



Questions and answers from the Town Hall Meeting

1. Debt Question: What are the numbers for a \$115 million borrowing?

Answer: A \$115mm borrowing results in annual debt service of \$8.6million/per year. That assumes a 20-year financing. From a legal borrowing limit, right now the Township's limit is about \$35mm to \$41mm so the \$115mm is far from being legally able to be done.

2. Sewer Rate Question: What are the assumptions in the sewer rate model if the Township keeps the system?

Answer: As far as the main assumptions in the sewer rate model if the Twp keeps the system, here is what is built into the model.

1. Approx. \$36mm of sewer projects over the next 10 years that came from 2 very qualified professional engineers. That amount is for both the collection system and treatment plant
2. The Twp will collect about \$6.3mm of tap fees over this duration to contribute towards these projects
3. The Twp will receive about \$2.5mm in grants over this duration to contribute towards these projects
4. The system's general expenses will grow by 5%/year
5. Growth in EDU's of about 1,500
6. Of the capital projects not being funded with tap fees and grants, 20% would be funded via pay-go and then the balance would be financed via two separate bond issuance. The reason for two separate, tax-exempt, bonds is to better match the financings with when the Township would actually anticipate needing the funds.