

VILLAGE OF LOCH ARBOUR

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BOARD OF COMMISSIONERS
PAUL V. FERNICOLA, MAYOR
ALFRED J. CHESWICK
DENIS D'ANGELO



December 17, 2015

RE: Possible Solution to Loch Arbour's School Property Tax Problem

Dear Resident and Taxpayer:

As you know, the Village has long had to bear a disproportionate tax burden to educate our school children (much more than our neighboring towns). Perhaps, the Village can finally receive significant tax relief.

The Village of Loch Arbour Mayor and Commissioners have recently taken a significant new step to try to solve the school tax problem facing all Village of Loch Arbour homeowners and tax payers. Currently, the average homeowner in Loch Arbour pays \$13,940 in annual school property taxes.

The Village of Loch Arbour has formally petitioned the Monmouth County Executive Superintendent of Schools to allow Loch Arbour's 16 students currently enrolled in the Ocean Township School District (OTSD) to attend the West Long Branch Grammar School or Shore Regional High School.

The Monmouth County Executive Superintendent of Schools shall make a recommendation to the State Commissioner of the NJ Department of Education (NJ DOE). The County Superintendent has requested that OTSD submit a response by February 8, 2016.

After receipt of the County Superintendent's recommendation, the State Commissioner of Education then has an additional 60 day review period to decide if an election shall be conducted in Loch Arbor on the proposal for VLA students to attend the West Long Branch schools. If Loch Arbour voters approve the change in schools, then Loch Arbour students would likely start attending either West Long Branch Grammar School or Shore Regional High School in September of 2016 or 2017.

To further support this Petition, the VLA Mayor and Commissioners hired the financial consulting firm CGR, the same firm that completed a similar financial analysis on the consolidation of the Borough of Princeton with the Township of Princeton. After a thorough and formal analysis of all of the official data from Ocean Township School District, VLA, and Monmouth County Budget and Tax Documents, CGR concluded:

1. The school property taxes for the average homeowner in Loch Arbour would decrease by as much as \$11,700 PER YEAR.

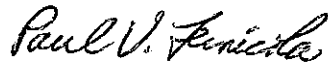
2. The 16 Loch Arbour Students currently attending Ocean Township Schools comprise only ½ of 1% of the total 3,500 students attending Ocean Township Schools.

The Petition, and the Financial Report prepared by CGR, are posted on the Village website, www.locharbournj.us. For additional information please read the enclosed FAQ (Frequently Asked Questions), and should you have any other questions, please send your inquiry to the Village of Loch Arbour (clerk@locharbour.us).

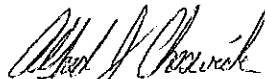
Thank you for your continued support and understanding throughout this very important process.

Sending our Best Wishes for Peace and Good Health during this Holiday Season,

Sincerely,



Mayor Paul V. Fernicola



Commissioner Al Cheswick



Commissioner Denis D' Angelo

Village of Loch Arbour

Questions & Answers Regarding Efforts to Reduce School Property Taxes

1. Q. What is the Village of Loch Arbour (VLA) doing to reduce its extraordinarily high, school property taxes?

A. The VLA Mayor and Commissioners (M + C) submitted a formal petition to the Monmouth County Superintendent of Schools to allow the VLA to leave the Ocean Township School District (OTSD) and begin attending the West Long Branch (WLB) Grammar School and Shore Regional High School (SRHS).

2. Q. What is the process for VLA students to attend West Long Branch Grammar School and the Shore Regional High School?

A. VLA must create its own independent "non-operating" school district. New Jersey State law requires that VLA first submit a petition to the Monmouth County Superintendent of Schools for his review and recommendation, and the County Superintendent has 30 days from receipt of VLA's petition to submit a feasibility report to the State Commissioner of the New Jersey Department of Education (NJ DOE.) However, the County Superintendent has extended this 30 day time period to February 8, 2016, and has given OTSD until that time to submit a response.

The NJ DOE Commissioner, and a State Review Board, will make the final decision whether a public referendum will be scheduled for VLA residents to vote on the proposed change in school for VLA students.

3. Q. Who are the members of the State Review Board?

A. The State Review Board consists of three (3) members; the NJ DOE Commissioner, the Director of the NJ Division of Local Government Services (LGS), which is a division in the NJ Department of Community Affairs (NJ DCA), and the Commissioner of the NJ Department of Economic Development.

4. Q. What is a Non-Operating School District?

A. A non-operating school district is a school district for a town which has no operating schools. The students from a non-operating school district attend a neighboring town's schools.

5. Q. Why is VLA attempting to leave the Ocean Township School District?
- A. Currently, the average VLA homeowner pays \$13,940 in annual school property taxes. The average annual per student cost in New Jersey is between \$10,000 and \$14,000. VLA paid the Ocean Township School District (OTSD) \$126,000 for each VLA student for the 2015-2016 school year.
6. Q. How many VLA students and Ocean Township students attend the OTSD schools?
- A. VLA sends ONLY 16 students to the OTSD schools. Ocean Township has 3,500.00 students attending its schools.
7. Q. When would this referendum be held?
- A. NJ State law provides that this referendum must take place between April 1 and December 1, 2016.
8. Q. When would VLA students begin attending West Long Branch (WLB) Grammar School or the Shore Regional High School(SRHS)?
- A. This change could begin in September 2016, but the change is more likely to occur in September 2017.
9. Q. Is there sufficient capacity for VLA students to attend WLB or SRHS?
- A. Yes. VLA has already received a letter from the Superintendent of both WLB and SRHS School Districts indicating they have capacity for an additional 300 students and VLA sends 16 students to the OTSD schools.
10. Q. What is the estimated annual property tax saving to the average VLA homeowner?
- A. As much as \$11,700 per year. The M + C of VLA recently hired CGR Financial Consultants to research, analyze and calculate all amounts included in this Q & A. The CGR Report is posted on the VLA Website, which is www.locharbournj.us.

CGR is the same financial consulting firm hired by the Princeton Consolidation Commission to perform a similar analysis when Princeton Township and Princeton Borough consolidated into a single town.

11. Q. What is the estimated annual property tax increase to the average Ocean Twp. resident?
- A. The school property taxes for the average homeowner in Ocean Twp. increase by ONLY \$166 PER YEAR.
12. Q. What is the total annual school property tax in VLA and Ocean Twp.?
- \$ 2,014,486 Village of Loch Arbour
\$60,054,172 Township of Ocean
13. Q. What is the total population in each town? (2010 census)
- 194 Village of Loch Arbour
27,291 Township of Ocean

Prepared by:
Mayor and Commissioners
Village of Loch Arbour

clerk@locharbour.us

December 17, 2015