



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

June 30, 2009

Ms. Joyce Popaca, Board President
Mantoloking Borough School District
P.O. Box 881
Mantoloking, NJ 07838-08881

Dear Ms. Popaca:

Pursuant to P.L. 2007, c.63 and A-4141, signed into law by Governor Corzine on June 30, 2009, I have reviewed the enclosed plan submitted by the Ocean County Executive County Superintendent to eliminate the non-operating Mantoloking Borough School District and to provide for the education of the children from Mantoloking Borough in the Point Pleasant Beach School District.

I find that the Executive County Superintendent's plan adequately addresses the statutory requirements for the elimination of the non-operating district. In particular, the plan provides for the continuation of a six member board of education elected for staggered three year terms. Current members of the Point Pleasant Beach Board of Education will continue in office until the expiration of their respective terms, at which time the successor shall be elected at-large by the voters of the new district. Within 30 days of the merger of the districts, the Executive County Superintendent will appoint a representative from Mantoloking to serve as a voting member of the Point Pleasant Beach Board of Education until the first Monday succeeding the first annual election in which a member of the Point Pleasant Beach Board of Education is elected at-large.

The Executive County Superintendent further recommends that for the first year (2009-10), the tax levy be allocated in the amounts that were included in the districts' 2009-10 budgets. Thereafter, the Executive County Superintendent recommends that the levy be apportioned through a combination of 0.5% equalized valuation and 99.5% pupil enrollment. I find that this recommendation results in the least-fiscally disruptive tax levy allocation as required by the statute.

I further agree with the recommendations of the Executive County Superintendent regarding the liquidation of the remaining assets and the closing of the fiscal books of the Mantoloking Borough School District, and regarding the remaining issues set forth in the Executive County Superintendent's plan. I conclude that this plan will effectuate the

legislative intent behind P.L. 2007, c.63 and A-4141 while causing the least disruption to the affected districts.

For all of the foregoing reasons, I approve the plan submitted by the Ocean County Executive County Superintendent for the merger of the Mantoloking Borough School District with the Point Pleasant Beach School District, effective July 1, 2009. I direct the Ocean County Executive County Superintendent to work closely with the two districts to ensure that this plan is implemented promptly, and that the transition to a single combined district is accomplished as seamlessly as possible.

Sincerely,



Lucille E. Davy
Commissioner

Enclosure

- c: Executive County Superintendent
- Executive County Business Administrator
- School Business Administrator, Mantoloking Borough School District
- School Business Administrator, Point Pleasant Beach School District
- Board President, Point Pleasant Beach School District
- Chief School Administrator, Point Pleasant Beach School District

**OCEAN COUNTY
REPORT OF NON-OPERATING SCHOOL DISTRICT**

MANTOLOKING

Submitted by:

**Dr. Bruce Greenfield
Executive County Superintendent**

**Final Report
June 30, 2009**

I. FOREWORD

Public Law 2007, Chapter 63, (known as “CORE legislation”) was enacted to encourage financial accountability of local units of government, including school districts. The CORE legislation serves to empower citizens, reduce waste and duplication of services in districts, and direct shared services and consolidation consistent with amendments to existing law.

The CORE legislation established the position of Executive County Superintendent (ECS). In accordance with plans submitted to the Commissioner of Education, the ECS is required to eliminate districts located in their counties that are not operating schools (“non-operating school districts”). The accountability regulations, N.J.A.C. 6A:23A, promulgated consistent with the above law and recently proposed under the Administrative Procedures Act with substantive amendments reiterates the requirement for the ECS to submit such plans to the Commissioner to eliminate “non operating school districts.” N.J.A.C. 6A:23A-2.4. In addition, the Legislature has passed and the Governor intends to sign A-4141 which clarifies the procedures under which the non-operating school districts will be eliminated and merged into existing school districts.

Mantoloking Borough, a K-Grade 12 district, represents the sole “non-operating” school district within Ocean County. It sends its students to Point Pleasant Beach in a sending-receiving relationship that has spanned several years. Accordingly, both of these districts are academically assimilated, leaving fiscal and governance as two of the major remaining issues to complete full assimilation. This report presents a plan to join Mantoloking and Point Pleasant Beach into a single school district to serve the students from both communities.

II. COMMUNITIES

A. Description

Mantoloking:

Mantoloking Borough is primarily a residential community, with very few ratables. The majority of revenues needed to operate the district are derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

The Mantoloking School District sends all of its students to the Point Pleasant Beach School District. Thus, the elimination of the Mantoloking School District will have no adverse impact on the instructional program of its students. The primary advantage would be for the elimination of administrative expense.

Point Pleasant Beach:

The Point Pleasant Beach Board of Education and both its schools constitute the district’s reporting entity. The Point Pleasant Beach School District provides a comprehensive range of educational services appropriate to grade levels Pre-

School Handicapped through grade twelve. These include regular, vocational, as well as special education. Additionally, community groups such as PeeWee Football, Scouts and Baseball Leagues regularly use district facilities.

The programs are provided at two locations: Point Pleasant Beach High School on Bay and Trenton Avenues and the G. Harold Antrim Elementary School on Niblick Street. There are 48 employees at the high school, 74 at the elementary school and 27 in other district staff positions. School enrollment during 2007-2008 was 372 high school, 479 elementary school, which is 14 students below the 2006-2007 student enrollment. The school district receives students from three other communities in the grades indicated: Bay Head (9-12), Lavallette (9-12) and Mantoloking (PKH-12). Additionally, some parents in nearby communities pay tuition to send their children to the district's schools. During 2007-2008, there were 62 private tuition students.

Source: Point Pleasant Beach CAFR June 30, 2008

A. LOCATION

Point Pleasant Beach is a shore community; tourism and fishing are the biggest industries. The larger state and national economic picture, as well as weather, ocean conditions, etc., influence these industries. The Point Pleasant Beach area has reached a point at which there is very limited land for further development, thereby constraining population growth. In a 1999 Long-Range Enrollment and Facility Use Study, it was predicted that the population of Point Pleasant Beach area would remain at or near the current figures. The unlikelihood of significant growth will likely result in a stable tax base in the years to come. Point Pleasant Beach recently reassessed the town, which has dramatically increased the ratable base.

Source: Point Pleasant Beach CAFR June 30, 2008

B. POPULATION

1. Total Population

	Year 2000	2007
Mantoloking Borough	423	451
Point Pleasant Beach	5314	5398

Source: U.S. Census, www.factfinder.census.gov

2. Ages (Ranges)

Age Range	Under 5	5 to 14	15 to 19	20 and over	Total
Mantoloking	9	25	15	374	423
Point Pleasant Beach	234	588	292	4200	5314

Source: U.S. Census 2000, www.factfinder.census.gov

3. Birth Rate (1998-2004)

Year	2003	2004
Mantoloking	0	4
Point Pleasant Beach	41	45

Source: <http://nj.gov/health/chs/birthchar03.xls#table5>
<http://nj.gov/health/chs/birthchar04.xls#table5>

C. HOUSING

1. Total

	Permanent	Seasonal
Mantoloking	207 Units	315 Units
Point Pleasant Beach	2,317 Units	1,214 Units

Source: U.S. Census www.factfinder.census.gov

2. Growth (Bldg. permits 2002-2007)

	2002	2003	2004	2005	2006	2007	
Mantoloking	3	10	2	4	1	3	
Point Pleasant Beach	11	11	14	17	19	16	

Source: N.J. Dept. of Labor & Workforce Development www.wnjpin.state.nj.us

D. RATABLES

	As of 2008
Mantoloking	\$1,869,279,417
Point Pleasant Beach	\$2,555,531,777

Source: Co. Board of Taxation – Abstract of Ratable

III. SCHOOL DISTRICTS

A. BOARD OF EDUCATION

Mantoloking Borough is a Type II district with an elected board consisting of three members elected for staggered three-year terms.

Point Pleasant Beach is a Type II district with an elected board consisting of six members elected for staggered three-year terms.

Combined Board of Education Scenarios

In accordance with A-4141, the new combined district would continue with an elected board consisting of six members elected for staggering three year terms. The members of the Point Pleasant Beach board of education will continue in office as members of the combined district until the expiration of the respective terms for which they were elected. In any year in which the term of a member of the board of education of the new district expires, his successor shall be elected at-large by the voters of the new district. Within thirty days of the merger of the districts, the ECS will appoint a voting member from Mantoloking Borough to be added to the existing Point Pleasant Beach Board of Education, thereby increasing the membership of the board temporarily to seven (7) members. Such member appointed by the ECS shall serve on the board until the first Monday succeeding the first annual school election in which a member of the Point Pleasant Beach Board of Education is elected at-large.

B. ENROLLMENTS

The table below presents the Point Pleasant Beach's enrollments by grade level, for the four years 2005-06 through 2008-09.

Table 1: Enrollment-Point Pleasant Beach

For Year	Total	K (Full)	1	2	3	4	5	6	MS 7-8	HS 9-12	Sp Ed
2005-06	871.5	55	40	40	52	51	67	62	106	382.5	16
2006-07	864	47	58	44	42	52	53	70	114	379	5
2007-08	835.5	44	46	53	41	44	54	52	130.5	369	2
2008-09	850.5	48	41	49	52	45	45	54	121	395.5	0

Source: Fall Survey for Point Pleasant (on-roll count and includes Mantoloking and other sent students)

Mantoloking Borough enrollment is reported at 4 students

Source: ASSA October 2008 for Mantoloking (the number of students included in the chart above from Mantoloking)

C. FINANCIAL

Budget Information

The following tables summarize Mantoloking Borough and Point Pleasant Beach's actual financial results for 2007-08, budget data for 2008-09 and 2009-2010.

Source: School District Budget Statement 2009-2010

Mantoloking—Summarized

	Mantoloking		
	2007-2008 Actual	2008-2009 Budget	2009-2010 Budget
Appropriations			
General Fund	128,423	232,609	207,652
Special Revenues			
Debt Service			
Total	128,423	232,609	207,652
Revenues			
Less: State Aid-Other	8,529	8,700	8,700
Less: State Aid-Adjustment			
Less: Other Revenues			
Less: Federal; Special; Debt			
Total	8,529	8,700	8,700
Taxes to be Raised			
General Fund	88,290	88,290	74,000
Debt Service			
Total Tax Levy	88,290	88,290	74,000
Tax as % of Total Approps	68.7%	38.0%	35.6%

Point Pleasant Beach – Summarized

	Point Pleasant Beach		
	2007-2008 Actual	2008-2009 Budget	2009-2010 Budget
Appropriations			
General Fund	11,636,675	12,478,671	12,759,037
Special Revenues	434,410	327,558	302,728
Debt Service	963,644	965,047	965,472
Total	13,034,729	13,771,276	14,027,237
Revenues			
Less: State Aid-Other	152,075	114,545	99,328
Less: State Aid-Adjustment			
Less: Other Revenues			
Less: Federal; Special	282,335	213,013	203,400
Total	434,410	327,558	302,728

Taxes to be Raised			
General Fund	8,936,113	9,293,558	9,665,300
Debt Service	963,644	965,047	965,472
Total Tax Levy	9,899,757	10,258,605	10,630,772
Tax as % of Total Approps	75.9%	74.5%	75.8%

2. Ratables

The tables below present Mantoloking and Point Pleasant Beach's assessed and equalized valuations, true values ratios and year-over-year growth, for 2004 to 2008.

Assessed and Equalized Valuations

	Assessed	Equalized	Ratio	Year over Year	
				Assessed	Equalized
Point Pleasant Beach					
2004	661,457,125	1,477,349,086	44.77%	N/A	N/A
2005	664,743,186	1,846,502,956	36.00%	0.50%	24.99%
2006	671,160,957	2,126,827,335	31.56%	0.97%	15.18%
2007	2,559,173,953	2,344,690,735	109.15%	281.31%	10.24%
2008	2,555,531,777	2,417,985,047	105.69%	-0.14%	3.13%
Mantoloking					
2004	935,843,051	1,182,176,695	79.16%	N/A	N/A
2005	958,311,859	1,371,504,381	69.87%	2.40%	16.02%
2006	975,550,839	1,472,030,176	66.27%	1.80%	7.33%
2007	982,825,086	1,587,953,942	61.89%	0.75%	7.88%
2008	1,809,279,417	1,671,248,240	108.26%	84.09%	5.25%

Source: www.state.nj.us/treasury/taxation/lpt/lptvalue.shtml

Equalized values consistently rise while assessed values fluctuate for various reasons such as reassessments. Based on information received from the Ocean County Board of Taxation, a reassessment occurred in Point Pleasant Beach in 2007. In Mantoloking a reassessment occurred in 2008.

3. Borrowing Margin/Capacity (at June 2008)

Mantoloking Non-Operating School District - \$44,311,359

Source: Mantoloking Borough CAFR June 30, 2008

Point Pleasant Beach Receiving School District - \$37,851,959

Source: Point Pleasant Beach CAFR June 30, 2008

The Mantoloking Borough Board of Education has no outstanding bonded-debt and the Point Pleasant Beach Board of Education has \$8,615,419 of outstanding debt remaining as of June 30, 2008. The capacity above is net Point Pleasant Beach outstanding debt. The combined district would appear to have sufficient borrowing capacity.

Source: Point Pleasant Beach CAFR June 30, 2008

D. TAXES

1. General Fund Tax Levy

	2009-2010 Budget
Mantoloking District (non-op)	
Local Fair Share	\$9,085,931
Minimum Tax	\$46,983
Actual Tax Levy	\$74,000
Point Pleasant Beach District (receiving)	
Local Fair Share	\$14,732,723
Minimum Tax	\$7,975,480
Actual Tax Levy	\$9,665,300

Source: School District Budget Statement 2009-2010

1a. General Fund Tax Levy Allocation

Under A-4141, the general fund tax levy apportionment in the first year of the merger is directed in a manner determined by the Commissioner to be the least-fiscally disruptive, the district’s tax levy can be apportioned by equalized valuations, pupil enrollment, or some combination thereof. The impact of the three different methods are illustrated below using the district’s 2009-10 actual General Fund tax levies.

	2009-10 Actual Levy	Levy at 100% Equalized Valuations	Levy at 50% Eq Val, 50% Enrollment	Levy at 100% Enrollment
Mantoloking	\$74,000	\$3,980,401	\$2,018,308	\$56,215
Point Pleasant Beach	\$9,665,300	\$5,758,819	\$7,720,992	\$9,683,085

Analysis of the data indicates that the combination of 0.5% equalized valuations and 99.5% pupil enrollment will result in approximately the same levy allocation in 2009-10. For the first year (09-10), I recommend that Mantoloking Borough raise the same amount included in the 09-10 budget of \$74,000 and Point Pleasant Beach raise \$9,665,300.

A-4141 further provides that thereafter, the apportionment methodology shall be selected from those established in NJSA 18A:13-23, i.e., equalized valuations, pupil enrollments, or some combination thereof, and that, if necessary, the Commissioner may direct a five-year phase in of that method. I recommend beginning in 2010-11 that the apportionment methodology be 99.5% pupil enrollment and 0.5% equalized valuations, a combination of the two methods, as permitted in NJSA 18A:13-23. A five-year phase in is not necessary and therefore, not recommended

2. Debt Service Fund Tax Levy

	2009-2010 Budget
Mantoloking District (non-op)	
Total Debt	0
Total State Aid	
Debt Service Levy	0
Other Local Sources	0
Point Pleasant Beach District (receiving)	
Total Debt	965,472
Total State Aid	0
Debt Service Levy	965,472
Other Local Sources	0

Source: School District Budget Statement 2009-2010

Debt Service Levy Allocation

A-4141 further provides that the amount to be raised for interest upon and the redemption of bonds payable by the district for bonds issued prior to and after the effective date of this act shall be apportioned among the constituent districts of the merged district in such manner as the commissioner determines to be least fiscally disruptive. I recommend that all existing debt of the Point Pleasant Beach Board of Education remain the responsibility of the Point Pleasant Beach Board of Education and all new debt approved by the merged district will be the responsibility of the constituent districts and allocated in accordance with the general fund tax levy allocation that I recommend above.

E. STATE AID

	2009-2010 State Aid
Mantoloking District (non-op)	\$8,700
Pt. Pl. Beach District (receiving)	\$807,711

Source: School District Budget Statement 2009-2010

Under A-4141, state aid will be still calculated as separate districts based on the Mantoloking Borough and Point Pleasant Beach pupil and wealth characteristics. The resulting aid amounts will then be combined and provided in total to the new single district for development of its combined budget.

IV. COST SAVINGS

The following summarizes the potential costs savings that may result from the legislative requirement to eliminate the Mantoloking non-operating district.

A. General Fund Total (2009-2010):	\$ 207,652
B. Estimated Potential Cost Savings:	\$ 63,652

The following is a summary of the areas targeted for anticipated savings:

1. General Administrative:	\$ 34,132
2. Unallocated Benefits	\$ 5,020
3. Administrative Central Services:	\$ 13,500
4. Operation and Plant Maintenance	\$ 11,000

V. DISTRICT SPECIFIC ISSUES/CONCERNS

1. Deferred Taxes

The Mantoloking municipality has property taxes collected on behalf of the Mantoloking school district. The Mantoloking municipality should continue to collect taxes in such a manner that no disruption will result from this merger.

Source: Certificate and Report of School Taxes 2009-2010 (A4F)

IV. RECOMMENDATIONS TO THE COMMISSIONER

Pursuant to N.J.A.C. 6A:23A-2.4, the ECS recommends the elimination of Mantoloking district as of July 1, 2009. The Mantoloking Borough School Board has the option to maintain its school business administrator through August 31, 2009 to assist in the transition. The borough will pay the school business administrator as appropriate. Mantoloking Borough's students will be counted as resident students in Point Pleasant Beach School District but for the purposes of calculating State school aid, both the Mantoloking Borough and the Point Pleasant Beach will continue to be considered separate school districts. Beginning in 2010-2011, the general fund tax levy of the single Point Pleasant Beach School District will be apportioned to each community, at the ratio in which it is currently apportioned.

Under Section III-A, in 2009-2010 the ECS would appoint a voting member from Mantoloking Borough to be added to the existing Point Pleasant Beach Board for 2009-10. For 2009-10 and thereafter, the members of the Point Pleasant Beach Board of Education will continue in office as members of the combined district until the expiration of the respective terms for which they were elected. Beginning with the April 2010 election, all seats of the six member board will be elected by at-large vote thereafter.

The Point Pleasant Beach district (receiving district) will have the responsibility to liquidate all assets, close the fiscal books, and conduct the final audit of the Mantoloking district (non-op).

All remaining cash balances after completion of the liquidation process go to the Mantoloking (non-op) municipality.