

The Township of East Amwell

Evaluation of Bond Financing Options

February 8, 2018

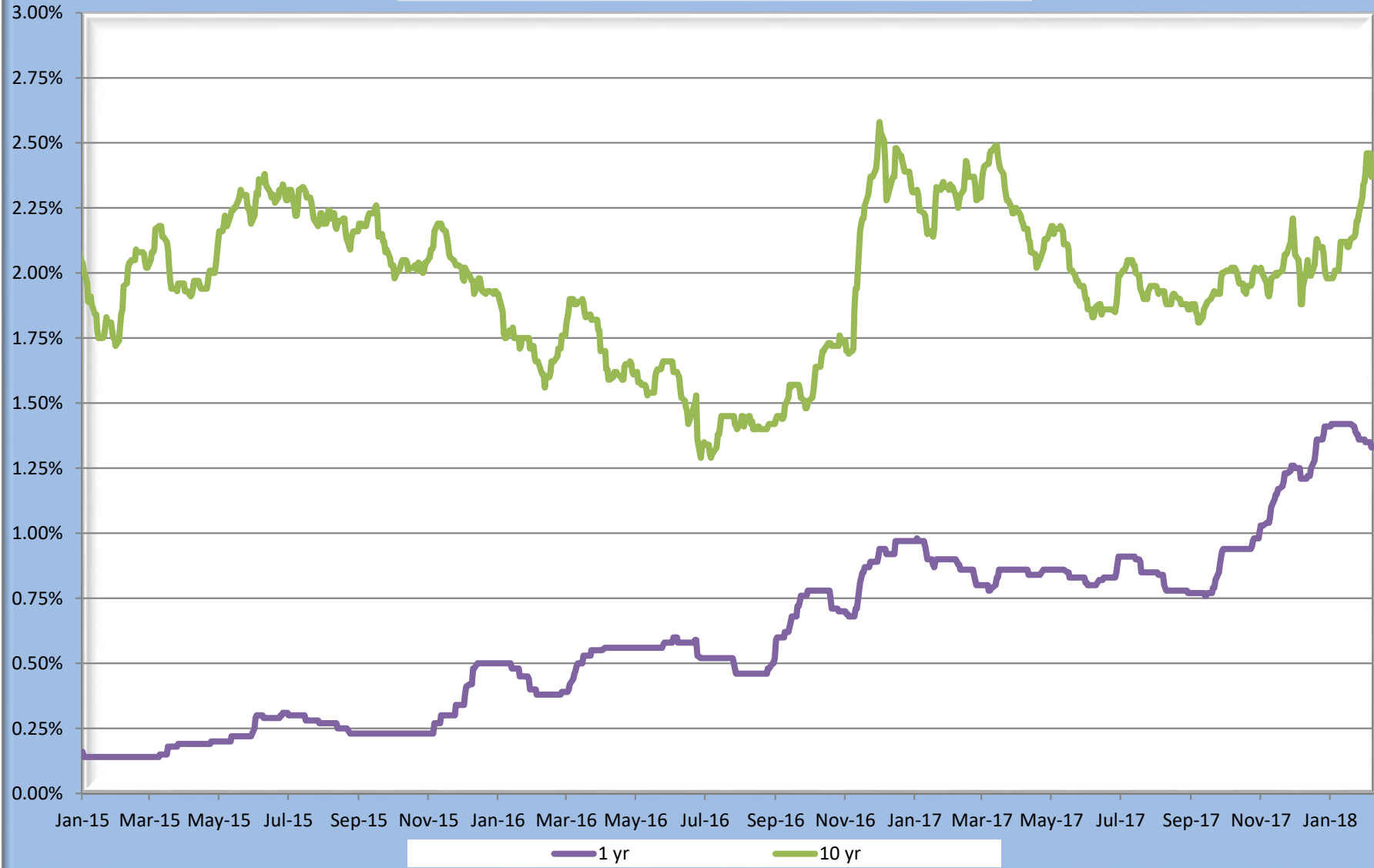
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Spread between Short-Term and Long-Term Rates Municipal Market Data "AAA" Interest Rates January 2015 to Present



**The Township of East Amwell
County of Hunterdon, NJ**

**Comparison of Financing Options
Public Sale vs. Bank Loan
\$998,000**

FY Ending	<i>Estimated Debt Service</i> Public Market Sale @ 2.90%			<i>Estimated Debt Service</i> Bank Loan / Private Placement @ 3.70%		
	Principal	Interest	Total P+I	Principal	Interest	Total P+I
12/31/18		10,015	10,015		13,950	13,950
12/31/19	85,000	25,660	110,660	85,000	35,354	120,354
12/31/20	90,000	23,910	113,910	90,000	32,116	122,116
12/31/21	95,000	21,823	116,823	95,000	28,694	123,694
12/31/22	95,000	19,448	114,448	95,000	25,179	120,179
12/31/23	100,000	17,010	117,010	100,000	21,571	121,571
12/31/24	100,000	14,510	114,510	100,000	17,871	117,871
12/31/25	105,000	11,685	116,685	105,000	14,079	119,079
12/31/26	110,000	8,460	118,460	110,000	10,101	120,101
12/31/27	110,000	5,160	115,160	110,000	6,031	116,031
12/31/28	108,000	1,755	109,755	108,000	1,998	109,998
12/31/29						
Total	\$998,000	\$159,435	\$1,157,435	\$998,000	\$206,942	\$1,204,942

Summary of Estimated Costs of Issuance

<u>Public Market Sale</u>		<u>Bank Loan/Private Placement</u>	
Bond Counsel	\$11,500	Bond Counsel	\$7,500
Municipal Advisor	\$11,500	Municipal Advisor	\$7,500
Auditor	\$7,500	Auditor	\$2,500
Rating Agency	\$10,000	Rating Agency	\$0
Printer	\$1,500	Bank Counsel	\$2,000
Ads/Publications/Misc	<u>\$3,500</u>	Ads/Publications/Misc.	<u>\$500</u>
Total	\$45,500	Total	\$20,000

Savings on Interest Cost with Public Market Sale \$47,507

Savings on Cost of Issuance with Bank Loan/Private Placement \$25,500

Net Savings with Public Market Sale \$22,007

****Public Sale Option Allows Township to Permanently Finance All Outstanding Notes/Ordinances**



The Township of East Amwell County of Hunterdon, NJ							
Outstanding Debt Service (as of December 31, 2017) General Capital Before Proposed 2018 Bonds							
FY Ending	2010 Bonds		2015 Bonds		Aggregate Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Total P+I
12/31/18	270,000	16,169	155,000	37,975	425,000	54,144	479,144
12/31/19	160,000	10,863	175,000	33,025	335,000	43,888	378,888
12/31/20	155,000	6,631	185,000	26,700	340,000	33,331	373,331
12/31/21	150,000	2,250	195,000	19,100	345,000	21,350	366,350
12/31/22			190,000	11,400	190,000	11,400	201,400
12/31/23			190,000	3,800	190,000	3,800	193,800
12/31/24							
12/31/25							
12/31/26							
12/31/27							
12/31/28							
12/31/29							
12/31/30							
12/31/31							
12/31/32							
12/31/33							
12/31/34							
12/31/35							
12/31/36							
12/31/37							
Total	\$735,000	\$35,913	\$1,090,000	\$132,000	\$1,825,000	\$167,913	\$1,992,913



The Township of East Amwell County of Hunterdon, NJ									
Outstanding Debt Service (as of December 31, 2017)									
General Capital									
After Proposed 2018 Bonds									
FY Ending	<u>BEFORE NEW ISSUE</u> Aggregate Debt Service			<u>**PROPOSED**</u> 2018 Bonds			<u>AFTER NEW ISSUE</u> Aggregate Debt Service		
	Principal	Interest	Total P+I	Principal	Interest	Total P+I	Principal	Interest	Total P+I
12/31/18	425,000	54,144	479,144		13,554	13,554	425,000	67,698	492,698
12/31/19	335,000	43,888	378,888	80,000	35,079	115,079	415,000	78,966	493,966
12/31/20	340,000	33,331	373,331	85,000	33,429	118,429	425,000	66,760	491,760
12/31/21	345,000	21,350	366,350	90,000	31,454	121,454	435,000	52,804	487,804
12/31/22	190,000	11,400	201,400	120,000	28,829	148,829	310,000	40,229	350,229
12/31/23	190,000	3,800	193,800	120,000	25,829	145,829	310,000	29,629	339,629
12/31/24				140,000	22,579	162,579	140,000	22,579	162,579
12/31/25				140,000	18,729	158,729	140,000	18,729	158,729
12/31/26				140,000	14,529	154,529	140,000	14,529	154,529
12/31/27				135,000	10,404	145,404	135,000	10,404	145,404
12/31/28				135,000	6,269	141,269	135,000	6,269	141,269
12/31/29				128,000	2,080	130,080	128,000	2,080	130,080
12/31/30									
12/31/31									
12/31/32									
12/31/33									
12/31/34									
12/31/35									
12/31/36									
12/31/37									
Total	\$1,825,000	\$167,913	\$1,992,913	\$1,313,000	\$242,762	\$1,555,762	\$3,138,000	\$410,675	\$3,548,675

ASSUMPTIONS	
<u>2018 Bonds</u>	
Dated & Delivery Date:	4/15/18
First Interest Date:	9/1/18
First Maturity Date:	3/1/19
Final Maturity Date:	3/1/29
Call Provision:	NC
Par Amount:	\$1,313,000
Borrowing Rate (TIC):	2.90%