

**Colts Neck Township Schools**  
**Referendum Date ~ September 24th, 2019**



Community Information Presentation  
Wednesday, June 5, 2019

**Colts Neck  
Township  
Schools  
Referendum  
2019**

What: **Referendum Question for  
Facilities Improvements**

When: **September 24th**

Voting Times: **6am to 8pm** (or until all present  
voters have voted)

# How did we get here

## Facilities Study



- In June 2015 FVHD provided comprehensive recommendations for facilities improvements
- Oct 7, 2015, during a Public Board Meeting, FVHD presented a summary of these recommendations
- Updates to the Long-Range Facility Plan for the district
- Subsequent Security Audit performed with support from CNPD

# Capital Improvements

Since 2015, the District has invested **over \$2.25M** in improvements

## 2019-2020 Budget improvements

## Future improvements

CDMS <ul style="list-style-type: none"> <li>- Gym Roof (\$80K)</li> <li>- Boilers (\$442K) <sup>1</sup></li> </ul>	CDMS <ul style="list-style-type: none"> <li>- Classroom VAT tiles</li> <li>- Classroom Casework</li> </ul>	CDMS <ul style="list-style-type: none"> <li>- Classroom VAT tiles</li> </ul>
Bathrooms CDMS/CRES (\$555K) Generators CDMS/CRES (\$310K) <sup>1</sup>		
Security Vestibules All (\$282K) Security Cameras and Supporting Access Systems All (\$182K) Telephone System All (\$399)	Complete Multi-Year Technology Improvements	Building Access Control System Auditorium

<sup>1</sup> Partial funding through State ROD Grant

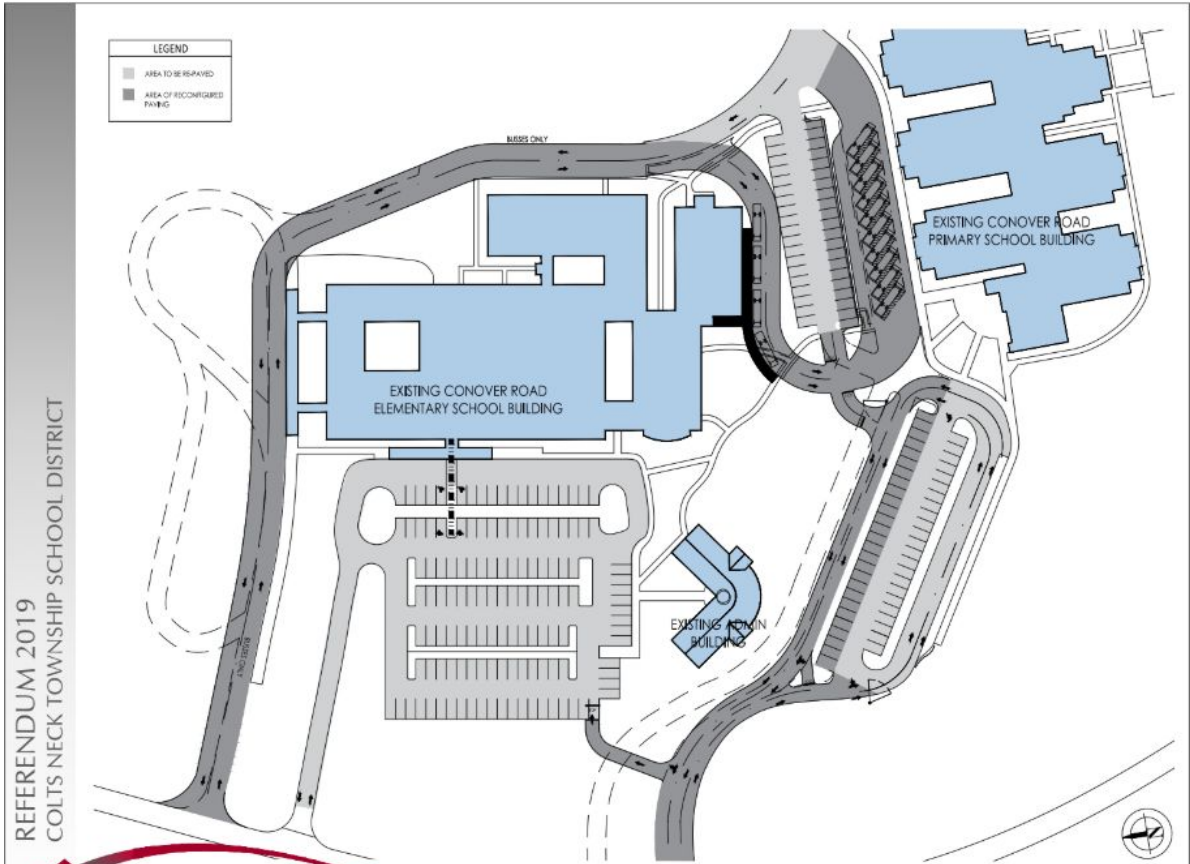
# Capital Improvement Priorities

- **Security & Safety**
- **Health & Compliance**
  - Federal, State & Department of Education Standards
- **Energy Efficient / Environmentally Friendly**

# 2019 Referendum Scope

	<b>Conover Road Primary</b>	<b>Conover Road Elementary</b>	<b>Conover Road Reconfiguration</b>	<b>Cedar Drive Middle</b>
<b>Security &amp; Safety</b>	Paving - Existing Lot Interior Doors & Locks (59)	Paving - Existing Lot Interior Doors & Locks (60)	Reconfiguration Paving Sidewalks Gates Lighting	Interior Doors & Locks (56) Paving - Existing Lot
<b>Health &amp; Compliance</b>		Electrical Switch Gear Electrical Panels (12) Generator Connections (4) Classroom Unit Ventilators (19) Exhaust vents (19) Exterior Units (21) Corridor & Toilet Units (3) Building Control System		Electrical Switch Gear Electrical Panels (13) Generator Connections (4) Bathroom Renovation Classroom Unit Ventilators (26) Exhaust vents (25) Exterior Units (18) Corridor & Toilet Units (26) Building Control System
<b>Energy Efficient / Environmentally Friendly</b>		Install LED Lighting Replace Roofs Replace Windows		Install LED Lighting Replace Roofs Replace Windows

# Conover Road Reconfiguration



REFERENDUM 2019  
COLTS NECK TOWNSHIP SCHOOL DISTRICT

# 2019 Referendum Estimated Costs

	<b>Conover Road Primary</b>	<b>Conover Road Elementary</b>	<b>Conover Road Reconfiguration</b>	<b>Cedar Drive Middle</b>
<b>Security &amp; Safety</b>	\$ 960,000	\$ 1,830,000	\$2,450,000	\$ 1,268,500
<b>Health &amp; Compliance</b>		\$ 7,597,500		\$ 7,926,500
<b>Energy Efficient / Environmentally Friendly</b>		\$ 1,927,500		\$ 1,520,000
<b>Totals</b>	\$960,000	\$11,355,000	\$2,450,000	\$10,715,000
<b>Grand Total</b>	<b>\$25,480,000</b>			



# Funding Options Available to School Districts

Funding Option	Funding Details	Notes
<b>Annual Budget</b>	- No State Contribution; 100% Local share	- Annual 2% increase cap - Projects will cost more; lack of economies of scale for large projects
<b>Capital Reserve</b>	- No State Contribution; 100% Local share	
<b>State/Federal Grants</b>	- Varies based on program - Contribution can be up to 100%	- State is writing the policy rules. Timeline is planned for summer 2019 for more visibility to expected guidelines and applications
<b>Energy Savings Improvement Program (ESIP)</b>	- No Direct State Contribution	- Must include multiple types of enhancements to be eligible
<b>Bond Referendum</b>	- Varies based on project eligibility, up to 40% - Our Estimate is 34% for our projects	- All projects in 2019 are eligible for up to 40%; however, we estimated 34%

# Use of Reserves to Reduce Taxpayer Impact

The Board of Education will allocate **\$2.6 Million** (~10% of the total cost of the referendum) from **Capital Reserve and Impact Aid Reserve**, allowing Colts Neck taxpayers to maximum NJ debt service aid and minimize tax increases

## Minimal tax impact over the first 3 years:

- Zero for Year 1 (2020-2021) -> based on average assessed home (\$828,700)
- \$48.22 for Year 2 (2021-2022) -> based on average assessed home (\$828,700)
- \$72.68 for Year 3 (2022-2023) -> based on average assessed home (\$828,700)

# **Estimated Summary Of Tax Impact for 2019 Referendum**

<b>Referendum Amount</b>	\$ 25,480,000
<b>Length of Bond Issue</b>	25 Years
<b>Interest Rate</b>	3.60 %
<b>Debt Service Aid</b>	34.00 %
<b>Average Tax Impact per \$100,000 of Assessed Value</b>	\$29.95
<b>Average Tax Impact*</b>	248.16
<b>Total Project Costs <u>before</u> State Aid &amp; BOE Contribution</b>	\$ 38,325,760
<b>Total State Aid over Life of Bonds</b>	\$ 13,030,758
<b>Total Debt Service <u>after</u> State Aid &amp; BOE Contributions</b>	\$ 22,695,002

\* Based on average home assessment of \$828,700

# SEPTEMBER 2019 Referendum Timeline

## Key dates for Board of Education Activities

**April 3rd**  
State of the District

**June 5th**  
Proposed scope of work with estimated tax impact / **June 19th**  
Finalize scope of work

## Key dates for Community Members

Community Education and Information Sharing

- Sept 3rd** -> Deadline for voter registration
- Sept 17th** -> Deadline for mail-in ballot by mail
- Sept 18th** -> Special Election sample ballots mailed
- Sept 23rd** -> Deadline for in-person mail-in ballot applications

**September 24th**  
**Referendum**  
**6AM to 8PM**

# Thank You

Ad-Hoc Referendum Committee of the Colts Neck Township Board of Education:

Mr. Kevin O'Connor ~ Chair

Dr. Kim Raymond ~ Mrs. Kathy Gizzo ~ Mrs. Danielle Alpaugh

Dr. MaryJane Garibay, Superintendent ~ Mr. Vincent Marasco, SBA ~

Mr. Thomas Giglio ~ Facilities Manager

# 2019 Referendum Scope - Summary

	<b>Conover Road Primary</b> \$960,000	<b>Conover Road Elementary</b> \$11,355,000	<b>Conover Road Reconfiguration</b> \$2,450,000	<b>Cedar Drive Middle</b> \$10,715,000
<b>Security &amp; Safety</b>	Paving - Existing Lot Interior Doors & Locks (59)	Paving - Existing Lot Interior Doors & Locks (60)	Reconfiguration Paving Sidewalks Gates Lighting	Interior Doors & Locks (56) Paving - Existing Lot
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<b>Energy Efficient / Environmentally Friendly</b>		Install LED Lighting Replace Roofs Replace Windows		Install LED Lighting Replace Roofs Replace Windows

# Why Have A Special Election?

- In order to capture debt service aid for the 20-21 school year, bonds must be sold prior to the end of the 2019 calendar year; a September referendum affords the district ample time to do so
- The earlier projects are approved, the earlier the district can begin the process of developing work schedules, secure bids, and schedule contractors to minimize the impact to student education and complete all projects as quickly as possible
- Interest rates are still low

# Colts Neck Township Schools Long Range Facilities Plan (LRFP)

- As required by NJAC: 18A:7G-4(a), each school district must maintain a LRFP
- The LRFP must be reviewed and updated every 5 years
- The LRFP is the District's "road map" for capital improvements and projects
- Based upon evolving needs and priorities, the LRFP is revised and updated accordingly
- Our District has been actively reviewing and updating our LRFP for the past 3 years



# Referendum Points To Consider

- #1.** A referendum is the best financial option for the size and scope, given the need to address structural and critical risks in a timely fashion
  
- #2.** Timing is good for bond financing – low interest rates, lower construction costs now, replacing systems now results in lower maintenance costs rather than addressing infrastructure needs in a degraded or emergency situation
  
- #3.** Once completed, the projects are expected to reduce ongoing repair and maintenance costs; these savings benefit the annual operating budget and so frees up that money for future tax relief, educational programming, etc
  
- #4.** NJ allows districts to take advantage of Debt Service Aid now, but spread the benefit and cost of projects over many years

# Referendum Points To Consider

**#5.** The district will struggle to fit large dollar maintenance projects into annual, operating budgets while still adhering to state law that caps general fund tax levy increases at 2%. Within the '2% cap', we still need to accommodate typical rising costs of payroll, benefits, educational programs, contracted services and more. The \$25.5M project costs would not fit in annual budgets within the cap (even over time), without significantly cutting academic staff and programs

**-> For Reference, our Advisors have provided an estimate of between \$40-50M over time to complete the projects if the referendum does not pass**

**#6.** Projects paid as part of our regular budget are ineligible for debt service aid

# Referendum Points To Consider

**#7.** Debt Service Aid – state will cover up to 40% of all eligible project costs, and is provided year-by-year, like assistance from the State to make our bond payments

**#8.** Repeated smaller bond referendums would not produce the benefits of efficiencies of scale – more set-up and election costs, consulting fees, increased construction costs, etc

**#9.** Construction estimates are conservative; they reflect careful planning and analysis and a myriad of soft costs (construction contingencies, architect/engineer and consultant fees, construction management, bonding and legal fees, inspections and permitting fees). Low estimates can be short-sighted and we would not want to have to downgrade roofing material, HVAC components, window quality or the like to be able to complete everything with an artificially low estimate

**#10** There are only 2 ways a district can use bond proceeds - a) to address construction and cost increases for projects approved as part of the bond referendum and b) pay down bond debt

# Colts Neck Township Schools Professional Consultants for Projects & Financing

- William D. (Ted) Hopkins III, AIA, LEED AP, FVHD Architects-Planners
- Robbie Acampora, Managing Director, Phoenix Advisors
- Lisa A. Gorab, Wilentz, Goldman & Spitzer, P.A

# Questions

To request referendum news and updates from our District, please visit the Community tab on our website:

<https://www.coltsneckschools.org/>