

Washington Township sells capital improvement bond



File photo Washington Township will borrow money from a bond while interest rates are low and township financial stability is high in order to complete timely infrastructure projects toward community development.

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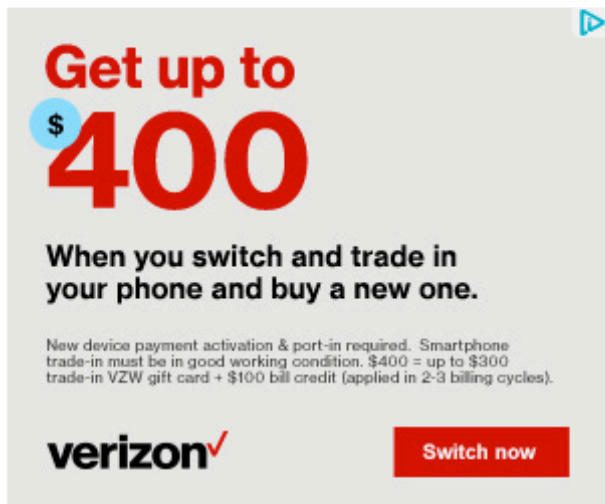
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Washington Township sold its 2015 capital improvement bond for construction of infrastructure projects, including a wastewater treatment facility and a water storage facility with water and sewer lines, to the Bank of America Merrill Lynch at \$16,225,000 with an average interest rate of 3.17 percent.

On Sept. 24 the township opened up the project ideas and total estimated cost for them to financial institutions and received five bids. Out of those five bids, the bid by the Bank of America Merrill Lynch was accepted due to it drawing the lowest interest rate at 3.17 percent.

The bond issue will last 20 years, which means the township will pay gradually on the bond instead of opting to pay the entire capital improvement costs out of pocket from the general fund.


“We have some major infrastructure projects we have to do, and while interest rates are low it would make sense to borrow money and do these projects than pay out of pocket,” said Dan O’Leary, Washington Township supervisor.



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O’Leary said interest rates for this bid were so low due to the financial stability of the township and the credit rating given recently by Standard and Poor’s, a rating agency.

Standard and Poor’s gave the township a AA rating, which is the second-highest rating available, based on Washington Township’s strong economy, management, budgetary performance, flexibility and liquidity,

according to the township’s municipal financial advisor, Robert Bendzinski of Bendzinski and Company.

“The interest in our offering by such high quality firms says a great deal about the quality of the offering and the condition of our township,” said Linda Verellen, township treasurer.

The water storage facility and water lines are already in the works and have an estimated completion time of before the end of the calendar year. The treatment facility and sewer lines are scheduled to be constructed in 2016.

This construction is aimed at improving the township’s quality of life. The water storage facility should aid mitigating future cost increases with Detroit Water and Sewerage Company while the sewer treatment plant and pipeline projects aim to provide utility services to an area in the township for which utilities are currently unavailable.

“We are pleased with the outcome of this offering and grateful for the advice of these quality advisors that made the offering a success,” said Kathy Bosheers, township clerk.

Miller Canfield, Giffels Webster and Bendzinski and Company helped guide the township in this transaction. Closing and receipt of the bond funds are scheduled for mid-October.

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