 | 397,900 |
| 2034 | 305,000 | 4.000% | 48,500 | 42,400 | 395,900 |
| 2035 | 320,000 | 4.000% | 42,400 | 36,000 | 398,400 |
| 2036 | 330,000 | 4.000% | 36,000 | 29,400 | 395,400 |
| 2037 | 345,000 | 4.000% | 29,400 | 22,500 | 396,900 |
| 2038 | 360,000 | 4.000% | 22,500 | 15,300 | 397,800 |
| 2039 | 375,000 | 4.000% | 15,300 | 7,800 | 398,100 |
| 2040 | 390,000 | 4.000% | 7,800 | - | 397,800 |
| | <u>\$ 5,500,000</u> | | <u>\$ 1,297,200</u> | <u>\$ 1,297,200</u> | <u>\$ 8,094,400</u> |

Assumptions:

| | |
|------------------------------|------------|
| Bonds Dated: | 04/01/2020 |
| First Interest Payment: | 10/01/2020 |
| Number of Days: | 180 * |
| Subsequent Interest Payment: | 04/01/2021 |
| Number of Days: | 180 |
| First Principal Payment: | 04/01/2021 |
| Projected Interest Rate | 4.00% |

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