Questions From Our Residents - School Bonds

1) **Regarding the BOA and the projects - if passed my understanding is such municipal projects are exempt from BOA or Planning Board review.**

You are correct in that the projects are not subject to their approval. Only school projects that affect the site (additions and/or new construction) are subject to planning board courtesy review, prior to the referendum.

2) **As the debt, if passed, will be GO's of the Borough, have we heard yet on confirmation of our triple -A rating from Moody's? I think this issue will more than double outstanding debt - has this point been raised by Moody's?** *The District's rating is currently an Aa3 from Moody's. It has received a higher rating in the past because the relevant bond series was insured through a municipal bond insurance policy, or because the rating for the State of NJ was actually higher than that of the District. The State's rating is now well below that of the District. Bidders on the bonds may opt to purchase a municipal bond insurance policy, the premium for which is paid by the bidder. If such bidder wins the competitive sale, then this specific bond transaction only may be rated higher than a Aa3. No bond insurer however now warrants a Aaa rating, at least from Moody's perspective. That being said, the municipality is rated Aaa, and we may have an argument to make to Moody's to upgrade the District's rating. It is unlikely they will raise it higher than one notch – which takes the District to a Aa2 – but that is a strong rating. A presentation will be made to Moody's once the referendum is approved, approximately two to three weeks prior to the sale date for the bonds. The presentation will be a collaborative effort between the District and its Financial Advisor and will include various statistics, and financial data of interest to Moody's.*

3) **Is any of this new issue taking out outstanding debt or is it all new?** *This issue is new. This issue will NOT refinance any of the current debt of the school district. The district has only three remaining principal payments on the previous debt issued in 2004 and refinanced in 2009.*

4) **I presume the 28mm will be amortized serially over 25-30 years?** *Yes, the debt is amortized serially and are proposed to be over a 20 year period.*

5) **Given the state support - how does that work? Does the state directly pay that portion of annual debt service on the bonds to the paying agent or do they give it to FP directly ? Or something else.** *The State of New Jersey funds its obligation of debt service annually and directly to the school district as Debt Service Aid. Since these are direct, general obligations of the District, we will act as the paying agent and make payments directly to DTCC which will distribute funds to the registered owners of the bonds.*

6) **What will be the effect on the levy in terms of tax increases per home annually?** *Using the average assessed valuation of $658,000, the average annual increase is $181 for question #1 and an additional $46 for question#2. Please not the existing debt is $203 currently and will cease in July of 2022.*

7) **If passed the 28mm will be sold competitively in the market? Has a date been set? Does FP have a financial advisor?** *Yes, the bonds will be sold competitively via the electronic Parity system. If the referendum passes, we will take action to set the sale date. We are looking towards January-February of 2020 for the sale. The district's financial advisor is Phoenix Advisors along with Wilentz, Goldman and Spitzer, Bond Counsel and Lerch, Vinci and Higgins, Auditor.*