

For Immediate Release
October 25, 2011
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Borough of Stone Harbor Receives Excellent Bond Rating from Standard & Poor's Rating Services resulting in low interest rate on the issuance of \$14.37 Million in General Obligation Bonds.

Stone Harbor, NJ.— The Borough of Stone Harbor is proud to announce that it has been awarded an A+ Stable bond rating on the Borough's 2011 General Obligation bonds by Standard & Poor's (S&P) Rating Services.

Standard & Poor's acknowledges in its report that Stone Harbor has a largely residential property tax base with high-value properties and strong economic indicators. Other factors resulting in the strong rating were the Borough's maintenance of very strong current fund balance levels, and low overall debt burden as a percentage of market value.

The agency reviews also take into account the Borough's financial policies and management practices. S&P commented positively on the actions the Borough has taken over the last few years. According to S&P, "The Borough has maintained a strong to very strong financial position by achieving two consecutive surpluses in the past three years. In fiscal 2010 (Dec 31), a \$305,000 current fund surplus raised the unreserved balance to \$1.9 million (a very strong 16%). The fiscal year-end 2009 balance totaled \$1.6 million, which we consider strong at 13% of expenditures".

S&P further indicated that "the stable outlook reflects the borough's high home values, which have remained steady despite the recession. It also indicated that they expect management will maintain or continue to improve its very strong fund balance levels given its practice in the past five years."

"This high bond rating is a major accomplishment considering many communities as well as the Federal Government and State of New Jersey have seen a downgrading in their credit ratings", said Mayor Suzanne Walters. Despite the difficult economic times, the Borough has continued to implement strong financial management practices. The Mayor and Borough Council's decision to participate in the New Jersey Environmental Trust Loan program to fund numerous projects resulted in the Borough receiving over \$4.3 million in no interest loans, which resulted in an interest cost savings of over \$1.7 million for the taxpayers of Stone Harbor. In addition, Mayor Walters credited the Administration and Finance Committee, in particular Chairperson Joanne Vault, as well as fellow Councilman Tom Cope and Barry Mastrangelo for their unwavering commitment to a balanced budget and careful oversight of taxpayer dollars.

The S&P rating was awarded in conjunction with a \$14.37 million General Obligation and Water and Sewer bond sale held on October 25, 2011. As a result of the strong rating the Borough obtained a low bid rate of 2.87 percent interest rate. According to Borough Administrator Kenneth Hawk, "The Borough received six bids ranging from a low bid of 2.87% to a high of 3.5%." Janney Montgomery Scott, LLC was the successful low bidder. According to CFO James Nicola, "the low interest rate will easily save the taxpayers hundreds of thousands of dollars over the life of the debt issue."

For more information on the Borough of Stone Harbor, visit www.stone-harbor.nj.us.