

SOMERS POINT SCHOOLS BOND REFERENDUM



What is Included?

- Heating/Cooling Systems
- Plumbing Equipment
- Electrical Work
- Architectural Upgrades



Scope of Work

- A majority of the work will be at Jordan Road School, but all three schools will receive improvements
- New emergency generator at each school
- Significant heating/cooling system upgrades at each school
- Replacement of boiler and plumbing fixtures, originally installed in 1966, at Jordan Road School
- New LED light fixtures in the gymnasium and cafeteria at Jordan Road School
- Repointing of exterior masonry at Jordan Road School
- Replacement of all lockers at Jordan Road School

SOMERS POINT BOARD OF EDUCATION

Proposed Referendum

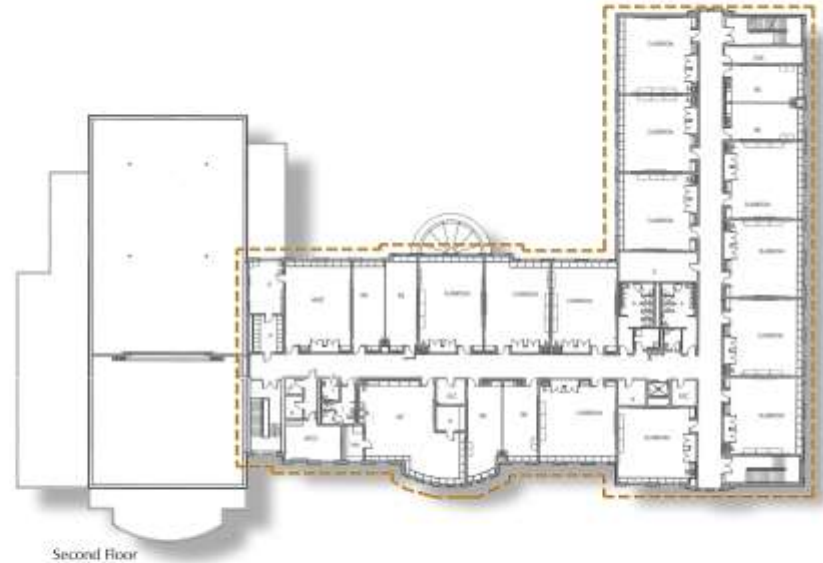
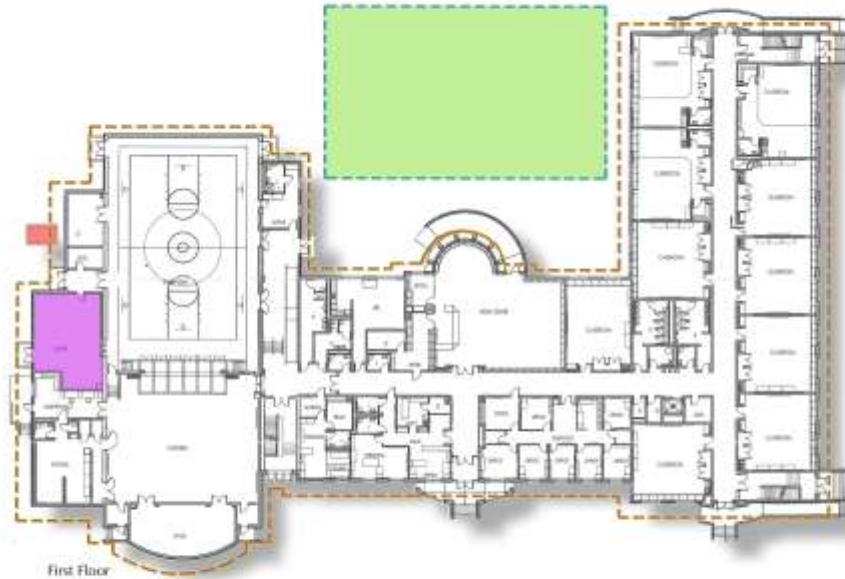


LEGEND






- Replacement of Classroom Unit Ventilators with New Vertical Unit Ventilators.
- New Air Conditioning Systems Including Rooftop Units and/or Split Systems at Arts Classroom, Primary & Intermediate Library, and Locker Rooms; New Packaged Units w/ ATC controls at Office Areas.
- Building Wide Unit Heater & Fin Tube Heater Replacement; Rooftop Unit & Exhaust Fan Replacement (see aerial)
- Replacement of ALL Plumbing Fixtures throughout 1966 portion of Building & Building Wide Replacement of Existing Water Coolers with New.
- LED Lighting & Air Handling Unit Replacement at Gymnasium, Cafeteria & Stage.
- Boiler Room Renovations including Existing Boiler Replacement with New High-Efficiency Boiler and Replacement of Existing Gas-Fired Water Heaters with New High Efficiency Water Heaters.
- New Emergency Generator.
- Replacement of Existing Defective / Unusable Lockers with New.
- Masonry Re-pointing and Weatherproofing at Existing Exterior Brick Veneer.

SOMERS POINT BOARD OF EDUCATION

Proposed Referendum

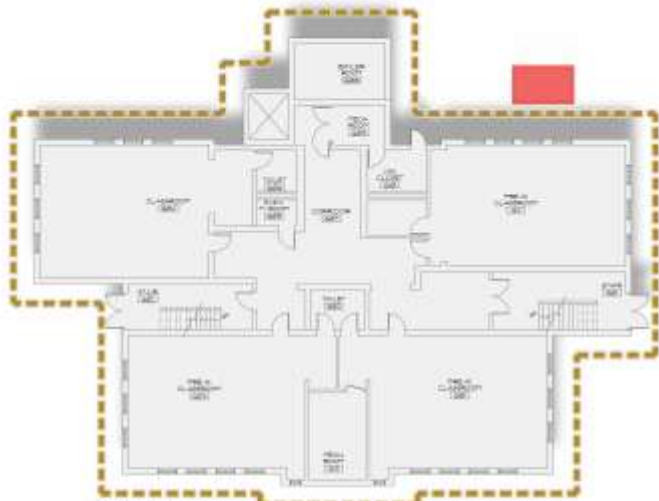


LEGEND

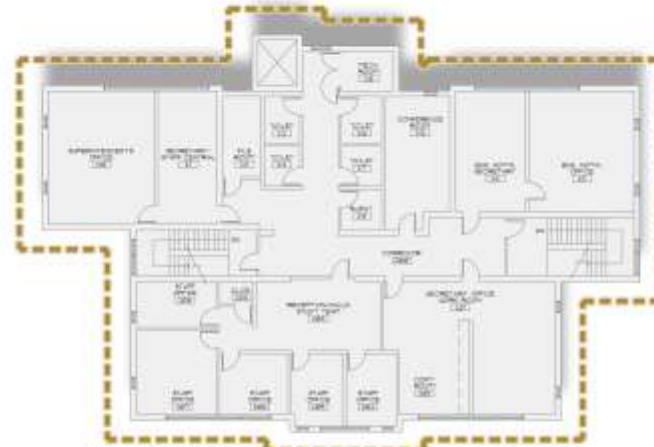
-  - Replacement of Existing Rooftop Energy Recovery Units & Exhaust Fans
-  - Replacement of Existing Geothermal Wells & Exterior Piping System
-  - New Emergency Generator & New Gas Service
-  - Replacement of Existing Hot Water Circulating Pumps & Electric Water Heaters
-  - Building Wide Replacement of Existing Water Source Heat Pumps & Automatic Temperature Controls (ATC)

SOMERS POINT BOARD OF EDUCATION

Proposed Referendum



Basement Floor



Second Floor



First Floor



LEGEND

-  - New Split HVAC System
-  - New Emergency Generator & New Gas Service
-  - Building Wide Automatic Temperature Controls (ATC) Replacement, and Retro-Commissioning & Test Balancing for entire HVAC System

Why Now?

- Since 2012, more than \$1.2 million has been spent on mold remediation to address indoor air quality issues in all three Somers Point School buildings.
- Eligible to receive up to 40% in state funding for the total project costs (only if the referendum passes)
- Low interest rates
- Reduced maintenance costs

Highlights for Somers Point Homeowners

- Total project cost for necessary, no-frills repairs and upgrades is \$9.2 million (up to 40% eligible for state funding)
- Estimated tax impact:*
 - 15-year Bond: **\$3.58** per month/\$100K assessed value; **\$8** per month for average home assessed value of **\$223,586**
 - 20-year Bond: **\$2.86** per month/\$100K assessed value; **\$6.38** per month for average home assessed value of **\$223,586**

*Actual term of bond yet to be determined

Financing Assumptions

- Based on Total Assessed Value Constant for Life of Issue: \$1,178,038,500
- 15 Year Bond Issued at a Rate of 2.55%
- 20 Year Bond Issued at a Rate of 2.75%
- State Debt Service Aid Estimated at 34% (85% of the 40% promised)
- Average Home Value Assessed at \$223,586

\$9,235,000
Somers Point Board of Education
Atlantic County, New Jersey
School Bonds, Series 2016

Conforming Maturity - 15 Years

Preliminary Analysis of Impact on Board of Education Budget

Fiscal Year	Gross New Debt Service			Net New Debt Service		Assessed Value	Impact on Budget	
	Principal	Interest	Total D/S	State Aid	Net D/S		Per \$100 A.V.	Home at \$223,586
2016						1,178,038,500		
2017						1,178,038,500		
2018		345,000	345,000	(117,300)	227,700	1,178,038,500	0.019	43.22
2019	450,000	225,500	675,500	(229,670)	445,830	1,178,038,500	0.038	84.63
2020	500,000	215,688	715,688	(243,334)	472,354	1,178,038,500	0.040	89.66
2021	500,000	204,750	704,750	(239,615)	465,135	1,178,038,500	0.039	88.27
2022	500,000	192,875	692,875	(235,578)	457,298	1,178,038,500	0.039	86.80
2023	500,000	180,375	680,375	(231,328)	449,048	1,178,038,500	0.038	85.23
2024	500,000	167,875	667,875	(227,078)	440,798	1,178,038,500	0.037	83.67
2025	500,000	155,375	655,375	(222,828)	432,548	1,178,038,500	0.037	82.10
2026	550,000	142,250	692,250	(235,365)	456,885	1,178,038,500	0.039	86.71
2027	825,000	125,063	950,063	(323,021)	627,041	1,178,038,500	0.053	119.01
2028	850,000	104,125	954,125	(324,403)	629,723	1,178,038,500	0.053	119.53
2029	875,000	82,563	957,563	(325,571)	631,991	1,178,038,500	0.054	119.95
2030	885,000	60,563	945,563	(321,491)	624,071	1,178,038,500	0.053	118.46
2031	900,000	38,250	938,250	(319,005)	619,245	1,178,038,500	0.053	117.54
2032	900,000	13,500	913,500	(310,590)	602,910	1,178,038,500	0.051	114.43
TOTAL	\$9,235,000	\$2,253,750	\$11,488,750	(3,906,175)	7,582,575			

New Issue Average Tax Impact:

Per \$100 Assessed Value:	\$0.043
For Every \$100,000 of Assessed Value:	\$42.91
Home at \$223,586 (Average Assessment):	\$95.95

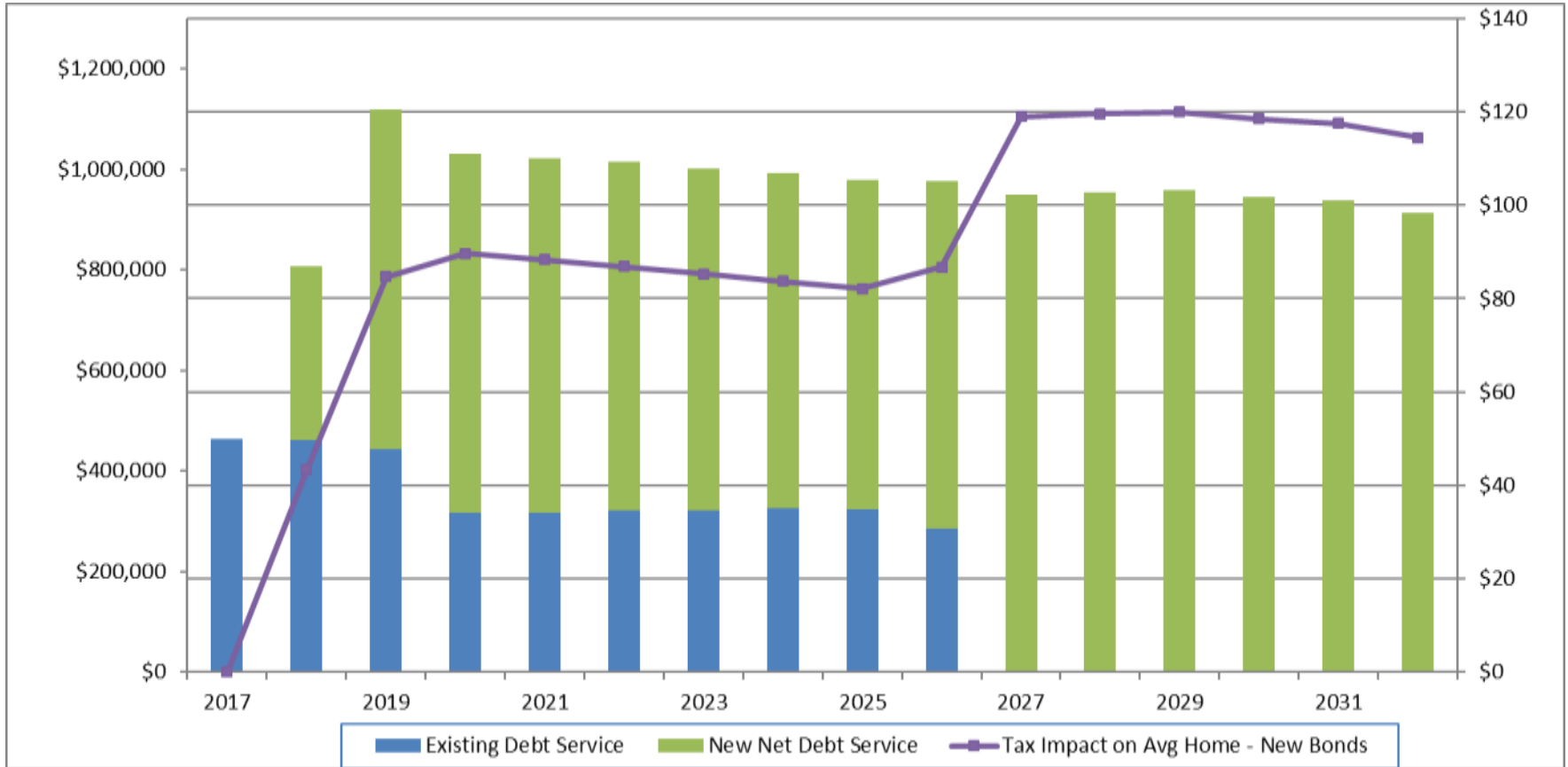
Assumptions:

Borrowing Rate:	2.550%	Dates:	
State Aid for Debt Service:	34.00% (85% of 40%)	Dated:	12/1/16
Assessed Value Growth Rate:	0.00%	Delivery:	12/1/16
Amortization:	15 Years	First Interest:	12/1/17
		First Maturity:	12/1/18
		Last Maturity:	12/1/31

Average Home Source: County of Atlantic Abstract of Ratables (2015)

Ratable Source: County of Atlantic Abstract of Ratables (2015)

New Debt is “Wrapped” Around Existing School District Debt – 15 year



\$9,235,000
Somers Point Board of Education
Atlantic County, New Jersey
School Bonds, Series 2016

Conforming Maturity - 20 Years

Preliminary Analysis of Impact on Board of Education Budget

Fiscal Year	Gross New Debt Service			Net New Debt Service		Assessed Value	Impact on Budget	
	Principal	Interest	Total D/S	State Aid	Net D/S		Per \$100 A.V.	Home at \$223,586
2016						1,178,038,500		
2017						1,178,038,500		
2018		366,000	366,000	(124,440)	241,560	1,178,038,500	0.021	45.86
2019	275,000	241,250	516,250	(175,525)	340,725	1,178,038,500	0.029	64.66
2020	400,000	234,500	634,500	(215,730)	418,770	1,178,038,500	0.036	79.48
2021	410,000	225,375	635,375	(216,028)	419,348	1,178,038,500	0.036	79.60
2022	415,000	215,063	630,063	(214,221)	415,841	1,178,038,500	0.035	78.93
2023	420,000	204,625	624,625	(212,373)	412,253	1,178,038,500	0.035	78.23
2024	425,000	194,063	619,063	(210,481)	408,581	1,178,038,500	0.035	77.54
2025	425,000	183,438	608,438	(206,869)	401,569	1,178,038,500	0.034	76.22
2026	425,000	172,813	597,813	(203,256)	394,556	1,178,038,500	0.033	74.88
2027	540,000	160,750	700,750	(238,255)	462,495	1,178,038,500	0.039	87.78
2028	550,000	147,125	697,125	(237,023)	460,103	1,178,038,500	0.039	87.33
2029	550,000	133,375	683,375	(232,348)	451,028	1,178,038,500	0.038	85.61
2030	550,000	118,938	668,938	(227,439)	441,499	1,178,038,500	0.037	83.80
2031	550,000	103,813	653,813	(222,296)	431,516	1,178,038,500	0.037	81.90
2032	550,000	88,688	638,688	(217,154)	421,534	1,178,038,500	0.036	80.00
2033	550,000	73,563	623,563	(212,011)	411,551	1,178,038,500	0.035	78.12
2034	550,000	57,750	607,750	(206,635)	401,115	1,178,038,500	0.034	76.13
2035	550,000	41,250	591,250	(201,025)	390,225	1,178,038,500	0.033	74.05
2036	550,000	24,750	574,750	(195,415)	379,335	1,178,038,500	0.032	71.99
2037	550,000	8,250	558,250	(189,805)	368,445	1,178,038,500	0.031	69.94
TOTAL	\$9,235,000	\$2,995,375	\$12,230,375	(4,158,328)	8,072,048			

New Issue Average Tax Impact:

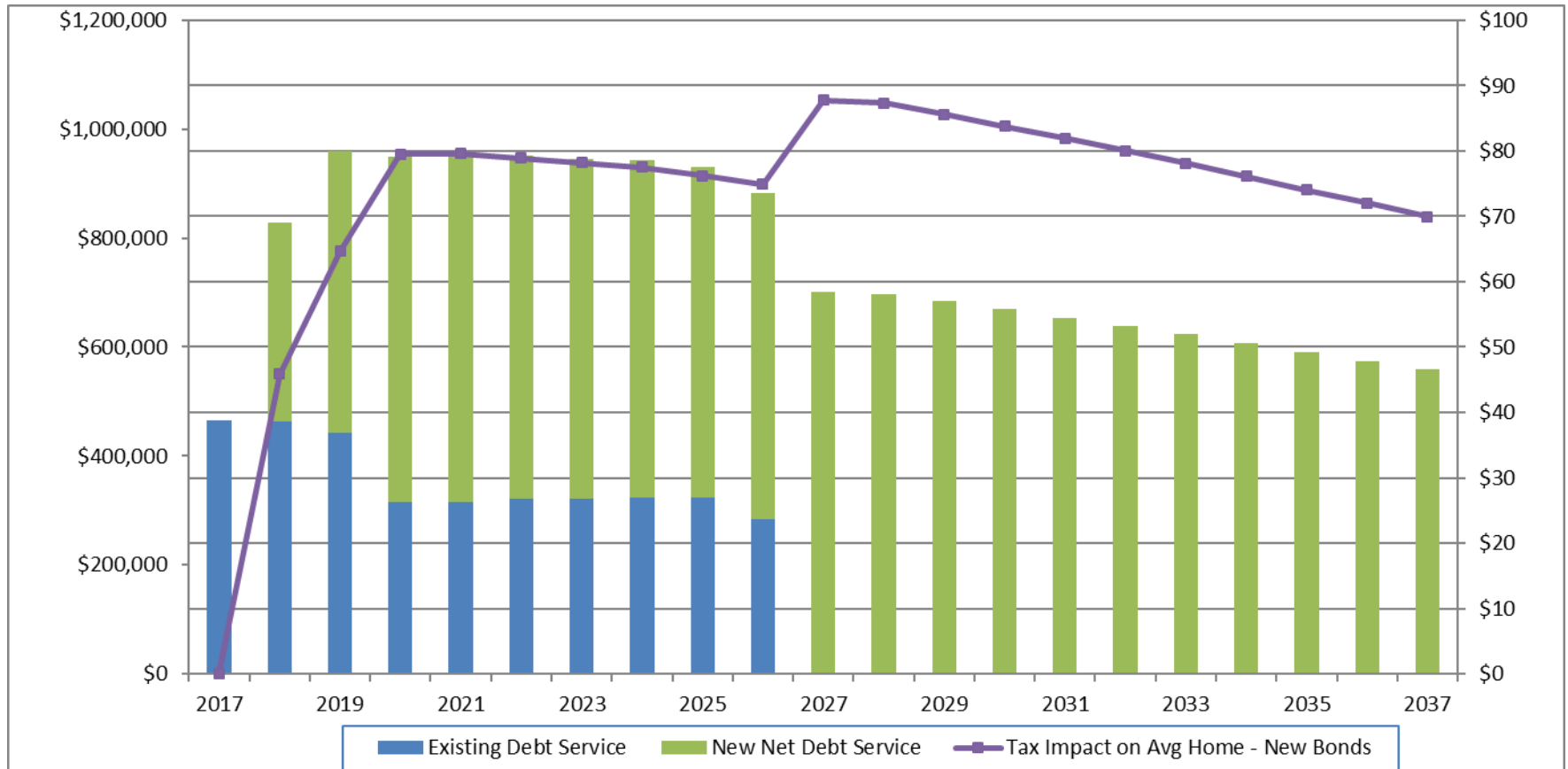
Per \$100 Assessed Value:	\$0.034
For Every \$100,000 of Assessed Value:	\$34.26
Home at \$223,586 (Average Assessment):	\$76.60


Assumptions:

Borrowing Rate:	2.750%	<u>Dates:</u>	
State Aid for Debt Service:	34.00% (85% of 40%)	Dated:	12/1/16
Assessed Value Growth Rate:	0.00%	Delivery:	12/1/16
Amortization:	20 Years	First Interest:	12/1/17
		First Maturity:	12/1/18
		Last Maturity:	12/1/36

Average Home Source: County of Atlantic Abstract of Ratables (2015)
Ratable Source: County of Atlantic Abstract of Ratables (2015)

New Debt is “Wrapped” Around Existing School District Debt – 20 year



An aerial photograph of a suburban neighborhood, likely Somers Point, showing a dense grid of streets, residential houses, and several large school buildings. A prominent green field, possibly a sports field, is visible in the lower right quadrant. The text is overlaid in white, bold font, centered in the upper half of the image.

Good school districts, like Somers Point Schools, help build strong communities, bolster real estate values, and insulate a home from market fluctuations.

VOTE

September 27, 2016

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