

Florham Park School District Bond Referendum

Florham Park Senior Club Questions Regarding the Referendum and Projects

1) The bond referendum includes numerous projects at the three Florham Park Schools and total approximately \$25 million.

a) How were these projects determined to be necessary and/or critical at this time? Were cost benefit or critical needs analysis developed for each project? For example, if the school roofs are leaking, replacing them will eliminate repair costs, but what is the immediate benefit for renovating auditorium seating and lights or an office?'

- Completion of the Strategic Plan with public input in 2017
- A comprehensive review of the Long Range Facility Plan with the district's architect of record, including but not limited to, identifying specific areas of need. This is performed as an annual activity of the Facilities Committee.
- Impending retirement of the previous bond referendum from 2001 scheduled for July 2022
- Cost Benefit - The district has identified these projects through maintaining the State's required Long Range Facility Plan. This requires the district to identify the useful life expectancy of its infrastructure and project a replacement date/time period. In some projects, repair and maintenance costs will be eliminated based on total replacement. In others, i.e., the Ridgedale Auditorium, the cost benefit may not be as clear. The district may see some cost benefits in the upgrade to lighting, seating, and controls based on maintenance costs; however, the benefit of this renovation is to modernize the space and its availability to all of our schools and community needs.
- The instructional and curricular benefit for the students and facilities use were also factored into each project.

b) Approximately \$2,900,000 is identified for HVAC/Automated Controls for Brooklake Elementary School. How many existing HV systems will be replaced by new HVAC systems at the school? What percentage of Brooklake rooms are currently air conditioned by the rooftop HVAC units? How many days during the school year would air conditioning actually be used?

- The system proposed is an HVAC system which will be used every day to provide heating, air conditioning, and ventilation/outside air which is required by state law. Currently, ten out of thirty-five rooms (28%) are air-conditioned, of that count, only five of which are instructional classrooms. The remaining twenty-five rooms (72%), all of which are instructional spaces, are not air-conditioned. They have only heating/ventilation units.

c) For Ridgedale Middle School approximately \$3,660,000 is identified for HVAC. How many existing HV systems will be replaced by new HVAC systems at the school? What percentage of Ridgedale rooms are currently air conditioned? What are the expected annual maintenance costs for the HVAC/Automated Controls systems?

- The system proposed is an HVAC system which will be used every day to provide heating, air conditioning, and ventilation/outside air which is required by state law. Currently, eleven out of thirty-eight rooms (29%) are air-conditioned, of that count, only eight of which are instructional classrooms. The remaining twenty-seven rooms (71%), most of which are instructional spaces, are not air-conditioned. They have only heating/ventilation units.

d) Was installing solar panels to reduce electrical costs considered?

- No

e) How were projects determined to be included in Question 1 versus inclusion in Question 2?

- The projects in Question #1 satisfy one of the four criteria:
1) Critical infrastructure 2) Safety initiatives,
3) Instructional program recommendations 4) Strategic planning goals

f) Why is moving forward on projects in Question 2 contingent upon the approval of Question 1?

- Question #1 was developed to provide no monetary tax impact to the voters, in relation to the retiring debit in July 2022. Question #2 is seen as asking the voters to approve an additional tax impact for less immediate projects.

g) How were the amounts under “Construction Contingency and Project Costs” determined? Shouldn’t “Project Costs” be included in the breakout of the individual projects?

- Specifically, “Construction Contingency” accounts for all construction contractor change orders only. The change orders are typically a result of unforeseen construction conditions or market price fluctuation in materials between the project approval time and the actual bid. “Project Costs” represent soft costs, i.e., architect fees, bond counsel, financial consultants, applicable permit fees, etc.

h) Is the “Construction Contingency” for unidentified or to-be-determined projects? Could the “Construction Contingency” be used for just one project?

- The Construction Contingency is for the identified projects as advertised. The contingencies can be reallocated between projects if necessary.

2) The materials provided on the BOE website state that the “Department of Education has determined that all of the proposed projects are eligible for approximately 40% funding of the total project cost”. On one of the summary sheets, the cost to taxpayers after the 40% State aid funding is estimated to be \$227 (\$181 for Question 1 and \$46 for Question 2) a year per \$658K assessed home value. However, another handout notes that “in the recent years it (NJ State) has only funded 34% in the State’s budget”. What would be the cost to taxpayers on an annual basis if the State only funded 34% of the project costs?

- The \$227 estimated state aid funding is based conservatively on the 34% contribution.

3) Also, is the 34% in the State budget a guaranteed funding percentage for each NJ school district or could some school districts get (or have gotten) a lesser or a higher percentage reimbursement? If Florham Park receives State funding aid lower than the estimated 34%, will projects be cut back to offset the State shortfall?

- For projects that are fully eligible for aid, like ours, the State has, in the last 11 years, provided 34% funding. Prior to that it was at 40% and is still represented that way on State of NJ documents. While we do not anticipate that that amount will be decreased, it is not “guaranteed” by the State. The aid will be provided to the district annually so the District will not be able to cut back the projects in the event there is a State shortfall. The latest trend with the State of NJ is to fund anywhere between 34-40%. The \$227 estimated state aid funding is based conservatively on the 34% contribution.

4) When calculating the tax impact of the projects, one document states that the “annual debt service paid by the average household is \$203 for existing debt” that “will be completely paid off in July of 2022”. Another document notes that “the District’s old debt is retiring in 2022 and will reduce annual tax by \$188.00 per year”. Can you explain the difference in these amounts?

- The \$15 dollar difference is represented by the debt service payment made this school year (2019/20) and the last debt service payment which will be made in July 2022. We thought it important to represent the highest and lowest amount remaining to be paid.