

## You've Got Questions, We've got Answers!

**Question** - What is the Bond Rating for the Borough of Oceanport?

**Answer** - The Borough's last bond issue was in 2005. The bond was paid off in 2019. Since the bonds are paid, the rating was withdrawn. Prior to being withdrawn the rating was a Moody's Aa3.

**Question** - Do we have an estimate of lending fees and a synopsis of lending "soft costs" (attorney costs etc.)?

**Answer** - If district issued bonds on its own, all issuance costs would be less than 1/2 of 1%. If we were to go through the MCIA, costs would materially increase. At the time of the analysis referred to below, we would reach out to MCIA to get their estimate of additional costs.

**Question** - Will the District approach the Monmouth County Improvement Authority as a possible lender?

**Answer** - If the referendum passes, the district FA would perform a cost/benefit analysis with respect to the increased costs of issuance versus the benefit of the County guaranty.

**Question** - How does the NJ State push to consolidate districts have any effect on the whole of Oceanport?

**Answer** - Regionalization has been proposed many times over the years, most recently in Senator Sweeney's "Path to Progress" proposals. Generally, regionalization of school districts consolidates some services, but the number of students, and the need for functional, safe school buildings in which to educate them, remain the same. Until there is a specific plan from the Legislature on this issue, this discussion is theoretical and detailed answers cannot be provided.

**Question** - How is referendum debt from individual school districts affected if a district is regionalized?

**Answer** - Again, this is a question that can only be answered in the event that the latest push for regionalization advances. However, under current law, upon the creation of an all-purpose regional district (meaning a K-12 regional), debts and bonds of constituent districts become debts and bonds of the regional district. Since the ownership and use of the school buildings is transferred to the regional, any debt is also regionalized.

**Question** - What is the per capita fiscal impact of the referendum?

**Answer** - The property tax impact is calculated per household, not per capita. The tax impact of the referendum has been calculated to be on average \$519.85 per year (\$43.32 per month) on the average assessed home (\$552,349) in Oceanport over the 30-year life of the bond. Detailed tax impact info can be found on the district website:

[https://www.oceanport.k12.nj.us/site/handlers/filedownload.ashx?moduleinstanceid=1497&dataid=2912&FileName=Tax-Impact-Analysis%20Oceanport School Bond Referendum%2012-10-2019.pdf](https://www.oceanport.k12.nj.us/site/handlers/filedownload.ashx?moduleinstanceid=1497&dataid=2912&FileName=Tax-Impact-Analysis%20Oceanport%20School%20Bond%20Referendum%2012-10-2019.pdf)

**Question** - What is the perceived benefit to home values by the proposed referendum?

**Answer** - While it is difficult to pinpoint with any certainty whether and how much improvements to the schools will increase home values, it is clear that when people buy a home, the local school district is a factor with significant influence over their purchasing decision. This 2016 article from Realtor.com has lots of insights on just how much of a factor it is. They cite some interesting statistics from consumer surveys including:

- 1 out of 5 buyers would give up a bedroom or a garage to be in a better school district
- 1 out of 3 would purchase a smaller home to be in the right district
- 1 out of 5 home buyers would pay 6-10% above their budget for the right school
- 1 out of 10 would pay 20% above their budget for the right school

<https://www.realtor.com/advice/buy/the-right-school-district-how-much-do-schools-affect-real-estate-prices/>