

Honeywell Phase II Energy Savings & Capital Improvement Facilities Project Financing



Presented by Jane Simard, Business Administrator
July 26, 2016

16 Year Loan

Phase II Project Cost:	\$ 9,338,555.00	
Phase I refinance Amount:	\$ 846,925.00	*
Rebates/Grants/Phase I:	\$ 150,000.00	
Total Amount To Be Financed:	\$ 10,035,480.00	
Total Interest:	\$ 2,436,726.13	
Total Expense:	\$ 12,472,206.13	

Nominal Annual Interest Rate 2.420%

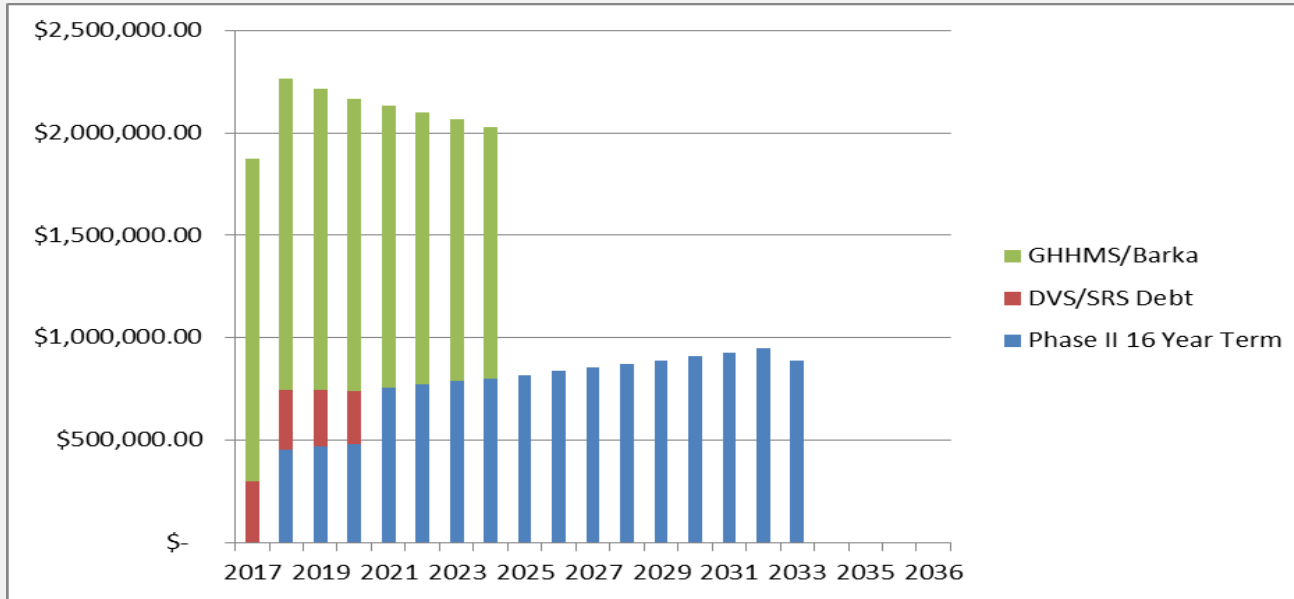
20 Year Loan

Phase II Project Cost:	\$ 9,338,555.00	
Phase I refinance Amount:	\$ 846,925.00	*
Rebates/Grants/Phase I:	\$ 150,000.00	
Total Amount To Be Financed:	\$ 10,035,480.00	
Total Interest:	\$ 2,969,423.24	
Total Expense:	\$ 13,004,903.24	

Nominal Annual Interest Rate 2.490%

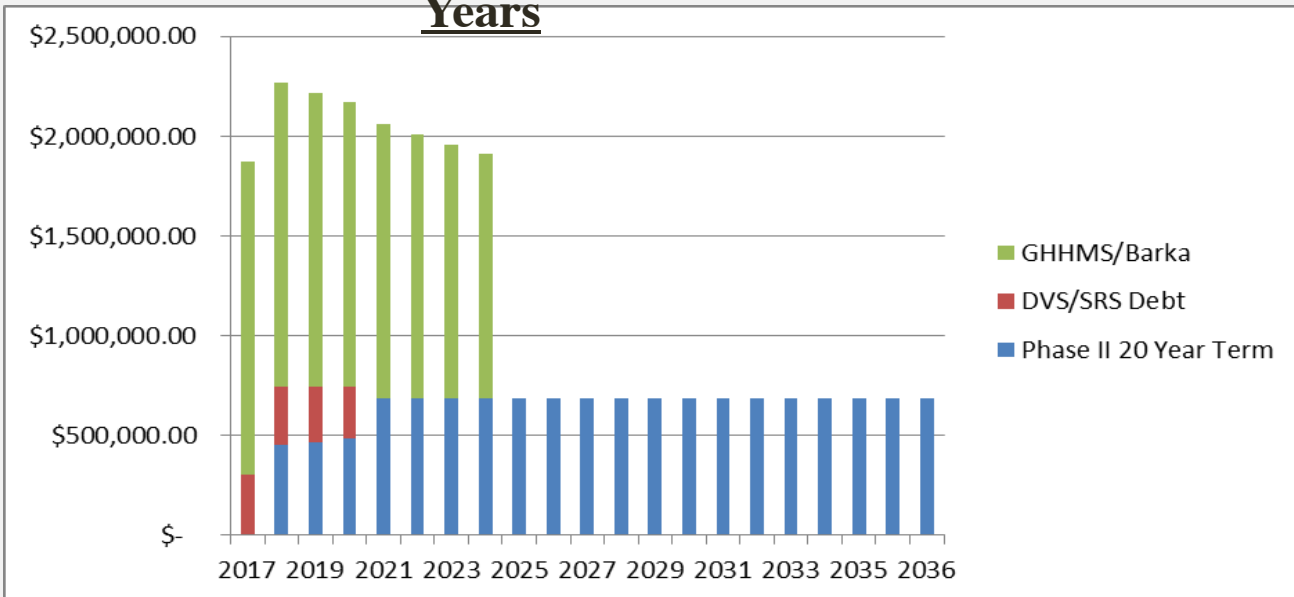
*This is the remaining principle \$830,318.23 + Prepayment Penalty \$16,606.36

Existing Debt w/ Phase II Term at 16 Years



**Total Expense of 16 Year :
\$12,472,206.13**

Existing Debt w/ Phase II Term 20 Years



**Total Expense of 20 Year
:
\$13,004,903.24**

20 Yr. vs. 16 Yr. Including all Debt

(DVS & SRS, Barka & GHH, Phase I GR/GHH & Phase II District Wide)

	Total Annual Debt w/ Phase II 20 Year Term	Total Annual Debt w/ Phase II 16 Year Term	Cash Flow Difference in 16 Year Term over 20 Year Term
2017	\$ 1,871,087.50	\$ 1,871,087.50	\$ -
2018	\$ 2,264,311.00	\$ 2,264,311.00	\$ -
2019	\$ 2,215,777.83	\$ 2,215,777.83	\$ -
2020	\$ 2,167,629.66	\$ 2,167,629.66	\$ -
2021	\$ 2,059,341.75	\$ 2,134,128.80	\$ 74,787.05
2022	\$ 2,009,841.75	\$ 2,099,562.92	\$ 89,721.17
2023	\$ 1,958,841.75	\$ 2,063,945.06	\$ 105,103.31
2024	\$ 1,907,841.75	\$ 2,028,788.66	\$ 120,946.91
2025	\$ 682,341.75	\$ 819,607.57	\$ 137,265.82
2026	\$ 682,341.75	\$ 836,416.05	\$ 154,074.30
2027	\$ 682,341.75	\$ 853,728.78	\$ 171,387.03
2028	\$ 682,341.75	\$ 871,560.89	\$ 189,219.14
2029	\$ 682,341.75	\$ 889,927.97	\$ 207,586.22
2030	\$ 682,341.75	\$ 908,846.06	\$ 226,504.31
2031	\$ 682,341.75	\$ 928,331.69	\$ 245,989.94
2032	\$ 682,341.75	\$ 948,401.89	\$ 266,060.14
2033	\$ 682,341.75	\$ 890,366.30	\$ 208,024.55
2034	\$ 682,341.75	\$ -	\$ (682,341.75)
2035	\$ 682,341.75	\$ -	\$ (682,341.75)
2036	\$ 682,341.75	\$ -	\$ (682,341.75)
2037	\$ 682,341.75	\$ -	\$ (682,341.75)
Total	\$ 25,325,115.74	\$ 24,792,418.63	\$ (532,697.11)

**Interest
Savings**

Derry Village & SRS Refinanced @ 11/30/2010	PRINCIPLE	INTEREST	TOTAL
6/30/2017	\$270,000.00	\$32,087.50	\$302,087.50
6/30/2018	\$265,000.00	\$23,750.00	\$288,750.00
6/30/2019	\$260,000.00	\$14,550.00	\$274,550.00
6/30/2020	\$255,000.00	\$5,325.00	\$260,325.00
TOTAL:	\$1,050,000.00	\$75,712.50	\$1,125,712.50

GHHMS/Barka	PRINCIPLE	INTEREST	TOTAL
6/30/2017	\$1,200,000.00	\$369,000.00	\$1,569,000.00
6/30/2018	\$1,200,000.00	\$321,000.00	\$1,521,000.00
6/30/2019	\$1,200,000.00	\$273,000.00	\$1,473,000.00
6/30/2020	\$1,200,000.00	\$225,000.00	\$1,425,000.00
6/30/2021	\$1,200,000.00	\$177,000.00	\$1,377,000.00
6/30/2022	\$1,200,000.00	\$127,500.00	\$1,327,500.00
6/30/2023	\$1,200,000.00	\$76,500.00	\$1,276,500.00
6/30/2024	\$1,200,000.00	\$25,500.00	\$1,225,500.00
TOTAL:	\$9,600,000.00	\$1,594,500.00	\$11,194,500.00

Paid 7/16

Paid 7/16

Phase I GR/GHH	Payment Date	Payment Amount	Interest	Principal	Purchase Price after scheduled payment(s)	Outstanding Principal Balance
	9/30/2015					\$916,547.00
1	7/30/2016	\$102,115.58	\$15,886.81	\$86,228.77	\$846,924.60	\$830,318.23
2	7/20/2017	\$102,115.58	\$17,270.62	\$84,844.96	\$760,382.73	\$745,473.27
3	7/30/2018	\$102,115.58	\$15,505.84	\$86,609.74	\$672,040.80	\$658,863.53
4	7/30/2019	\$102,115.58	\$13,704.36	\$88,411.22	\$581,861.35	\$570,452.31
5	7/30/2020	\$102,115.58	\$11,865.41	\$90,250.18	\$489,806.17	\$480,202.13
6	7/30/2021	\$102,115.58	\$9,988.20	\$92,127.38	\$395,836.25	\$388,074.75
7	7/30/2022	\$102,115.58	\$8,071.95	\$94,043.63	\$299,911.75	\$294,031.12
8	7/30/2023	\$102,115.58	\$6,115.85	\$95,999.74	\$201,992.02	\$198,031.39
9	7/30/2024	\$102,115.58	\$4,119.05	\$97,996.53	\$102,035.56	\$100,034.86
10	7/30/2025	\$102,115.58	\$2,080.73	\$100,034.86	-\$0.00	-\$0.00
Totals:		\$1,021,155.83	\$104,608.83	\$916,547.00	Rate 2.0800%	

Paid 7/16

Recommendation/Motion

I am recommending that the District make the following motion for a 16 Yr. Term which will have a savings in interest of \$ 532,697.11 over a 20 Yr. Term.

“I move to approve a lease purchase agreement and the Resolution with Sterling National Bank to fund the energy savings improvements at the District’s schools in an amount of **\$10,035,480** for a term not to exceed **16 years** and a rate not to exceed **2.42%** and to authorize the Superintendent to execute any and all documents to carry out this vote. The **\$10,035,480** includes financing for Phase II of the Honeywell energy savings project in the amount of **\$9,338,555**, a **\$150,000** utility rebate, and **\$846,925** to pay off the Phase I lease purchase agreement with Pinnacle Public Finance, Inc. which includes a **2%** prepayment penalty in the amount of **\$16,606.36.**”