



Township of Derry

FINANCING DISCUSSION

September 24, 2019

**Prepared by:
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pfm

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Derry Township

Maximum Parameters Ordinance Explanation

September 24, 2019



1) Financing Plan Goals:

The Township is undertaking borrowings to finance the Derry Township Community Center in addition to fundraising and pursuing state grants. In order to provide the most flexibility with pricing and structuring, the Township is planning to approve a Maximum Parameters Ordinance on October 8.

2) Estimated Borrowing Amount for Derry Township Community Center*

ESTIMATED BORROWING AMOUNT (FOR ILLUSTRATIVE PURPOSES ONLY)	
Estimated Cost of Community Center	\$33,500,000
Less:	
Funds Already Borrowed	(\$2,000,000)
RACP Grant Funds	(\$2,000,000)
Capital Campaign Funds on Hand**	(\$500,000)
Est. Net Project Fund Deposit Required	\$29,000,000

*These amounts are subject to change based on bids to be received and capital campaign funds secured.

**Township expects to receive additional ongoing capital campaign contributions in addition to the \$500,000 shown above. These funds will be used to reduce or pay down borrowings.

3) Maximum Parameters Ordinance:

A. Provisions of a Maximum Parameters Ordinance:

- i. Flexibility in the pricing date so that bonds are priced during favorable market conditions.
 - Eliminates the need to time the pricing of bonds with a board meeting date.
- ii. In order to satisfy the State's requirements, establishes a maximum par amount and maximum interest rates which are typically higher than what is needed for actual pricing – this creates flexibility to achieve best structure.
- iii. This is the same process the Township has utilized for previous bond issuances including the Series of 2019.

ILLUSTRATION OF MAXIMUM PARAMETERS DERRY TOWNSHIP – SERIES OF 2019 BOND ISSUE (ALREADY COMPLETED)	
Maximum Parameters Par	\$6,500,000
Actual Par	\$5,140,000



Derry Township

Tentative 2019 Borrowing Schedule

Community Center Project



TENTATIVE TIMELINE (SUBJECT TO CHANGE)

Tuesday, September 24, 2019	*Board Meeting* -Financing Team Provides Board an Update on Upcoming Borrowings
Tuesday, October 08, 2019	*Board Meeting* -Maximum Parameters Approval (Approximately \$40mm~ for New Money & Restructuring)
Wednesday, October 09, 2019	-File Borrowing with DCED -Transfer hedge to 2019 parameters
Wednesday, October 23, 2019	-Projected Bid Released
Late October 2019	-Debt Restructuring Bond Pricing
Early November 2019	-Receive DCED Approval
Thursday, November 14, 2019	-Close on Debt Restructuring
Wednesday, November 27, 2019	-Project Bids Due
Tuesday, December 03, 2019	-Project Award -Finance Team Updates Board on Financings
Early December	-First Community Center Bond Pricing -Partial Hedge Termination/Extension
Late December	-Close on First Community Center Bond Issue
Fall of 2020	-Second Community Center Bond Pricing/Closing -Remaining Hedge Termination

**TOWNSHIP OF DERRY
SUMMARY OF CURRENT OUTSTANDING INDEBTEDNESS**

Debt Service Requirements

1 2 3 4 5 6 7 8 9 10 11

Fiscal Year Ended	TOWNSHIP									
	PIB Loan #520939 2012	DTSD Series of 2012	G.O. Bonds Series of 2012	ICDA Series of 2015	G.O. Bonds Series of 2016	G.O. Note Series of 2017	GRN Series of 2017	G.O. Note Series of 2018	G.O. Bonds Series of 2019	Township Subtotal
12/31/2019	195,330	69,243	263,200	824,540	510,475	63,900	171,067	29,683		2,127,437
12/31/2020	195,330	69,059	259,600	827,340	515,975	62,510	174,142		5,000	2,108,956
12/31/2021	195,330	69,590	256,600	824,840	522,575	66,120	173,801		182,494	2,291,350
12/31/2022	195,330	70,050	251,800	827,140	520,300	64,591	173,461		182,413	2,285,085
12/31/2023		70,404	247,000	832,190	515,500	63,062	173,120		182,331	2,083,607
12/31/2024			112,200	810,440	540,600	61,533	171,416		277,250	1,973,439
12/31/2025				808,715		65,004	173,120		380,250	1,427,089
12/31/2026				810,835		63,336	171,373		376,150	1,421,694
12/31/2027				806,585		61,668	171,638		387,050	1,426,941
12/31/2028				810,135			171,825		372,650	1,354,610
12/31/2029				807,935			171,936		362,150	1,342,021
12/31/2030				804,375			171,970		361,650	1,337,995
12/31/2031							173,461		450,650	624,111
12/31/2032							171,501		452,850	624,351
12/31/2033							172,754		454,450	627,204
12/31/2034							173,959		450,450	624,409
12/31/2035							171,506		456,050	627,556
12/31/2036							172,460		454,175	626,635
12/31/2037							173,154		451,988	625,142
12/31/2038									434,488	434,488
12/31/2039									431,650	431,650
12/31/2040									428,488	428,488
12/31/2041										
12/31/2042										
12/31/2043										
Totals	781,320	348,346	1,390,400	9,795,070	3,125,425	571,724	3,277,663	29,683	7,534,625	26,854,255

Principal*:	567,449		1,070,000	8,230,000	2,910,000	500,000	2,824,987	0	5,140,000	21,242,436
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Call Date: Anytime Non-callable 2/15/2018 11/15/2020 11/15/2021 Anytime Anytime Anytime 12/15/2026

SUMMARY OF FINANCING PLAN FOR DERRY TOWNSHIP COMMUNITY CENTER

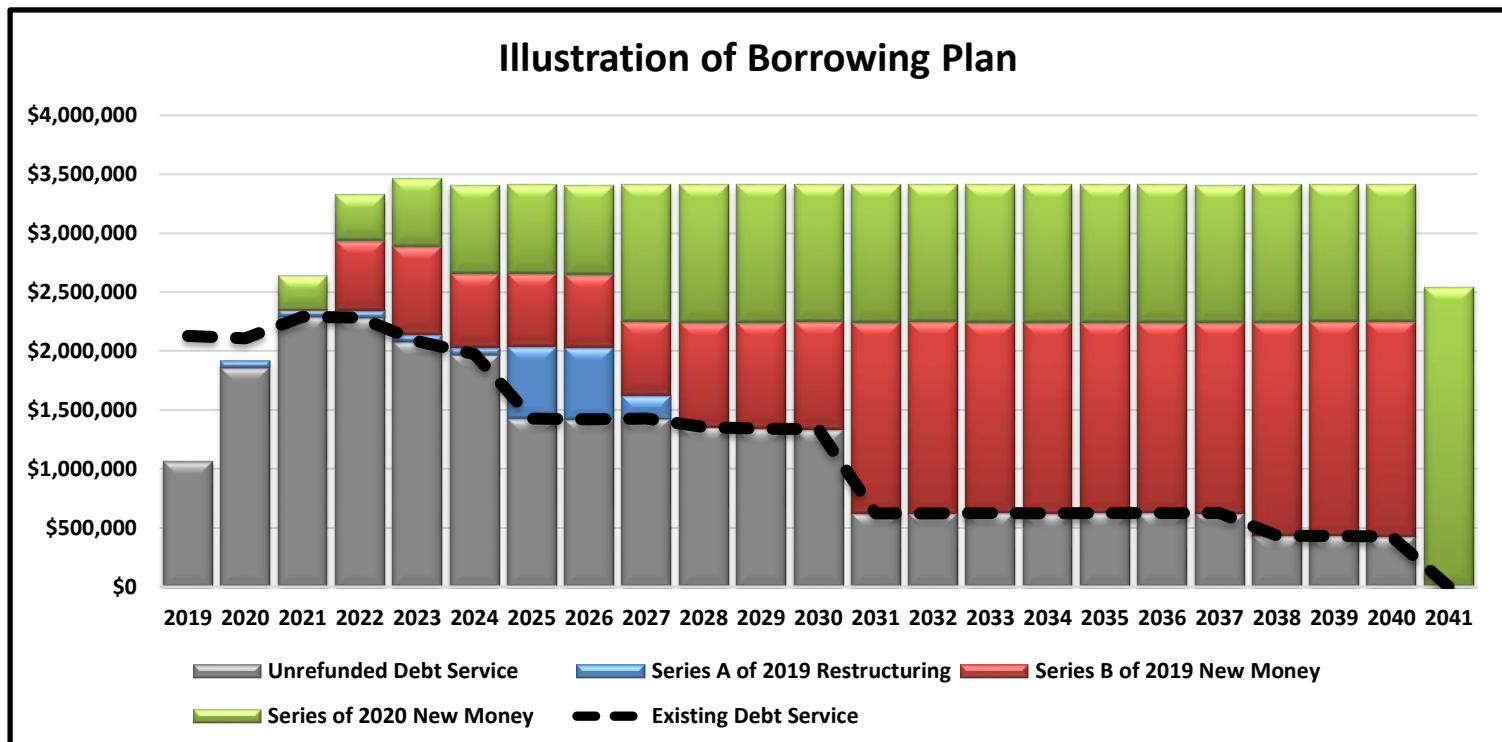


	1	2	3	4
	SERIES A OF 2019	SERIES B OF 2019	SERIES OF 2020	TOTAL
Purpose	Restructuring	New Money	New Money	
Settlement Date	11/14/2019	12/29/2019	9/15/2020	
Principal	\$1,340,000	\$14,875,000	\$14,385,000	\$30,600,000
Construction Fund Deposit	N/A	\$14,500,000	\$14,500,000	\$29,000,000
Capital Interest	\$0	\$1,161,390	\$713,098	\$1,874,488
Structure	Restructuring	Wrap	Wrap	

5	6	7	8	9	10
Fiscal Year Ending	Existing Debt Service	Change in Debt Service [1]	New Debt Service [1][2]	New Debt Service [1][2]	Ending Debt Service
12/31/2019	2,127,437	(1,068,350)			1,059,087
12/31/2020	2,108,956	(185,098)			1,923,858
12/31/2021	2,291,350	58,311	5,000	285,239	2,639,900
12/31/2022	2,285,085	58,184	597,096	385,239	3,325,603
12/31/2023	2,083,607	58,057	746,981	573,189	3,461,833
12/31/2024	1,973,439	57,929	623,400	753,074	3,407,841
12/31/2025	1,427,089	607,800	622,000	753,800	3,410,689
12/31/2026	1,421,694	605,600	625,600	756,200	3,409,094
12/31/2027	1,426,941	197,600	624,000	1,163,200	3,411,741
12/31/2028	1,354,610		892,400	1,163,600	3,410,610
12/31/2029	1,342,021		905,000	1,163,000	3,410,021
12/31/2030	1,337,995		911,600	1,161,400	3,410,995
12/31/2031	624,111		1,622,400	1,163,800	3,410,311
12/31/2032	624,351		1,624,200	1,165,000	3,413,551
12/31/2033	627,204		1,619,200	1,165,000	3,411,404
12/31/2034	624,409		1,622,600	1,163,800	3,410,809
12/31/2035	627,556		1,619,000	1,166,400	3,412,956
12/31/2036	626,635		1,618,600	1,167,600	3,412,835
12/31/2037	625,142		1,621,200	1,162,400	3,408,742
12/31/2038	434,488		1,811,600	1,166,000	3,412,088
12/31/2039	431,650		1,817,200	1,163,000	3,411,850
12/31/2040	428,488		1,820,000	1,163,600	3,412,088
12/31/2041				2,537,600	2,537,600
TOTAL	26,854,255	390,032	23,349,076	22,342,141	72,935,503

Present Value Dissavings (145,375)

[1] Assumes estimated interest rates. Actual rates will be determined at time of pricing.
 [2] Assumes the use of capitalized interest.





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