

**MSD WASHINGTON TOWNSHIP
FUNDING OF CLASSROOM ADDITIONS
2009**

Estimated Cost of Construction	\$ 1,500,000
Estimated Cost of Soft Costs	\$ 150,000
Estimated Total Cost of Project	<u>\$ 1,650,000</u>

Funding of The Project:

General Obligation Bond	\$ 1,500,000
Capital Projects Fund	\$ 150,000
	<u>\$ 1,650,000</u>

Servicing the Debt:

	Pay Off:	2 Years	3 Years	4 Years	5 Years
Debt Service Fund Levy	Year 1	\$ 801,013	\$ 543,288	\$ 419,338	\$ 335,038
	Year 2	\$ 805,650	\$ 547,113	\$ 417,712	\$ 336,388
	Year 3		\$ 543,912	\$ 414,238	\$ 340,887
	Year 4			\$ 410,500	\$ 339,950
	Year 5				\$ 338,662
Total		<u>\$ 1,606,663</u>	<u>\$ 1,634,313</u>	<u>\$ 1,661,788</u>	<u>\$ 1,690,925</u>

If MSDWT is being restricted by the property tax caps that go into effect in 2010, the amount of lost revenue in the Debt Service Fund will have to be replaced by a transfer from another fund. That fund could be CPF, Transportation, Bus Replacement, the General Fund or the Rainy Day Fund. The most likely fund to transfer from would be the CPF. In this case I would recommend either a 4 or 5 year pay off of the bonds.

Note: Current LSA estimates show MSDWT being capped in 2010 & 2011 by very small amounts. This means that we will bump up against the caps for both years.