



7275 W. MAIN STREET, KALAMAZOO, MI 49009
269-216-5220 Fax 269-375-7180 www.oshtemo.org

Capital Improvements Committee

VIRTUAL ZOOM MEETING

Tuesday, May 18, 2021

1:00 P.M.

Meeting Agenda - VIRTUAL

1. Welcome/Introductions/Call to Order. The Chair shall welcome members and call the special May meeting of the Capital Improvements Committee to order.
2. Meeting Summary. Members shall review a summary of the CIC meeting held April 20, 2021.
3. Roadway Component of Integrated CIP Development - 4/11/21 Board Presentation Recap. During the Board's work session, Oshtemo Public Works staff presented a contextual overview public/private infrastructure assets and their shared space of the public Right of Way. The target audience was new board members, as well as an informational refresher for all—especially general public attendees. The presentation slides are publicly available at <https://oshtemo.org/wp-content/uploads/2021/05/Part-3-Long-Term-Plans-Comprehensive-CIP.pdf>.
4. Community Survey – Sanitary Sewer Extensions. During the regular session, representatives of the W.E. Upjohn Institute presented results of the Oshtemo Community Survey which the Institute conducted in response to the failed bond-sale proposal. The presentation slides are at <https://oshtemo.org/wp-content/uploads/2021/05/2021-Oshtemo-Sewer-Survey-Results.pdf>.
5. CIP and Sewer Financing Policy Recommendations. Members will review (in context of the survey and other presentations) the CIC's continued development of policy recommendations to guide the Board's development of a 2022 budget and refined capital CIP plan. The following enclosures are to facilitate these discussions.
 - a. Excerpt of item 4 presentation.
 - b. Revised Sewer Funding Scenarios (worksheet breakdown)
6. Projects & PW Updates. Members shall be briefed on the status of several key projects.
 - a. 2021 Sidewalk Bid Schedule. Stadium Drive, Green Meadow Road, Croyden Avenue & Maple Hill Drive.
 - b. Non-Motorized Facilities (planning/design). Fruitbelt Trailway, KL Avenue, Drake Road (Amtrak Segment)
 - c. USDA's Sewer Financing. USDA Regional/State has recommend extended federal funding commitment.
 - d. Street Light LED Conversion.
 - e. 2021 Sanitary "SAW" Projects.
 - f. US131 Business Interchange (Northern Penetrator).
 - g. American Rescue Plan.
7. Member Comments & Information Items. Members will be polled for additional comments and information they wish to share.

8. Next Meeting. Having previously determined the prospective need to meet monthly, the next CIC is scheduled for Tuesday, June 15, 2021 at 1:00 PM.



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Capital Improvements Committee

VIRTUAL ZOOM MEETING

Tuesday, April 20, 2021

1:00 P.M.

MEETING SUMMARY

A time-shifted meeting of Capital Improvement Committee of Oshtemo Township was held on Tuesday, April 20, 2021 at 12:00 PM. Due to Executive Order of the Governor to implement social distancing during the COVID-19 public health crisis, the meeting was conducted as a virtual meeting via Zoom. Persons in virtual attendance included Clare Buszka, Libby Heiny-Cogswell, Marc Elliott, Dick Hertzell, Bernie Mein, Dick Skalski, Tom Wheat, Anna Horner, Tim Mallet, and Mark Worden.

1. Call to Order. The March 13, 2021 meeting was rescheduled to meet one hour earlier to best accommodate member availabilities and known schedule conflicts. The meeting was called to order at approximately 12:00 PM by Supervisor Heiny-Cogswell.
2. Meeting Summary. Members reviewed a summary of the special CIC meeting held March 16, 2021. Upon motion of Mein and second by Heiny-Cogswell, the CIC meeting summary was approved.
3. Roadway Asset Management - 3/13/21 Board Presentation Recap. Oshtemo Public Works staff reviewed the presentation given to the board for the CIC and highlighted the questions and comments from board members. The group discussed the goal for local road conditions. Mark Worden, RCKC, clarified that saying “all roads green” wasn’t realistic practice for useful maintenance techniques and not fiscally advantageous. He recommended based on the groups feedback and desire was average PASER of 7-8.
4. Level of Investment. The projections of Oshtemo’s annual budget were given from life cycle cost analysis provided by RCKC. The data collected over years through preventative maintenance software applications used by RCKC show approximately \$12,000-\$14,000 per mile. The range reflects the various road widths throughout the County. Since Oshtemo has more platted roads, the higher end figure should be applied to the 77 miles of paved local roads for a total expenditure of \$1,078,000 annually.

Looking at roadway capital needs alone, the recommended annual budget for roadway maintenance and reconstruction is \$1,250,000. The rationale for this higher expenditure target is that many subdivision/plat roads are approaching or beyond the typical useful 35-year life of pavements—we have some catch-up to do. Equally notable is that many older neighbors also need public sewer extensions. Coordinated, simultaneous investment towards both of these critical infrastructure needs is a cost-effective, best management practice.

Public sanitary sewer extensions include the rehabilitation/reconstruction of the roadway asset over the sewer. Large public sewer extension projects have usually included a significant general fund contribution. That is, these projects have contained a public roadway asset expenditure which was not typically captured as a road expenditure for budgetary purposes. Additionally, the

general fund contribution towards sewer projects have been less than the real cost of roadway restoration associated with the project.

CIC members discussed the possibility of making this roadway expenditure with sewers explicit, and thereby better leverage available revenue resources which may be restricted to roads. In this way, roadway revenues could be applied towards the roadway component of needed sanitary sewer extensions into older (failed/failing) plat roads. In the same manner, loan payments for the proposed USDA-financed sewer projects could include capitalized-loan payments associated with the improved roadway assets. Engineers F&V have indicated that the road related work of the project is about 1/3 (approximately \$350,000 of the annual principal and interest payment of \$1,050,000) so a revised project budget could incorporate contributions from alternate revenue sources (e.g. a roadway stream).

Returning to the overall roadway funding need, the recommended annual expenditure is \$1,250,000, which could be raised through a new, dedicated roadway SAD/Millage. The minimum gap of additional revenue to reach this goal is \$475,000, provided (1) the current general fund budget towards roads continues, plus (2) the current general funds appropriation towards sewers remains at \$250,000 (i.e. an expenditure which partly funds the roadway cost component). An intermediate gap of additional revenue to reach the roadway finance goal is \$1,000,000, provided the current general funds appropriation towards sewers remains at \$250,000. Under this scenario, about \$500,000 in currently budgeted general funds towards roads could be allocated elsewhere (such as sanitary sewers). Some members expressed interest in allocating these relieved general funds towards other transportation-related efforts. One example considered was reallocating about one-half (\$250,000) of current roadway general fund obligations towards sidewalks and other non-motorized transportation infrastructure needs.

5. Budget Options Summarized.

- a. No Funding Change: With the current (and previous) funding policy, the roads will continue to deteriorate, lowering the overall PASER rating in the Township and eventually have more failed roads. There is gap in revenue needed for either policy to be effective with current funding allocations.
- b. Increased General Fund allocation towards road funding.
- c. Increase funding in conjunction with increased revenues: various methods of additional revenue sources were discussed; vote millage on public ballot, statutory MCL authority by Township Board, and community wide special assessment. Tom Wheat expressed the demographics of Oshtemo to be more commercial and other neighboring Townships that use CW SAD.

6. Policy Recommendations. The CIC members wanted to see the visual breakdown of costs for different user types by commercial and industrial verse residential given the minimum and maximum funding gaps before making a recommendation. The CIC would give their feedback prior to next board presentation once accounting of was provided by staff.

7. Member Comments & Information Items. No additional comments or items were discussed.

8. Next Meeting. CIC members, having previously determined the need to meet monthly to better assist the new board in capital project budgeting, shall next meet on Tuesday, May 18, 2021 at 1:00 PM.

CURRENT POLICY: Adopted 12/12/2017

- ▶ Funding through Township General Funds and PAR funds (citizen-initiated SAD still supported)
- ▶ Incorporated utility work coordination requirement
- ▶ Not sustainable with current funding and roads will continue to deteriorate (and fail)
- ▶ Need increase in budget allocation to properly implement



1

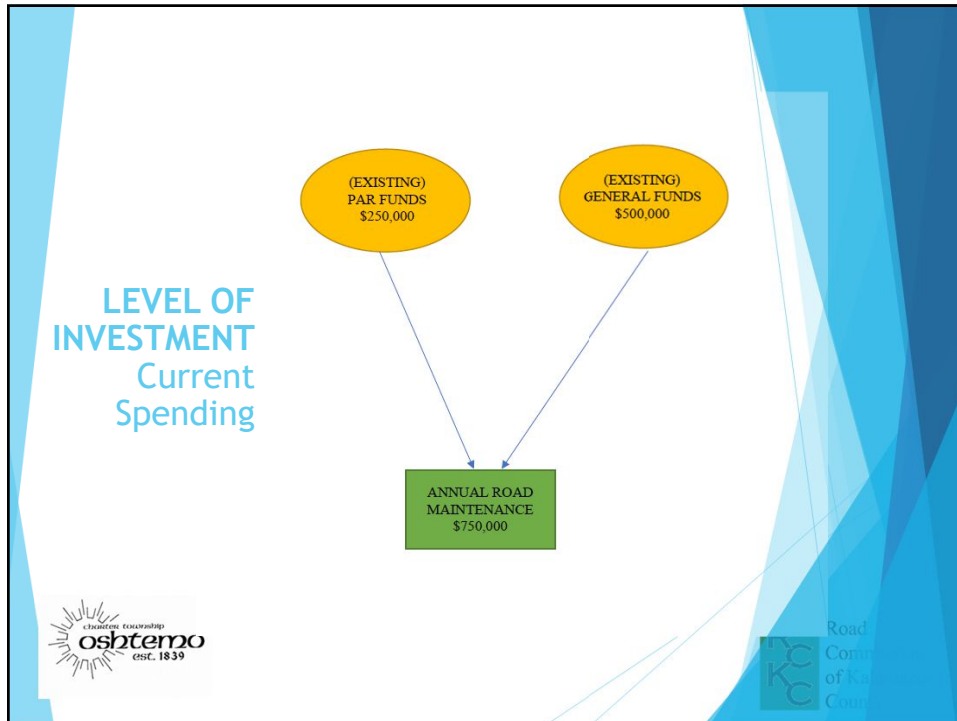
LEVEL OF INVESTMENT: Current Spending

(preventive maintenance, not routine or operations)

- ▶ \$250,000 PAR FUNDS - RCKC from ACT 51 (Registration Fees, Gas Tax) based on miles of roads
- ▶ \$500,000 General Fund
- ▶ This was based on historical needs - what has changed?
 - ▶ Aging infrastructure → Heavier maintenance/rehab and reconstruction projects
 - ▶ Growth - more miles traveled on same amount of roads
 - ▶ Industry & material cost increases
 - ▶ More data collected, more planning tools



2



3

WHAT TO BUDGET?

- ▶ Estimate based on road life cycle (continuous)
- ▶ \$12,000 to \$14,000 per year per mile
 - ▶ range is for different road widths - Oshtemo has more platted roads so lean towards high end
- ▶ 77 miles of local paved roads
 - ▶ \$924,000 \$1,078,000 annual investment
- ▶ 0.5 mile gravel \$2,000 = \$1,000 per year
- ▶ Initial reconstructions to repair poor/failed
- ▶ Approximately \$1,250,000 total recommended (baseline + catchup)

oshtemo
EST. 1839

Road Commission of Kalamazoo County

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WAYS TO INCREASE REVENUE

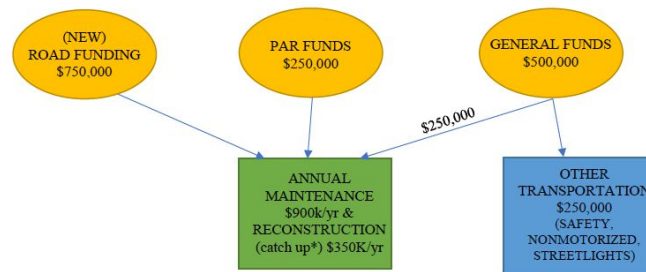
- ▶ Road Millage
 - ▶ Based on taxable value
 - ▶ Commercial vs residential
 - ▶ Adjust with inflation
 - ▶ MCL 247.670 or voted
- ▶ Community wide SAD
 - ▶ Flat fee for every parcel
 - ▶ Set specific number of years
 - ▶ Township board w/ potential blocking petition



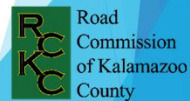
5

MIN. NEW REVENUE \$750,000

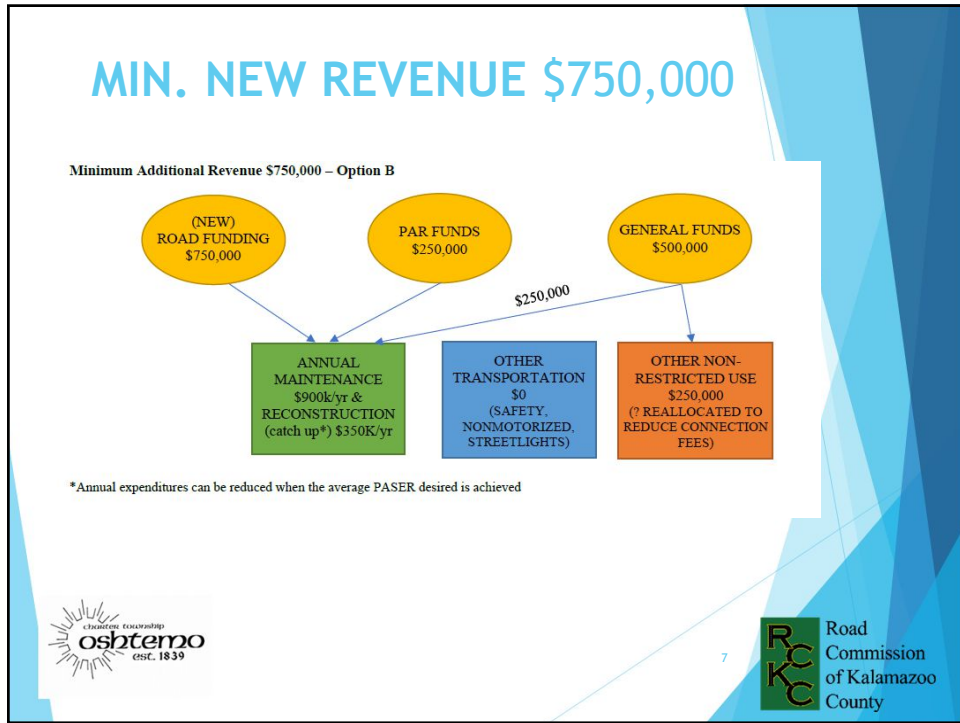
Minimum Additional Revenue \$750,000 – Option A



*Annual expenditures can be reduced when the average PASER desired is achieved



6



7

MIN. REVENUE \$750,000

Real	Total	Per Mil
Personal Property	\$864,640,225	\$864,640
	76,355,300	76,355
	\$940,995,525	\$940,995

Required Revenue: \$750,000

Alternatives for Additional Revenue:

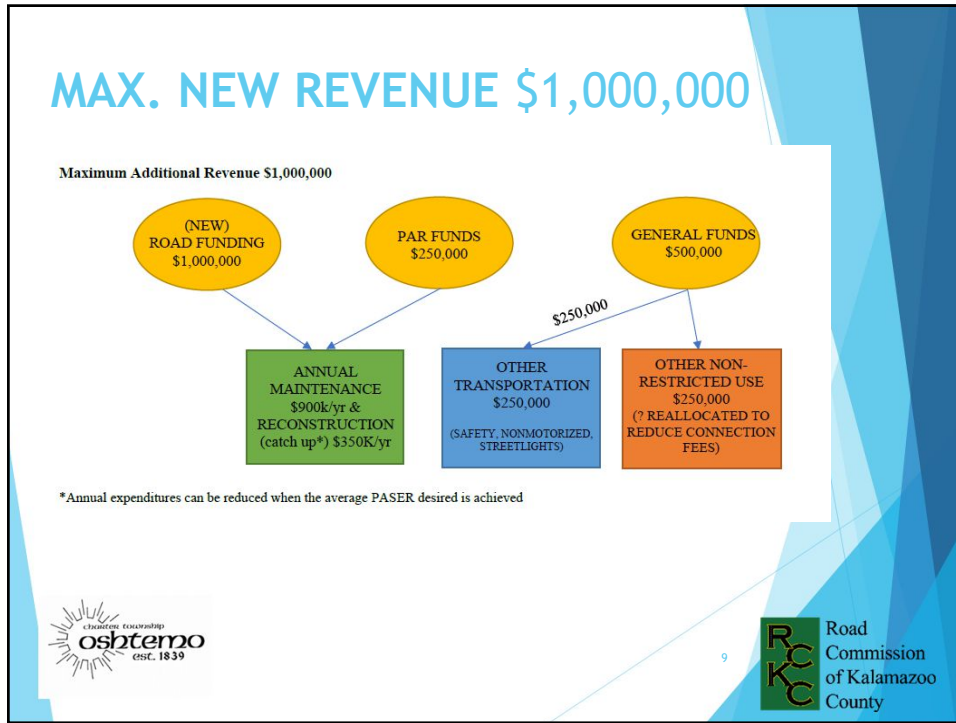
Community Wide Special Assessment District
 Total Parcels: 6,854
 SAD \$750,000 ÷ 6854 = \$109 per parcel Annual cost for any parcel in Township

Road Millage for Township Residents
 Millage \$940,995 x 0.8 = \$752,796 Revenue Generated
 Average Home Taxable Value \$105,000 @ 0.8 mils = \$84 Annual cost for average residential home

Millage Breakdown by Tax Class:

	Total	Millage	Revenue	% of Revenue	SAD	Revenue	% of Revenue
419 COMM	279,837,896	0.8	223,869	30%	109	45,671	6%
65 IND	12,499,993	0.8	9,999	1.30%	109	7,085	0.90%
47 AG	2,777,782	0.8	2,221	0.40%	109	5,123	0.70%
6323 RES	569,524,554	0.8	455,619	60%	109	689,207	92%
PP	76,355,300	0.8	61,089	8%	0	0	0
	940,995,525		\$ 752,797.00	100%		\$ 747,086.00	100%

8



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MAX REVENUE \$1,000,000

	Total	Per Mil
Real Personal Property	\$864,640,225	\$864,640
	76,355,300	76,355
	\$940,995,525	\$940,995

Required Revenue: \$1,000,000

Alternatives for Additional Revenue:

Community Wide Special Assessment District

Total Parcels: 6,854

SAD $\$1,000,000 \div 6854 = \146 per parcel Annual cost for any parcel in Township

Road Millage for Township Residents

Millage $\$940,995 \times 1.07 = \$1,006,864$ Revenue Generated

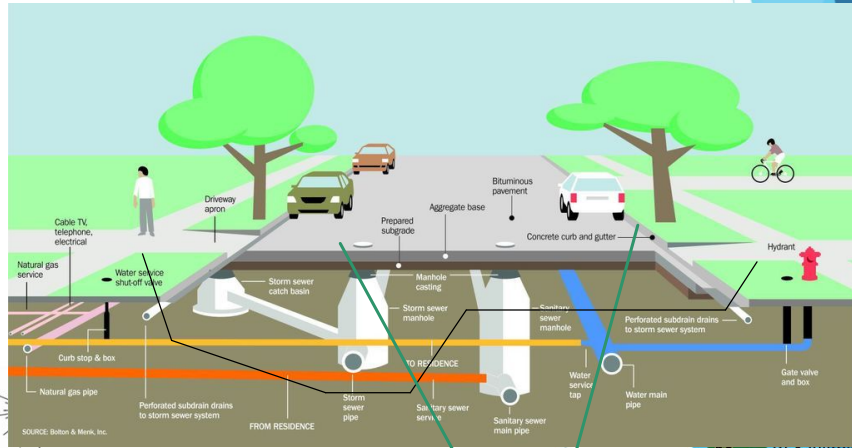
Average Home Taxable Value $\$105,000 @ 1.07 \text{ mils} = \112 Annual cost for average residential home

Millage Breakdown by Tax Class:

	Total	Millage	Revenue	% of Revenue	SAD	Revenue	% of Revenue
419 COMM	279,837,896	1.07	299,425	30%	146	61,174	6%
65 IND	12,499,993	1.07	13,373	1.30%	146	9,490	0.90%
47 AG	2,777,782	1.07	3,626	0.40%	146	6,862	0.70%
6323 RES	569,524,554	1.07	609,390	60%	146	923,158	92%
PP	76,355,300	1.07	81,699	8%	0	0	0

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Complete Right-of-way Asset Management Program (CRAMP)



11



12

USDA 40-yr Loan \$30,000,000 at 2% interest
Township Annual Payment (P&I):

\$1,050,000.00

New connections: 909

Option 1: Original Proposal (USDA 40-yr payment plan) \$30,000,000 at 2% interest	Option 2: USDA 40-yr Loan w/proposed road millage* \$30,000,000 at 2% interest	Option 3: Beech Street, Whitegate, Fairgrove, Meridian and Sunset, and Country Club as individual 20-yr Special Assessments \$1,200,000 at 3.3% per year per Project (Avg)	Option 4: 7th Street/West Main, Westport, Frie and Gibbs, and Sky Ridge individually as 20-yr Special Assessments \$6,250,000 @ 3.3% per project (Avg)	Option 5: Entire Project as 14-yr Contractor-Financed \$30,000,000 @ 4%	Option 6: Twp USDA 40-yr bond/payment; Property Owner Special Assessment Districts 30-yr payment
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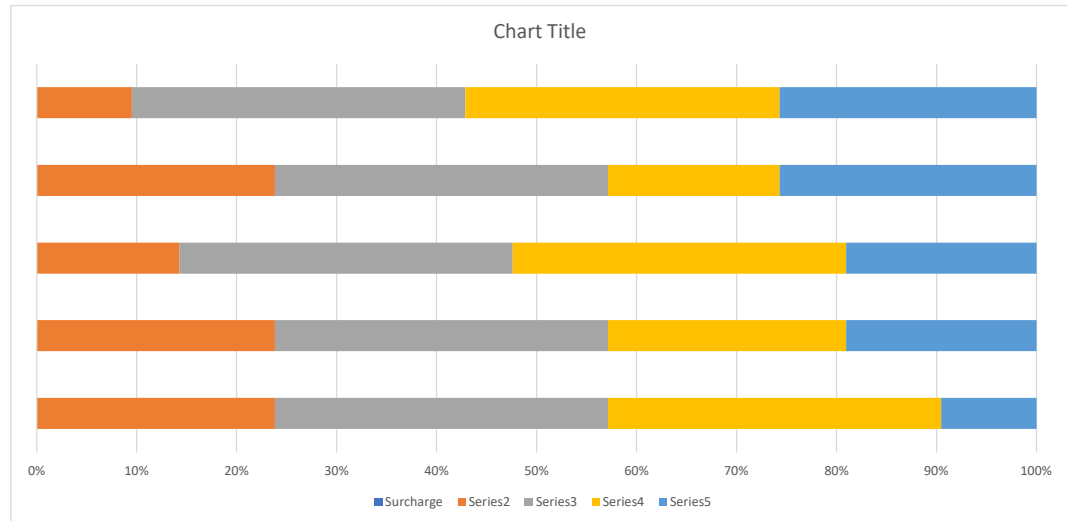
	Connection Fees	Monthly per Parcel	Annual Revenue	
LOW:	\$2,500 at 3% for 40 years:	\$9	\$100,000	at 2.25%
MED:	\$5,000 at 3% for 40 years:	\$18	\$200,000	\$7.90
HIGH:	\$7,000 at 3% for 40 years:	\$25	\$270,000	\$15.80
				\$22.10

Funding Sources:	Option 1: Original Proposal	Option 2: add millage to pay roadway construction costs														
	USDA 40-yr term \$30M at 2% interest	Option 2a: Reduce Connection Fees					Option 2b: Add Capital Charge					Option 2c: ONLY capital charge				
Capital Charge: (only new users)	-	-	-	-	-	200,000	200,000	200,000	200,000	100,000	200,000	\$450,000	\$200,000	\$200,000		
General Funds: (\$0-\$250k)	250,000	250,000	250,000	150,000	250,000	100,000	250,000	250,000	150,000	250,000	230,000	250,000	250,000	100,000		
Millage: (all residents, maximum)	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000		
Surcharge: (all system users)	400,000	350,000	250,000	350,000	180,000	330,000	400,000	150,000	300,000	150,000	150,000	-	250,000	400,000		
Connection Fees: (public portion)	400,000	100,000	200,000	200,000	270,000	270,000	100,000	100,000	200,000	200,000	270,000	-	-	-		
Total Funds Generated: \$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000		
Remain Balance (must be zero)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Funding Sources:	Average MONTHLY cost INCREASE per household															
Capital Charge:	0.00	0.00	0.00	0.00	0.00	0.00	18.34	18.34	18.34	18.34	9.17	18.34	41.25	18.34	18.34	
Millage:	0.00	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	
Surcharge:	6.00	5.25	3.75	5.25	2.70	4.95	4.50	2.25	5.25	5.25	2.25	0.00	0.00	3.75	6.00	
Connection Fees:	36.67	9.17	18.34	18.34	24.75	24.75	18.34	18.34	9.17	9.17	18.34	24.75	0.00	0.00	0.00	
Sewer Utility Bill: (City of Kalamazoo)	28.00	28.00	28.00	28.00	28.00	28.00	28.00	29.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	
Total for Resident Phase 1&2: (finance connect)	70.67	45.93	53.60	55.10	58.97	61.22	72.68	71.43	64.27	64.27	61.27	74.60	72.77	53.60	55.85	
Total for Resident Phase 1&2: (paid in full con)	34.00	36.76	35.26	36.76	34.21	36.46	54.35	53.10	55.10	55.10	42.93	49.85	72.77	53.60	55.85	
Total for Resident with existing Sewer	8.51	11.27	9.77	10.27	8.72	9.47	8.01	7.27	8.76	11.27	8.27	5.82	6.02	9.77	10.52	
Total for Resident no sewer available	0.00	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	
General Funds: (no increase)	2.51	2.51	2.51	1.51	2.51	1.00	0.00	1.51	0.00	2.51	2.51	2.31	2.51	2.51	1.00	
Avg Private Side Connection (one-time cost to install pipe to public sewer)	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,501	\$4,500	\$4,501	\$4,502	\$4,503	\$4,500	\$4,500	\$4,500	

used avgs for surcharge with base \$4.71 per month per res for total \$400,000

Capital Charge: (only new users)	0%
General Funds: (\$0-\$250k)	24%
Millage: (all residents, maximum)	0%
Surcharge: (all system users)	38%
Connection Fees: (public portion)	38%

	19%	26%
	33%	17%
	33%	33%
	14%	14%
	14%	19%



First Draft with Roads

1/20/21

\$250k annually (40 yr, Road Millage),
\$250k annually General Fund, plus
about \$400 annually sewer surcharge

\$28,462,000

Oshtemo Charter Township
County of Kalamazoo, State of Michigan
General Obligation Limited Tax Bonds

Project Area
ANNUAL HOUSEHOLD COST

40 Rural Development Issue

(Assumes connection in 2020 with 40 yrs to pay)

Connection Fees

Year	Annual Surcharge	Principal	Interest	Total Annual Charge	Total Monthly Charge
2020	\$ -	\$65.58	\$ 102.13	\$167.71	\$ 13.98
2021	-	67.14	100.57	167.71	13.98
2022	23.86	68.74	98.97	191.57	15.96
2023	31.29	70.37	97.34	199.00	16.58
2024	50.80	72.04	95.67	218.51	18.21
2025	50.19	73.75	93.96	217.90	18.16
2026	50.72	75.50	92.21	218.43	18.20
2027	51.34	77.30	90.41	219.05	18.25
2028	52.06	79.13	88.58	219.76	18.31
2029	52.73	81.01	86.70	220.44	18.37
2030	53.29	82.94	84.77	221.00	18.42
2031	51.26	84.91	82.80	218.97	18.25
2032	51.25	86.92	80.79	218.96	18.25
2033	50.21	88.99	78.72	217.92	18.16
2034	50.93	91.10	76.61	218.64	18.22
2035	50.98	93.26	74.45	218.69	18.22
2036	50.88	95.48	72.23	218.59	18.22
2037	50.74	97.75	69.96	218.45	18.20
2038	50.71	100.07	67.64	218.42	18.20
2039	50.65	102.44	65.27	218.36	18.20
2040	50.68	104.88	62.83	218.39	18.20
2041	50.68	107.37	60.34	218.39	18.20
2042	50.90	109.92	57.79	218.61	18.22
2043	50.83	112.53	55.18	218.54	18.21
2044	50.73	115.20	52.51	218.44	18.20
2045	50.72	117.94	49.77	218.43	18.20
2046	50.81	120.74	46.97	218.52	18.21
2047	50.73	123.61	44.10	218.44	18.20
2048	53.89	126.54	41.17	221.60	18.47
2049	53.55	129.55	38.16	221.25	18.44
2050	53.42	132.62	35.09	221.13	18.43
2051	53.76	135.77	31.94	221.47	18.46
2052	53.80	139.00	28.71	221.51	18.46
2053	53.68	142.30	25.41	221.39	18.45
2054	56.80	145.68	22.03	224.51	18.71
2055	59.07	149.14	18.57	226.78	18.90
2056	59.73	152.68	15.03	227.44	18.95
2057	59.70	156.31	11.40	227.41	18.95
2058	59.87	160.02	7.69	227.58	18.96
2059	59.10	163.82	3.89	226.81	18.90
\$	1,956.33	\$ 4,300.00	\$ 2,408.38	\$ 8,664.71	

Connection Fee \$ 4,300
Interest Rate 2.375%

17000 Kercheval Ave., Suite 230
Grosse Pointe, Michigan 48230
PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

\$28,462,000
Oshtemo Charter Township
County of Kalamazoo, State of Michigan
General Obligation Limited Tax Bonds

SCHEDULE OF CONNECTION FEES, DEBT SERVICE REQUIREMENTS AND COVERAGE

Year	Projected ¹		Projected Flow (Cubic Meters)	City of Kalamazoo		Total Charge		Oshtemo		Revenue from ⁴		Total Revenue		Debt ⁶		Bond ⁷	Annual Surplus	
	REU's	REU's		Charge per Cubic Meter	Charge per Cubic Meter	from the City of Kalamazoo	Debt Service Charge (Percentage) ²	Debt Service Charge (Dollars)	Revenue from ³ Conn Fees	Gen. Fund and Road Mill.	Before Debt Service Charge	Total Revenues	Service Requirements	Requirement	(Deficit)	Cumulative		
2020	0	6,941	1,582,548	\$ 0.95	\$ 1,511,032.66		\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 31,659	\$ 30,500	\$ 437,841	\$ -	\$ 437,841		
2021	72	7,013	1,598,964	0.98	1,572,508.02		-	-	500,000	500,000	500,000	355,025	104,200	40,775	478,616			
2022	368	7,381	1,682,868	1.01	1,704,674.48	10.3%	176,106.79	12,075	500,000	512,075	688,182	583,982	104,200	-	478,616			
2023	469	7,850	1,789,800	1.04	1,867,381.86	13.2%	245,614.09	73,792	500,000	573,792	819,406	715,206	104,200	-	478,616			
2024	0	7,850	1,789,800	1.07	1,923,403.32	20.7%	398,757.72	152,448	500,000	652,448	1,051,206	947,006	104,200	-	478,616			
2025	0	7,850	1,789,800	1.11	1,981,105.42	19.9%	394,025.85	152,448	500,000	652,448	1,046,474	942,274	104,200	-	478,616			
2026	0	7,850	1,789,800	1.14	2,040,538.58	19.5%	398,153.35	152,448	500,000	652,448	1,050,601	946,401	104,200	-	478,616			
2027	0	7,850	1,789,800	1.17	2,101,754.74	19.2%	403,033.97	152,448	500,000	652,448	1,055,482	951,282	104,200	-	478,616			
2028	0	7,850	1,789,800	1.21	2,164,807.38	18.9%	408,635.22	152,448	500,000	652,448	1,061,083	956,883	104,200	-	478,616			
2029	0	7,850	1,789,800	1.25	2,229,751.60	18.6%	413,968.97	152,448	500,000	652,448	1,066,417	962,217	104,200	-	478,616			
2030	0	7,850	1,789,800	1.28	2,296,644.15	18.2%	418,310.22	152,448	500,000	652,448	1,070,758	997,058	73,700	-	478,616			
2031	0	7,850	1,789,800	1.32	2,365,543.48	17.0%	402,370.22	152,448	500,000	652,448	1,054,818	1,054,818	-	-	478,616			
2032	0	7,850	1,789,800	1.36	2,436,509.78	16.5%	402,332.10	152,448	500,000	652,448	1,054,780	1,054,780	-	-	478,616			
2033	0	7,850	1,789,800	1.40	2,509,605.07	15.7%	394,175.22	152,448	500,000	652,448	1,046,623	1,046,623	-	-	478,616			
2034	0	7,850	1,789,800	1.44	2,584,893.23	15.5%	399,828.35	152,448	500,000	652,448	1,052,276	1,052,276	-	-	478,616			
2035	0	7,850	1,789,800	1.49	2,662,440.02	15.0%	400,214.60	152,448	500,000	652,448	1,052,663	1,052,663	-	-	478,616			
2036	0	7,850	1,789,800	1.53	2,742,313.22	14.6%	399,390.22	152,448	500,000	652,448	1,051,838	1,051,838	-	-	478,616			
2037	0	7,850	1,789,800	1.58	2,824,582.62	14.1%	398,347.10	152,448	500,000	652,448	1,050,795	1,050,795	-	-	478,616			
2038	0	7,850	1,789,800	1.63	2,909,320.10	13.7%	398,078.35	152,448	500,000	652,448	1,050,526	1,050,526	-	-	478,616			
2039	0	7,850	1,789,800	1.67	2,996,599.70	13.3%	397,577.10	152,448	500,000	652,448	1,050,025	1,050,025	-	-	478,616			
2040	0	7,850	1,789,800	1.72	3,086,497.69	12.9%	397,832.72	152,448	500,000	652,448	1,050,281	1,050,281	-	-	478,616			
2041	0	7,850	1,789,800	1.78	3,179,092.62	12.5%	397,834.60	152,448	500,000	652,448	1,050,283	1,050,283	-	-	478,616			
2042	0	7,850	1,789,800	1.83	3,274,465.40	12.2%	399,565.22	152,448	500,000	652,448	1,052,013	1,052,013	-	-	478,616			
2043	0	7,850	1,789,800	1.88	3,372,699.36	11.8%	399,024.60	152,448	500,000	652,448	1,051,473	1,051,473	-	-	478,616			
2044	0	7,850	1,789,800	1.94	3,473,880.35	11.5%	398,230.22	152,448	500,000	652,448	1,050,678	1,050,678	-	-	478,616			
2045	0	7,850	1,789,800	2.00	3,578,096.76	11.1%	398,171.47	152,448	500,000	652,448	1,050,619	1,050,619	-	-	478,616			
2046	0	7,850	1,789,800	2.06	3,685,439.66	10.8%	398,830.85	152,448	500,000	652,448	1,051,279	1,051,279	-	-	478,616			
2047	0	7,850	1,789,800	2.12	3,796,002.85	10.5%	398,208.35	152,448	500,000	652,448	1,050,656	1,050,656	-	-	478,616			
2048	0	7,850	1,789,800	2.18	3,909,882.93	10.8%	423,038.35	152,448	500,000	652,448	1,075,486	1,075,486	-	-	478,616			
2049	0	7,850	1,789,800	2.25	4,027,179.42	10.4%	420,331.47	152,448	500,000	652,448	1,072,779	1,072,779	-	-	478,616			
2050	0	7,850	1,789,800	2.32	4,147,994.80	10.1%	419,349.60	152,448	500,000	652,448	1,071,798	1,071,798	-	-	478,616			
2051	0	7,850	1,789,800	2.39	4,272,434.65	9.9%	422,028.97	152,448	500,000	652,448	1,074,477	1,074,477	-	-	478,616			
2052	0	7,850	1,789,800	2.46	4,400,607.69	9.6%	422,352.10	152,448	500,000	652,448	1,074,800	1,074,800	-	-	478,616			
2053	0	7,850	1,789,800	2.53	4,532,625.92	9.3%	421,354.60	152,448	500,000	652,448	1,073,803	1,073,803	-	-	478,616			
2054	0	7,850	1,789,800	2.61	4,668,604.70	9.6%	445,864.60	152,448	500,000	652,448	1,098,313	1,098,313	-	-	478,616			
2055	0	7,850	1,789,800	2.69	4,808,662.84	9.6%	463,669.60	152,448	500,000	652,448	1,116,118	1,116,118	-	-	478,616			
2056	0	7,850	1,789,800	2.77	4,952,922.72	9.5%	468,863.35	152,448	500,000	652,448	1,121,311	1,121,311	-	-	478,616			
2057	0	7,850	1,789,800	2.85	5,101,510.40	9.2%	468,611.47	152,448	500,000	652,448	1,121,059	1,121,059	-	-	478,616			
2058	0	7,850	1,789,800	2.94	5,254,555.72	8.9%	469,949.60	152,448	500,000	652,448	1,122,398	1,122,398	-	-	478,616			
2059	0	7,850	1,789,800	3.02	5,412,192.39	8.6%	463,949.60	152,448	500,000	652,448	1,116,398	1,116,398	-	-	478,616			
2060	0	7,850	1,789,800	3.11	5,574,558.16	8.5%	476,480.22	152,448	500,000	652,448	1,128,928	1,128,928	-	-	478,616			
2061	0	7,850	1,789,800	3.21	5,741,794.90	8.1%	466,313.97	152,448	500,000	652,448	1,118,762	1,118,762	-	-	478,616			
		327,485						\$ 16,288,775	\$ 5,878,888	\$ 21,000,000	\$ 26,878,888	\$ 43,167,663	\$ 41,647,047	\$ 1,042,000	\$ 478,616			

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Notes

¹ See Schedule of REU's. Assumes that REU's will be billed starting December 1 of the year in which they connect providing revenue for the following year's debt service.

² Includes existing REU's of 6,941

³ See Schedule of Connection Fees, assumes that each connection costs residents \$11,500 to be paid within 40 years with interest of 2.375%

⁴ Assumes a flat payment of \$250,000 will be paid from the General Fund

⁵ Oshtemo will receive a debt service charge from Kalamazoo that is added to Oshtemo customer's bills at the discretion of Oshtemo Township. This debt service charge has been calculated at the level needed each year to service the Township's debt.

⁶ See Schedule of Debt Service Requirements, 40 year term and 1.375% interest rate

⁷ Rural Development Bonds require a bond reserve, see Rural Development Bond Reserve Calculation

17000 Kercheval Ave., Suite 230, Grosse Pointe, Michigan 48230
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\$28,462,000
 Oshtemo Charter Township
 County of Kalamazoo, State of Michigan
 General Obligation Limited Tax Bonds

SCHEDULE OF DEBT SERVICE REQUIREMENTS

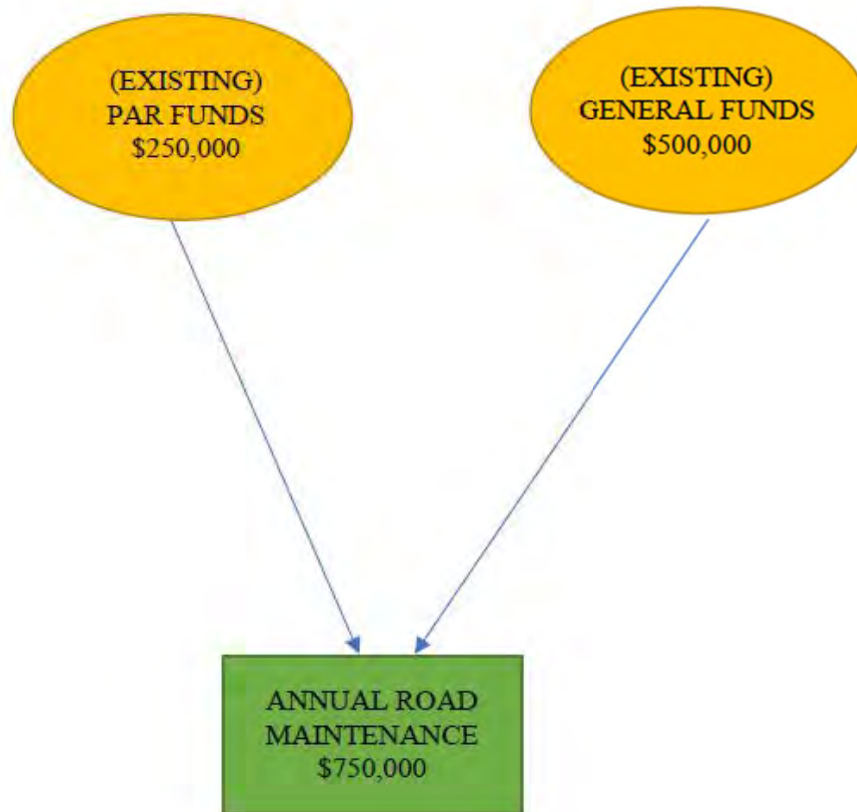
Year	Phase 1 Series A+B Dated 7/1/20 \$9.210M			Phase 2 Dated 7/1/2021 \$19.482M			Total Principal Due April 1	Total Interest Due April 1	Total Interest Due October 1	Total Principal & Interest Requirements		
	Principal Due April 1	Interest Rate	Interest Due April 1	Interest Due October 1	Principal Due April 1	Interest Rate					Interest Due April 1	Interest Due October 1
2020	\$ -	1.375%	\$ -	\$ 31,659	\$ -	2.125%	\$ -	\$ -	\$ -	\$ 31,659		
2021	24,000	1.375%	63,319	63,154	-	2.125%	-	204,553	24,000	63,319		
2022	24,000	1.375%	63,154	62,989	25,000	2.125%	204,553	204,287	49,000	267,706		
2023	157,000	1.375%	62,989	61,909	25,000	2.125%	204,287	204,021	182,000	267,276		
2024	159,000	1.375%	61,909	60,816	260,000	2.125%	204,021	201,259	419,000	265,931		
2025	162,000	1.375%	60,816	59,703	260,000	2.125%	201,259	198,496	422,000	262,075		
2026	164,000	1.375%	59,703	58,575	270,000	2.125%	198,496	195,628	434,000	258,199		
2027	167,000	1.375%	58,575	57,427	280,000	2.125%	195,628	192,653	447,000	254,203		
2028	166,000	1.375%	57,427	56,286	295,000	2.125%	192,653	189,518	461,000	250,079		
2029	175,000	1.375%	56,286	55,083	300,000	2.125%	189,518	186,331	475,000	245,804		
2030	199,000	1.375%	55,083	53,714	320,000	2.125%	186,331	182,931	519,000	241,413		
2031	204,000	1.375%	53,714	52,312	383,000	2.125%	182,931	178,861	587,000	236,645		
2032	210,000	1.375%	52,312	50,868	388,000	2.125%	178,861	174,739	598,000	231,173		
2033	212,000	1.375%	50,868	49,411	389,000	2.125%	174,739	170,606	601,000	225,607		
2034	216,000	1.375%	49,411	47,926	402,000	2.125%	170,606	166,334	618,000	220,016		
2035	223,000	1.375%	47,926	46,393	407,000	2.125%	166,334	162,010	630,000	214,260		
2036	225,000	1.375%	46,393	44,846	416,000	2.125%	162,010	157,590	641,000	208,403		
2037	227,000	1.375%	44,846	43,285	425,000	2.125%	157,590	153,074	652,000	202,436		
2038	230,000	1.375%	43,285	41,704	434,000	2.125%	153,074	148,463	664,000	196,359		
2039	233,000	1.375%	41,704	40,102	443,000	2.125%	148,463	143,756	676,000	190,167		
2040	236,000	1.375%	40,102	38,479	453,000	2.125%	143,756	138,943	689,000	183,858		
2041	239,000	1.375%	38,479	36,836	463,000	2.125%	138,943	134,024	702,000	177,423		
2042	243,000	1.375%	36,836	35,166	474,000	2.125%	134,024	128,988	717,000	170,860		
2043	246,000	1.375%	35,166	33,474	484,000	2.125%	128,988	123,845	730,000	164,153		
2044	249,000	1.375%	33,474	31,763	494,000	2.125%	123,845	118,596	743,000	157,319		
2045	252,000	1.375%	31,763	30,030	505,000	2.125%	118,596	113,231	757,000	150,359		
2046	256,000	1.375%	30,030	28,270	516,000	2.125%	113,231	107,748	772,000	143,261		
2047	259,000	1.375%	28,270	26,489	527,000	2.125%	107,748	102,149	786,000	136,018		
2048	263,000	1.375%	26,489	24,681	563,000	2.125%	102,149	96,167	826,000	128,638		
2049	266,000	1.375%	24,681	22,853	573,000	2.125%	96,167	90,079	839,000	120,848		
2050	269,000	1.375%	22,853	21,003	585,000	2.125%	90,079	83,863	854,000	112,931		
2051	272,000	1.375%	21,003	19,133	601,000	2.125%	83,863	77,478	873,000	104,866		
2052	276,000	1.375%	19,133	17,236	614,000	2.125%	77,478	70,954	890,000	96,611		
2053	280,000	1.375%	17,236	15,311	626,000	2.125%	70,954	64,303	906,000	88,189		
2054	309,000	1.375%	15,311	13,186	639,000	2.125%	64,303	57,513	948,000	79,613		
2055	313,000	1.375%	13,186	11,034	671,000	2.125%	57,513	50,384	984,000	70,699		
2056	316,000	1.375%	11,034	8,862	692,000	2.125%	50,384	43,031	1,008,000	61,418		
2057	316,000	1.375%	8,862	6,689	711,000	2.125%	43,031	35,477	1,027,000	51,893		
2058	320,000	1.375%	6,689	4,489	728,000	2.125%	35,477	27,742	1,048,000	42,166		
2059	325,000	1.375%	4,489	2,255	737,000	2.125%	27,742	19,911	1,062,000	32,231		
2060	328,000	1.375%	2,255	-	767,000	2.125%	19,911	11,762	1,095,000	22,166		
2061	-	1.375%	-	-	1,107,000	2.125%	11,762	-	1,107,000	11,762		
	\$ 9,210,000		\$ 1,497,059	\$ 1,465,399	\$ 19,252,000		\$ 5,111,294	\$ 5,111,294	\$ 28,462,000	\$ 6,608,353	\$ 6,576,694	\$ 41,647,047

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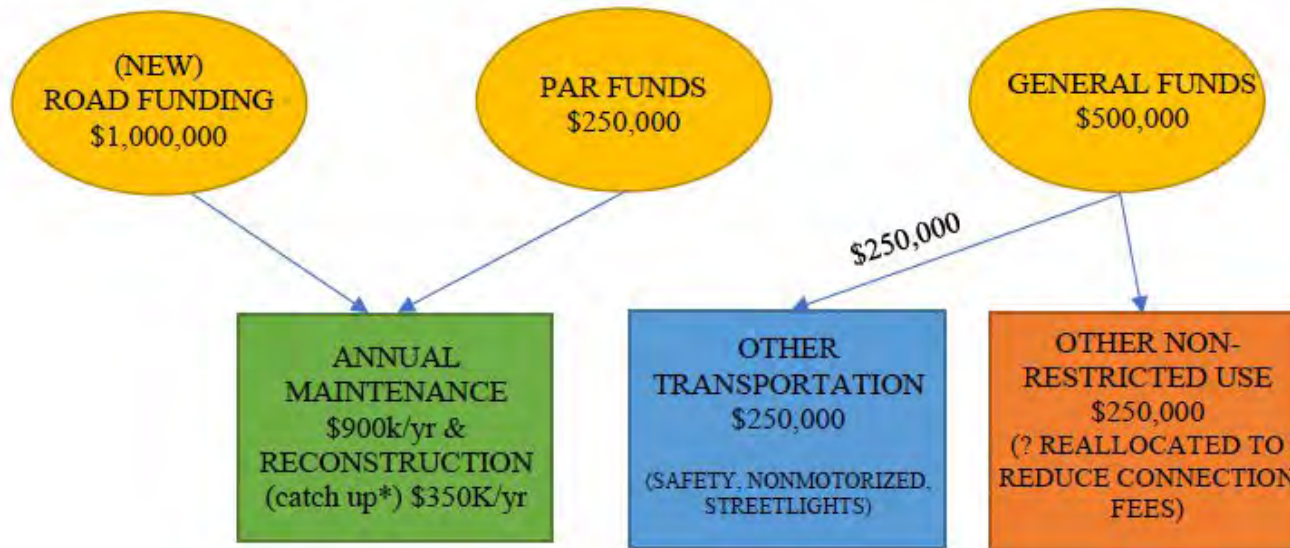
LEVEL OF INVESTMENT

Current Spending



MAX. NEW REVENUE \$1,000,000

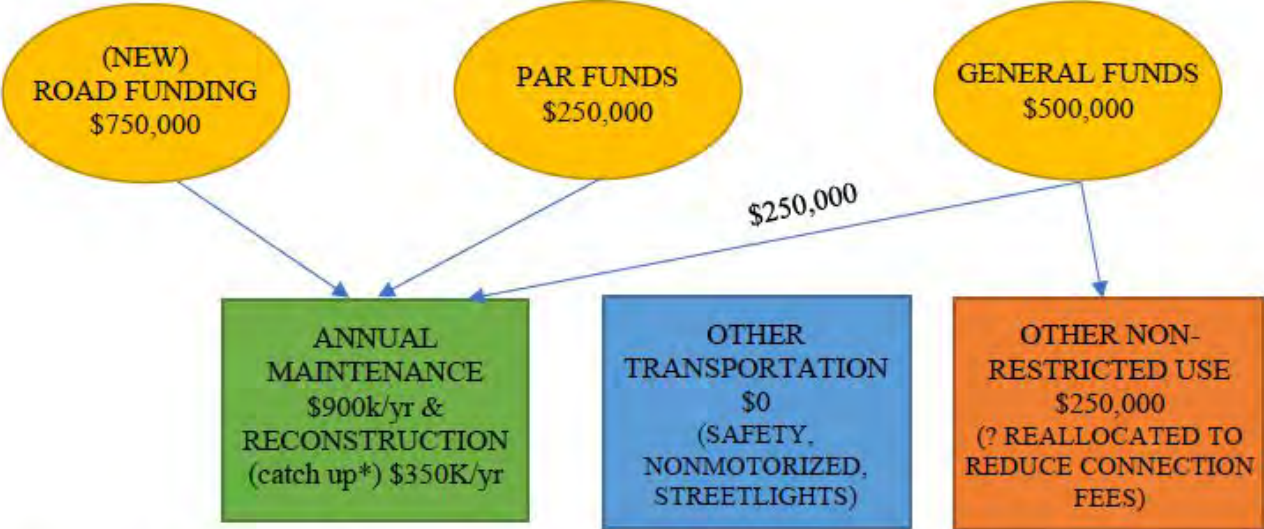
Maximum Additional Revenue \$1,000,000



*Annual expenditures can be reduced when the average PASER desired is achieved

MIN. NEW REVENUE \$750,000

Minimum Additional Revenue \$750,000 – Option B



*Annual expenditures can be reduced when the average PASER desired is achieved

