



DELAWARE TOWNSHIP SCHOOL DISTRICT

Frequently Asked Questions

Referendum - December 10, 2019

New Information and Questions/Answers Shown in Red

1. What is a bond referendum?

A bond referendum is an election in which a Board of Education seeks voter approval for funding to undertake school facility improvement projects and to finance such projects through a long-term loan (a bond).

2. Why did the District not plan/save for these improvements?

The District's operating budget is small, and although it has been saving for school facility improvement projects, options for saving are limited. The District has funded a number of other projects within its annual budget, but the costs of maintaining our facilities is constant. Our goal is to be fiscally responsible and frugal with all budget decisions, particularly in light of current cuts in State Aid for day to day operations. It has already spent some funds for the initial phase of several referendum projects but the District will receive up to 40% in State Aid **or about \$1.1M** by funding these capital projects through a referendum question and subsequent bond issue.

3. What costs are included in the referendum?

The costs for the individual projects take into account not just the materials and installation costs, but all the associated work involved such as painting, patching, utilities etc. Costs for prevailing wage labor, state required contingency, soft costs for professionals and financing costs are all included. Whenever possible the DTS maintenance staff will provide the labor to keep costs low in implementing these improvements.

4. What projects are included:

The projects and estimated costs are shown below:

Electrical & HVAC Repairs/Replacements - \$1,390,540

- Automated temperature and HVAC controls – Will tie in all HVAC equipment in the school into the control system installed in the summer of 2019. Controlling temperature will be automated and even. Energy savings will be realized through the ability to change temperatures when the building is unoccupied.
- Old unit ventilators will be replaced in 24 classrooms with new units having both heating and cooling coils and capable of providing proper air ventilation. New condensing units will be placed on the roof for higher efficiencies.
- A new electrical service will be installed which will increase our capacity for more electrical usage needed for air conditioning and other applications such as computer usage.

Interior Renovations & Repairs - \$506,180

- Damaged casework or cabinetry in 24 classrooms will be removed and replaced. Some of this replacement will be due to the installation of the new unit ventilators.
- An existing custodial closet on the second floor will be converted to a faculty toilet room. This will provide for a second toilet room for faculty on the second floor as only one is now available during the brief periods of time between classes.

Environmental Management - \$552,082

- The existing underground oil storage tank will be removed and backfilled, with a new above-ground tank installed behind the school with new lines piped to the boiler rooms. This step is being taken to eliminate the risk of an oil leak and ground water pollution. The existing tank holds 10,000 gallons and was installed in 1990.

Safety and Security Improvements - \$371,199

- Security systems and equipment will be improved and enhanced. Some of this work will build upon projects undertaken during the summer of 2019 to improve security at the school's entrance

- An emergency generator will be installed to provide for essential systems in the building during a power failure.

The total estimated cost is \$2.280 Million.

5. Is State Aid available to offset the costs to local taxpayers?

Yes, the State offers up to 40% Debt Service Aid on eligible costs of the work included in the referendum, which means the State will pay that portion of principal and interest for bonds sold to finance the referendum. The projects have received approval from the New Jersey Department of Education and deemed fully eligible for Debt Service Aid. This is the only state aid currently available for funding school facility projects and is only available if the referendum passes.

6. With all the work being done, how is it that taxes for debt service will go down?

The debt approved in the last referendum held in 1999 will be paid off within the next two years. The annual debt service payment (principal and interest) for school facility projects included in the proposed referendum is expected to be less than taxpayers are currently paying on an annual basis for the existing debt. Taxes needed to make debt service payments will go down. This is due to a more modest referendum amount and project scope and a low interest rate climate. Taxes for debt service will be less than 1/3 of what they are now. Taxes paid by residents for the school district are separated into taxes needed to fund the operating budget, and taxes needed to pay principal and interest (debt service) for outstanding bonds. The average household is currently paying \$336 per year for debt service. After factoring in the State aid, the estimated impact for the new referendum is expected to be less than \$100 per year for the average household, based on a fifteen-year bond term @ a 3% interest rate.

To estimate what the taxes on your house will be, please refer to the Tax Reference Guide located in the Referendum Information section of our homepage at <http://www.dtsk8.org>.

7. What happens if the referendum fails?

In order to complete the facility projects, the District would need to find alternate funding sources, which would be difficult given the tight operating budget, declining state aid, and limited ability to save funds for capital projects. Additionally, the District would forfeit the 40% Debt Service Aid which is only available if the referendum passes. Several of the projects included in the referendum are beyond their useful life, and further repairs are either very costly or not practical. **Our future exposure for all projects in more than \$3 Million.**

8. If the referendum is successful and the work comes in under budget, what happens to the difference? What happens if the work goes over budget?

If the referendum passes and the work comes in under budget, then the difference will be given back to the taxpayers by paying down the debt. Work cannot come in over budget. The District is legally limited to the spending amount set forth in the referendum question.

9. When and where is the referendum?

The referendum will take place on December 10 which is one of the five dates on which school referendum can legally be held. Voting will take place at the Sergeantsville Fire House. Polls will be open from 2:00 to 8:00 PM.

10. Why wasn't the referendum scheduled for the regular election date in November?

The Board of Education must take official action 60 days prior to a referendum date in order to legally schedule the vote on that date. The approval of the New Jersey Department of Education was not received in time in order to hold the referendum in November. Additionally, the Board felt it important that its architect (who is responsible for developing the budgets and applications for school facility projects), concentrate first on the construction projects the Board undertook this summer, some of which were the initial phase of projects to be further funded through the referendum. Others met emergent needs or required completion before school started in September.

Projects completed in the summer of 2019 included a partial roof replacement, phase I of the initial HVAC control upgrades, replacement of

the fire alarm system, waterproofing damaged infrastructure, and revamping the entry-way, vestibule and office space for security purposes.

The cost of holding a special election is estimated at less than \$25,000, which will be paid from bond proceeds and debt service aid.

11. Who is eligible to vote on the referendum?

Anyone who is registered to vote in Delaware Township can vote on the referendum. You do not need to be a homeowner to vote. To become a registered voter, you must complete a Voter Registration form. This can be found at: <https://www.state.nj.us/state/elections/voting-information.html> or you may pick up a form at the Board of Elections in Flemington. The registration deadline to vote is on or before the 21st day preceding the election and the election is December 10, 2019.

12. Can I vote by mail?

To vote absentee, you must first request a ballot from the Hunterdon County Clerk. The form to request a ballot can be obtained at co.hunteron.nj.us/pdf/elections/application-for-vote-by-mail-ballot.pdf, by calling 908-788-1214, or visiting the County Clerk's Office. To receive your ballot by mail, the application must be received 7 days before the election (12/13/19 for the special school election). The ballot must then be postmarked no later than the day of the election and be received by the close of the business day the Thursday following the election in order to be included in the referendum vote. You may also vote in person during business hours at the County Clerk's office up until 3PM on Monday, December 9th.