



## Q & A Information for Washington Township Schools Community

**Question:** When would the school district sell bonds to finance the potential \$185 million cost of the construction projects?

**Answer:** Bonds are sold when money is needed to pay for the expenses incurred as a part of the project. It is not possible to have all schools in Washington Township under construction at the same time. If a referendum were to pass in November, our professional partners will begin designing plans for renovations and new schools, while establishing timelines for construction. The order of the projects, the estimated cost and the estimated length of time needed to complete the projects will help determine the cash flow necessary to meet our obligations throughout the estimated five to seven year period of time needed to complete all the work.

With that in mind, here is what a typical scenario might look like with the sale of bonds occurring over a number of years.

Bond Sales		Construction Timeline	20 Year Pay Off	
Year Sold	Amount	Use of Money	1 <sup>st</sup> Year	20 <sup>th</sup> Year
2017	\$50 Million	2017 → 2020	2018	2037
2019	\$50 Million	2019 → 2022	2020	2039
2021	\$50 Million	2021 → 2024	2022	2041
2023	\$35 Million	2023 → 2025	2024	2043

Bonds can be paid off over a maximum of 20 years. This provides the lowest annual amount required to pay off outstanding bonds and the lowest monthly obligation for a homeowner in Washington Township. If a shorter period were used, like 15 years or 10 years, that would increase the monthly cost for a homeowner in Washington Township with a median value home (\$173,200) from \$26.31 per month to \$31.06 and \$43.15 respectively.

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