

# **FAQ Sheet**

## **OCTOBER 2, 2018 BOND REFERENDUM**

### **ROCKAWAY BOROUGH SCHOOL DISTRICT**

The Rockaway Borough Board of Education will be presenting a bond referendum to Rockaway Borough voters on October 2, 2018 seeking authorization to undertake various school improvements. Voting hours are 2:00pm to 8:00pm at the Rockaway Assembly of God, located on at 113 East Main Street. This fact sheet addresses common questions in connection with the referendum and the projects.

#### **WHAT IS A BOND REFERENDUM?**

A bond referendum is an election conducted by a Board of Education seeking voter approval to undertake capital improvement projects to a school and to finance such projects through a long term loan (a bond).

#### **WHY DO WE NEED TO HAVE A BOND REFERENDUM?**

A bond referendum is the only way that a Board can borrow money to finance significant capital improvements over a long period of time. Otherwise, major improvements can only be done in very small increments over multiple budget cycles.

The School District has not undertaken major capital improvements to the schools in over 20 years.

In addition, by bonding the projects, the School District is able to access State funding for the projects. See below "IS THE STATE PAYING FOR A PORTION OF THE PROJECT COSTS?"

#### **WHY CAN'T THE SCHOOL DISTRICT JUST INCLUDE THESE PROJECTS IN ITS ANNUAL SCHOOL BUDGET?**

The annual school budget currently has a 2% budget cap on the local tax levy. Given this restraint, it is very difficult to fit projects of this magnitude in an annual operating budget without harming the excellent academic programs that our students deserve. Because there is a "cap" on how much the regular operating budget can increase each year, major, costly replacements cannot be undertaken through the annual budget.

Additionally once installed, such major replacements last a long time, many years in fact. The Board would like to borrow for such improvements and spread the cost of the improvement over the generations that will use it rather than have the current taxpayers pay for it in one year.

## **WHAT PROJECTS ARE INCLUDED IN THE REFERENDUM?**

The improvements set forth below are the general scope of work to be undertaken as part of the referendum. They will be presented in three separate Proposals on the ballot:

### **Proposal #1**

Renovations and upgrades to **Lincoln Elementary School** to provide:

- AIR CONDITIONING/HVAC expansion and upgrades(including gymnasium air conditioning);
- security vestibule;
- roof replacement;
- fire safety improvements (including alarm system and emergency egress);
- restroom (circa 1960) renovations;
- floor, wall and ceiling replacement;
- lighting upgrades (from florescent to LED);
- electric system upgrades; and
- various facility upgrades;
- 

Renovations and upgrades to **Thomas Jefferson Middle School** to provide:

- AIR CONDITIONING/HVAC expansion and upgrades (including gymnasium air conditioning);
- security vestibule;
- interior door and hardware/lock security upgrades
- restroom (circa 1958) renovations;
- roof replacement;
- floor improvements;
- lighting upgrades (from fluorescent to LED);
- window upgrades;
- site improvements (including safety paving and bus loop improvements);
- electric system upgrades;
- library renovations and upgrades; and
- various facility upgrades

### **Proposal #2**

Removal of trailers and construction of an addition to Lincoln Elementary School to provide kindergarten classrooms, new relocated, secure, ADA accessible main entrance and support spaces and upgrades to provide new mechanical, electrical, plumbing, safety and other systems.

### **Proposal #3**

Construction of an addition to Thomas Jefferson Middle School to provide a new gymnasium for educational and community purposes, new bleachers, locker rooms and support spaces and upgrades to provide new mechanical, electrical, plumbing, safety and other systems.

## **HOW WILL THE PROJECTS BE PRESENTED ON THE BALLOT?**

The projects will be presented in three proposals. Proposal 1 must pass for either Proposal 2 and/or Proposal 3 to proceed. **VOTERS ARE ENCOURAGED TO VOTE ON ALL THREE PROPOSALS.**

## **WHY ARE THE PROJECTS NECESSARY?**

Maintaining our school building for current and future use is a basic responsibility of the District. Our students need a healthy, safe atmosphere for learning. The Board of Education annually budgets for ongoing maintenance, however these projects are too expensive to fund within a single year. The preliminary specifics of each project are as follows:

### **Air Conditioning & HVAC Expansion and Upgrades (Lincoln):**

The existing boilers and heating system are at the end of their useful life. There is existing steam piping under the basement slab that is corroding and broken in places; the only way to address the issue would be a costly excavation and localized pipe replacement. Repairing the entire existing underground piping system would be more costly than replacing it. The most cost and energy efficient solution is to replace the boilers and piping in their entirety and convert the heating system to a hot water system with all new piping above the floors, as is now typical among school construction. New pumps, piping, and a building management system (BMS) for controls would also be included within this upgrade. In addition, upgraded heating, ventilation, and air conditioning (HVAC) units will be incorporated into the gymnasium, cafeteria, and each classroom by way of Air Handler Units (AHUs) or unit ventilators (UVs).

### **Security Vestibule (Lincoln):**

The addition of a window-framed security system at the top landing of the existing main entrance stair will greatly enhance security for the school. Electronic access will be tied back to the main office allowing the Administrator two opportunities (exterior door, new interior door) to confirm entry to visitors.

### **Roof Replacement (Lincoln):**

The roofing system is approaching the end of its useful life and warranty period. The existing roof will be removed to the roof deck and replaced with a new system to better facilitate drainage. Existing roof equipment will remain in place and new flashings installed to ensure water-tightness and prevent leaks.

### **Fire Safety Improvements (Lincoln):**

The primary focus is to upgrade the fire alarm system with modern and code-compliant devices. This amounts to new horn (auditory) and strobe (visual) units, an “addressable” mainframe allowing the emergency response team to pinpoint the area of concern, and the ability to distribute emergency commands over the intercom system. In addition, the existing fire escapes are showing signs of aging and weather-related concerns. While not imminent, they may soon become unsafe for use, even in an emergency. A new metal fire escape and foundation would be installed in the same location.

### **Restroom Renovations (Lincoln):**

All four of the 1<sup>st</sup> and 2<sup>nd</sup> Floor Boy's and Girl's multi-fixture Restrooms are approaching 50 years old, if not more. The existing floor, wall, and ceiling finishes will be removed and replaced in their entirety. Existing lights, heating, and ventilation will be replaced and/or upgraded as necessary. In addition, the new plumbing fixtures will be code-compliant and low-flow energy-efficient.

### **Floor, Wall and Ceiling Replacement (Lincoln):**

The cafeteria floor is uneven and poses a potential tripping hazard. The existing flooring will be removed and the concrete will be leveled off and a new, durable floor finish will be installed. New carpet will be installed within the library as the existing carpet is well beyond its useful life. Additionally, the plaster on the walls throughout the Basement and 2<sup>nd</sup> Floor corridors and stairwells is beyond patching. The affected areas will be removed and refinished flush to existing surfaces. Finally, there is concern with the existing ceilings in the gymnasium, cafeteria, library, and classrooms. The ceiling tiles and grid will be replaced in their entirety with new light-weight, acoustically-rated tiles.

**Lighting Upgrades (Lincoln):**

The existing lighting will be replaced with new LED lighting. The spaces throughout the school contain a combination of pendant (hanging) and recessed (within ceiling grid) fluorescent fixtures. Aside from providing better lighting levels for learning, converting to LED fixtures is a vast energy improvement with a very quick Return on Investment (ROI).

**Electric System Upgrades (Lincoln):**

A number of years ago, a previous project was completed to upgrade the main electric infrastructure of the school. As part of that project, new sub-panels were installed throughout the building. At the time, there was not enough funding for attaching the current electric loads to the new panels; as a result, the existing panels remain in operation. This project completes that switchover.

**Various Facility Upgrades (Lincoln):**

The existing grease trap in the cafeteria will be replaced by one with a larger size. Daily maintenance of the existing device has become almost infeasible because of its age and size. Additionally, the sink and associated piping in the Art Room requires replacement because of its age. There will also be a small hot water heater installed in the new cabinetry to provide hot water for various activities relating to the use of the classroom. Finally, the IT infrastructure for the school is located in the Computer Lab in an old coat closet; a temporary partition has been constructed to separate the equipment from the learning area but it is a less-than-ideal situation. This sometimes-noisy and often-heated equipment will be relocated to a closet in the Basement allowing for a better learning environment in the Lab and better climate control for the equipment.

**Classroom Addition (Lincoln):**

The temporary trailers have been in use for much longer than initially anticipated. This project would eliminate the trailers and associated walkways and create a 3 classroom addition in the same area, able to be accessed from the rest of the building without going outside. Three code-compliant Kindergarten classrooms, unisex restrooms, cubbies, desks and chairs would be included; each classroom would have its own exit to the adjacent existing playgrounds. Furthermore, there will be a code-compliant new main entrance and security vestibule at ground level, allowing the main office to be relocated to a much more secure and controlled location. Accessible faculty restrooms will also be provided along with a new accessible chair lift to access the balance of the school building, similar to the existing lift at the current main entrance.

**HVAC Expansion and Upgrades (Jefferson):**

The existing boilers and heating system are at the end of their useful life. The most cost and energy efficient solution is to replace the boilers in their entirety. New pumps, hot water heater, piping, and a building management system (BMS) for controls would also be included within this upgrade. In addition, upgraded heating, ventilation, and air conditioning (HVAC) units will be incorporated into the gymnasium, cafeteria, main office, nurse's office, library, and each classroom by way of Air Handler Units (AHUs) or unit ventilators (UVs).

**Security Vestibule (Jefferson):**

The addition of a window-framed security system at the existing main entrance will greatly enhance security for the school. Electronic access will be tied back to the main office allowing the Administrator two opportunities (exterior door, new interior door) to confirm entry to visitors.

**Door and Hardware Upgrades (Jefferson):**

Interior and exterior doors and hardware are being replaced for security and modernization.

**Restroom Renovations (Jefferson):**

Two of the Boy's and Girl's multi-fixture Restrooms and two Faculty Restrooms are beyond their useful life. The existing floor, wall, and ceiling finishes will be removed and replaced in their entirety. Existing lights, heating, and ventilation will be replaced and/or upgraded as necessary. In addition, the new plumbing fixtures will be code-compliant and low-flow energy-efficient. The existing multi-fixture restrooms in the 4<sup>th</sup> Grade wing will remain untouched as part of this project.

**Roof Replacement (Jefferson):**

The roofing system around the shingled-roof of the gymnasium is approaching the end of its warranty. The existing roof will be removed to the roof deck and replaced with a new system to better facilitate drainage. Existing roof equipment will remain in place and new flashings installed to ensure water-tightness and prevent leaks.

**Floor Improvements (Jefferson):**

The floors throughout the school are beyond their useful life; in many areas, the existing tiles are chipping and breaking on a regular basis. The existing flooring in the classrooms, cafeteria, kitchen, and main office will be removed and the concrete will be leveled off and a new, durable floor finish will be installed.

**Lighting Upgrades (Jefferson):**

The existing lighting will be replaced with new LED lighting, both inside the school and throughout the school grounds. The spaces throughout the school contain a combination of pendant (hanging) and recessed (within ceiling grid) fluorescent fixtures. Aside from providing better lighting levels for learning, converting to LED fixtures is a vast energy improvement with a very quick Return on Investment (ROI). In the same manner, addressing fixture replacement outside of the school increases visibility, safety and security, and appearance.

**Window Upgrades (Jefferson):**

Security film will be installed on all windows throughout the school. The film will be applied from the outside and will greatly increase safety and security. In addition, the window sashes have been under routine and continued maintenance over a number of years. The balance of window repair to ensure operability would be addressed.

**Site Improvements (Jefferson):**

The rear parking lot is in a state of disrepair and pock-marked with pot holes and cracking asphalt. The lot would be milled to remove the top 2" of surfacing and a new tack coat and asphalt would be installed. New line striping is also included. At the same time, the front drop-off loop is a near-continual traffic jam. The existing curb and areas of lawn would be removed and/or reduced to create a drop-off lane, which would allow for a constant flow of cars around the loop. Finally, a new LED school sign will be provided to alert the community of school events.

**Electric System Upgrades (Jefferson):**

The existing electric service is old and at capacity; when it was installed, there were not constant electric draws (i.e. computers, white boards, etc.). In order to accommodate new loads for cooling the interior spaces, replacement would also be heavily considered. As a result, the infrastructure of the electric system will be upgraded to accommodate the existing requirements and provide more allowance for additional loads.

### **Library Renovations and Upgrades (Jefferson):**

New carpet will be installed within the library as the existing carpet is well beyond its useful life. Walls will also receive fresh paint in order to update the appearance of the library.

### **Various Facility Upgrades (Jefferson):**

The water meter for the school is located within a closet in the Main Office. From that location, the piping is routed above the ceiling to the Boiler Room. The age of the piping is beyond its useful life and is exhibiting corrosion. Unfortunately, the corridor ceilings are not easily accessible, meaning new access panels need to be installed every time that there is a needed repair. By replacing the piping in its entirety, maintenance (and the possibility of a catastrophic leak) is greatly reduced.

### **Competition Gymnasium Addition (Jefferson):**

The existing gymnasium was not designed to accommodate today's standards for instruction or even general use. The size of the gym is not conducive to competition sports, but even when the gym is in use, there is no room for seating aside from folding metal chairs. An addition would create a competition-sized gymnasium and ample seating for any sports, gatherings, or events. The maximum occupancy will be approximately 743 persons. It will be accessed from the 4<sup>th</sup> grade wing, but also provide exterior entrances to allow the remainder of the school to be closed off as needed. New bleachers will be installed along the length of the gym and boy's and girl's locker rooms, restrooms, and sufficient storage will be provided. Additionally, the rear parking lot will be extended around the addition in order to preserve the fire lane around the entire school while also providing new accessible parking spaces.

## **WHY ARE THE PROJECTS BEING PROPOSED NOW?**

- Many of the systems that are proposed to be replaced are past or at the end of their lives (boilers, restrooms, lighting). These systems are essential to the operation of our school.
- The State is currently offering facility aid funding which will cover approximately 40% of project costs of Proposal #1 and approximately 6% of Proposal #2. The School District applied and received approval for such State funding in. See below under "Is the State paying a Portion of Project Costs?" The District can only receive this State funding if the referendum passes.
- Current borrowing rates are very low.
- By financing the projects, the District will avoid costly "band-aid" fixes in the future budgets. Over the last several years the School District has expended significant operating funds to provide short term repairs to its aging facility.
- The School District is seeking to invest in needed, current safety and security enhancements.

## **IS THE STATE PAYING FOR A PORTION OF THE PROJECT COSTS?**

Yes. The State has agreed to pay for about 40% of the costs of the projects in Proposal # 1 and about 6% of the costs of the projects in Proposal #2. The State will be providing such funding through "debt service aid".

**This State funding is ONLY available if the voters approve the bond referendum.**

It should be noted that in the “Estimated Tax Impact” set forth below, the Board has conservatively assumed that the State will only be paying 85% of the awarded aid percentage. This assumption is based on past State practices, and ensures that our estimated calculations are on the conservative side. The final, actual tax impact will be passed on exactly as the final State funding actually occurs.

**WOULD THE SCHOOL DISTRICT STILL RECEIVE STATE DEBT SERVICE AID IF THE VOTERS DEFEAT THE MILLION REFERENDUM?**

**No.** If the referendum is defeated, the State will not provide the School District with the State debt service aid.

**WHAT IS THE TOTAL CAPITAL COST OF THE PROJECT?**

Proposal	Total Cost	State Portion	Local Portion
#1	\$13,790,700	\$5,510,763	\$8,279,937
#2	\$ 2,394,400	\$ 137,199	\$2,257,201
#3	\$ 3,739,000	\$ -0-	\$3,739,000

The estimated total project costs are “all in” capital cost, including all construction and related costs including all architectural, engineering, legal, accounting and debt incurrence costs of issuance.

**WHAT IS THE ESTIMATED TAX IMPACT OF THE PROJECTS?**

**Question 1 Infrastructure Improvements to Both Buildings**

**Amount Financed: \$13,790,700**

Years	Interest Rate	Impact per \$100,000 of Assessed Value <b>WITH STATE AID</b>	Impact per \$100,000 of Assessed Value <b>NO STATE AID</b>	Impact to the Average Household (\$300,931) <b>WITH STATE AID</b>	Impact to the Average Household (\$300,931) <b>NO STATE AID</b>
20	3.57%	\$97.59	\$147.82	\$293.67	\$444.83

**Question 2 Addition to Lincoln School (3 classrooms & new mail office)**

**Amount Financed: \$2,394,400**

Years	Interest Rate	Impact per \$100,000 of Assessed Value <b>STATE AID</b>	Impact per \$100,000 of Assessed Value <b>NO STATE AID</b>	Impact to the Average Household (\$300,931) <b>STATE AID</b>	Impact to the Average Household (\$300,931) <b>NO STATE AID</b>
20	3.57%	\$24.50	\$25.75	\$73.73	\$77.50
25	3.67%	\$23.71	\$24.93	\$71.35	\$75.01

**Question 3 Addition to Thomas Jefferson School (Gymnasium)**

**Amount Financed: \$3,739,000 No State Aid**

Years	Interest Rate	Impact per \$100,000 of Assessed Value	Impact to the Average Household (\$300,931)
20	3.57%	\$40.29	\$121.24
25	3.67%	\$38.44	\$115.68

### **Financing Assumptions:**

1. The amount financed includes estimated construction costs, soft costs, and financing costs.
2. The District would receive an "Aa3" underlying bond rating and an "Aa2" enhanced rating based upon the NJ School Bond Reserve. Currently the District does not have an outstanding rating.
3. The 2016-17 net valuation taxable of the Borough is \$779,819,847 and the 2016-17 school district tax rate is \$1.032/\$1.00.
4. Assumes 33.98% (Q1), 4.87% (Q2), and 0% (Q3) annual debt service aid from the State on projects eligible for funding.
5. Impact to the Average Household represents the one-time tax increase to the average home assessed at \$300,931.
6. The Interest Rate represents the overall interest cost at which the District is financing the Project. It does not reflect the application of annual debt service aid.
7. Assumes an issuance date in November 2018 and first principal and interest payments until November 1, 2019 (Fiscal Year 2019-2020).

### **WHEN WILL THE BOARD PRESENT THE PROPOSED PROJECTS TO THE VOTERS?**

The Board will present the proposed project to the School District voters at an October 2, 2018, special school election. The polls will be open from 2:00 p.m. to 8:00 p.m. at the School District's voting place, Rockaway Assembly of God. All registered voters are eligible to vote.

### **WHAT IS THE ANTICIPATED TIMELINE OF THE PROJECTS?**

If the referendum were to pass, it may be necessary to stagger the projects over a couple of summers to ensure that normal school operations are not impacted. We anticipate that all of the projects would be completed by the end of the 2021 summer. More specifically, restroom renovations and the balance of infrastructure projects are anticipated for completion in 2019 and 2020. The additions at either school would require a longer construction phase and would be completed prior to school opening in 2021.

### **WHERE CAN I GET MORE INFORMATION?**

Please e-mail either Mrs. Phyllis Alpaugh, Superintendent, at [pa@rockboro.org](mailto:pa@rockboro.org) or Mr. William Stepka, Business Administrator, at [wstepka@rockboro.org](mailto:wstepka@rockboro.org) if you need any further information regarding the projects.

Additionally, we will be soon announcing a "Referendum Fair" to be held at the Thomas Jefferson School sometime during the last week of September. More details will follow.