

**FREQUENTLY ASKED QUESTIONS (FAQs)**  
**East Rutherford School District**  
**Bond Referendum**  
**Tuesday, March 13, 2018**

**Introduction**

The East Rutherford School District (ERSD) **will ask the community to vote on a one-question bond referendum on Tuesday, March 13, 2018.**

A school bond referendum is a special election giving voters the power to decide if a school district can raise funds for construction and renovation projects which cannot be funded through the district's annual budget. The bond enables the district to pay for improvements over a longer period of time, similar to a home mortgage. Additionally, in New Jersey, many of these projects qualify for 40% state aid, which is not available if the projects are completed within the annual budget.

The \$30.9 million referendum will address the facilities needs of the district, which has experienced a 28 percent increase in enrollment over the past five years. If approved, the referendum will fund:

- New addition to Faust School for Grades 4 & 5
- Necessary renovations and additions, district-wide, to McKenzie School, Faust School, and Faust Annex
- New security entrances at both schools, including the Faust addition
- Updated, energy-efficient HVAC systems

If approved, the tax impact on a home assessed at the borough average of \$316,815 will be \$26 a month for the 20-year bond.

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## **Overview & Projects**

### **Q1 Why is the East Rutherford School District holding another bond referendum vote in 2018?**

**A1** The issues and concerns that provided the impetus for East Rutherford Board of Education and Administration to hold a bond referendum election in December 2017, persist. But, the BOE and Administration have listened to community members and adjusted the projects included in the referendum. The factors which are driving the BOE and Administration to a bond referendum election still include:

- A 28 percent increase in enrollment over the past five years, with continued growth expected until 2020. The increase in enrollment has led to overcrowding and inefficient use of the facilities. Increased class sizes directly impact classroom instruction and student achievement.
- The age of the buildings. The East Rutherford Schools – the original McKenzie, constructed in 1910, and Faust, constructed in 1927 – are approximately 107 and 90 years old, respectively, and in need of critical renovations. Although East Rutherford Schools have been well maintained and undergone various renovations over the years, some of the facilities and equipment are original to the buildings and in need of no-frills improvements and upgrades. To ensure costs were kept low for taxpayers, there has been no significant district-wide investment in its facilities during the last 10 years. The projects included in the proposed referendum will improve energy efficiency, security, ADA-accessibility, and the overall school climate.
- Additionally, interest rates are still relatively low, and construction costs are stable.

### **Q2 What projects are included in the proposed referendum?**

**A2** The projects included are an addition to Faust School, and renovations and upgrades at Faust and McKenzie Schools, and at the Faust Annex. The proposed projects and renovations will enable a new district grade-level configuration, provide campus-like school grounds, and offer additional parking.

### **Faust School Addition**

- A new addition to the Faust school on Uhland Street will provide an extension of Faust School for Grades 4 & 5, and will include:
  - Ten (10) regular education classrooms
  - One (1) special education classroom
  - OT/PT Room
  - Music Room and Art Room
  - STEM (Science-Technology-Engineering-Math) Lab and Computer Lab
  - Child Study Team will be relocated to the new addition
  - Multi-Purpose (Cafeteria-Gymnasium) Room with full kitchen (for school and community events and athletic programs)

### **Faust School Renovations**

- Renovations will include:
  - Replacing original HVAC system and upgrading electrical service with new, energy-efficient systems
  - Constructing a New Security Entrance
  - Converting old gym and pool area to Cafeteria with a warming kitchen and storage.
  - Relocating the Nurse's Suite and Music Room
  - Redesigning the Media Center to meet current educational needs
  - Converting the Board of Education offices and Child Study Team rooms to a classroom and STEM Lab
  - Re-designing and upgrading a Science Lab
  - Installing an elevator to meet accessibility standards

### **Faust School Annex**

- Relocate fifth-grade from the Annex to the new fourth- and fifth-grade addition
- Relocate Administrative Offices (Superintendent, Business Administrator, and Board of Education) to re-designed space

### **McKenzie School Renovations**

- Renovations will include:
  - Replacing original HVAC with new, energy-efficient system
  - Replacing and refurbishing parts of the roof that leak
  - Adding Two (2) new Kindergarten classrooms with handicapped-accessible bathrooms
  - Adding an Art Room and Small Group Instructional Rooms
  - Adding storage space

**Q3 McKenzie is new, why are we including the facility in another bond referendum?**

**A3** The McKenzie referendum was sufficient for the time, and was approved by the district's supportive taxpayers. Prior to the success of that referendum, four other referendums failed. The final referendum was passed, but concessions were made at that time, which has caused the need for renovations to McKenzie.

**Q4 What are the benefits of a facilities expansion and renovations project?**

**A4** There are a number of important reasons to implement a facilities expansion and renovations project now:

- Additional classrooms will decrease class size, enable greater scheduling flexibility, and enable implementation of new grade-level configuration plan
- New secure entrances for access
- Ability to better monitor/control heating and air conditioning
- Replace leading pipes and reduce ongoing repair costs
- Reduce out-of-district tuition costs
- Reduce out-of-district transportation costs
- Allocate savings to additional staff and programming costs

**Q5 Why is this project so large?**

**A5** The project has been scaled to accommodate the anticipated number of students indicated by the demographic study the district had completed. Based on this number, the state determines the size of the build required. The renovations and addition will enable the district to accommodate an additional 250 students; revamping the schedule will add the ability to accommodate 100 to 125 more students.

**Q6 The district may need a referendum to fund the Faust Addition, but why can't the renovations and repairs be made within the annual budget?**

**A6** The cost to renovate and repair the aging facilities can not be made within the annual budget because:

- The costs will exceed the annual 2% budget cap.
- An approved referendum will spread out the cost of the upgrades and repairs over 20 years at a low interest rate.

Equally important, the District **will receive state aid only if the facilities renovations and repairs are funded through the referendum. State aid is not available if the projects are completed within the regular yearly operating budget.**

**Q7 Does the referendum amount cover the cost of any necessary furniture?**

**A7** The dollar amounts associated with the referendum do cover the cost of furnishings.

**Q8 Isn't this project too extensive for East Rutherford?**

**A8** The students of East Rutherford should be afforded the same opportunities and facilities that are made available to students in other school districts throughout New Jersey. East Rutherford students need to be competitive with their peers in neighboring towns and communities.

**Q9 Will any other renovations/improvements be necessary in the near future?**

**A9** The district and its professional consultants have worked diligently to identify the renovations and improvements necessary to support East Rutherford Schools through the life of the loan. **The district DOES NOT anticipate any additional major renovations and improvements in the foreseeable future.** Of course, as is the case with community members' own homes, routine maintenance will be required for typical wear and tear on the facility.

**Q10 Was land at the Meadowlands considered for this project?**

**A10** The district was able to acquire land directly behind Faust School from the Borough of East Rutherford with the support of the Mayor and Council.

**Q11 What is the outcome, if the referendum is not passed?**

**A11** The referendum initially was not passed in December 2017; the intense need to make the critical repairs to school buildings, and to accommodate the increasing number of students required the district to schedule another special bond referendum election on March 13, 2018. If the referendum is not passed a second time, there would be numerous consequences.

- The District would not be able to bring eligible special education students currently out-of-district back in-district with their grade-level peers, which would reduce the dollar amount spent on school placements. The referendum allows for additional classrooms enabling special education students to return from private schools; the district pays \$81,000+ a year, per student, in some cases for special education students going out-of-district. In addition to saving the district money, other districts may send students and pay tuition to ERSD, which could offset some of the costs.

- The District would need to continue spending money to “band-aid” the current HVAC systems at both District schools. The current system does not enable the district to effectively and efficiently monitor and maintain classroom temperatures. The pipes at Faust school (dating to the 1920s) failed approximately 25 times during the 2016-2017 heating season. Between December 18, 2017 and January 16, 2018, there were 12 separate pipe breaks/leaks at Faust School and 9 breaks/leaks at McKenzie School. A burst pipe flooded the McKenzie Media Center with 2 and one-half feet of water; the center will be unavailable for three months. Additionally the water spilled down the elevator shaft making it unusable. The district also lost books, laptops and furniture. Boilers in both buildings have had to be shut down on several days since December, requiring students and staff to be relocated and interrupting student education.
- Class sizes will need to remain large to accommodate all students; this is not optimal for learning.
- District students will be at a disadvantage without STEAM labs and Maker spaces. Students in other Bergen County K-8 districts are more technologically advanced with these facilities.
- The District would be unable to lock-in a relatively low interest rate for expansion and renovation projects; debt service aid – which would pay for 40% (\$5.1 million) on all renovations – would be unavailable.
- The McKenzie School roof is old and leaks when it rains or snows; required repairs cannot be completed within the annual budget. Water infiltration harms the structure and could have a long-term negative impact. Fixing the leaks piecemeal is inefficient and costly, but would be the only option without referendum funding.
- The district would need to continue to transport lunches from McKenzie to the Faust School. The cost of this new kitchen may be offset by annual revenues received by the food service program of up to \$25,000 a year or more, depending on annual revenues generated by the program, which may be able to reduce the debt service obligation by approximately \$25,000 a year to taxpayers.

A successful referendum gives the district the opportunity to receive 40% (\$5.1 million) of the total cost of renovations in state aid. State aid is *not available* for any projects if they are completed within the annual budget.

If the referendum is not passed, the school district will continue to collaborate with all school community stakeholders to develop a plan.

### **Impact on Students, Staff & Community**

#### **Q12 How many students attend the East Rutherford School District?**

**A12** Current enrollment is 830 students in Pre-K – Grade 8. Enrollment has increased 28 percent over the past five years, and is projected to continue to increase until at least 2020.

- McKenzie School, Pre-K- Grade 4, 2017/2018 enrollment: 487
- Faust School, Grades 5 – 8, 2017/2018 enrollment: 343

#### **Q13 How many employees does the East Rutherford District currently employ?**

**A13** For the 2017-2018 school year there are 143 staff members: McKenzie School has a total of 74; Faust School has a total of 61; and, the Administration & Central Office have a total of 8.

#### **Q14 How will the district and schools manage the transition of the fourth-grade from McKenzie, and the fifth-grade from Faust, into the new addition?**

**A14** The plans that will be established will focus on ensuring students continue to receive the high quality education, and faculty and staff continue to work in the professional, collegial, safe, and supportive environment, to which they all are accustomed.

#### **Q15 If the referendum is approved, how will the district ensure that educational programs and the safety of students and staff are maintained during construction?**

**A15** The District has retained the services of an experienced construction management firm that specializes in working with school facilities. The construction management firm is working with our architect to develop the appropriate plans for keeping students and staff safe.

Construction materials and equipment will be isolated to a small fenced-in area in a location that will be used for staging.

The proposed project schedule would have renovations occur after the fourth- and fifth-grade addition is complete. This will enable the spaces in the renovation areas to be cleared out. The design plans will include requirements for the contractor to separate construction activities from students and staff for that work which will occur while school is in session.

## **Financial Information & Tax Impact**

### **Q16 What is the total cost of renovations and upgrades?**

**A16** The total cost of the renovations and upgrades will be \$30.9 million.

### **Q17 Why are school construction costs so much higher than residential or private business construction costs?**

**A17** The cost of construction for educational facilities is significantly higher than residential construction costs. There are a number of factors that contribute to higher costs:

- First and foremost, labor rates for all construction workers are based on union rates (otherwise known as prevailing wage).
- The requirements for heating, ventilation, and cooling are more stringent for schools than housing.
- The type of construction utilized to conform to building codes has higher costs.
- The need for fire alarm and intercom systems add to higher construction costs on a square-foot basis.
- The use of fire-rated materials for walls and doors.
- Bidding laws require higher insurance costs; there also are bonding requirements.

### **Q18 What will the tax impact be on East Rutherford homeowners, if the bond referendum is approved?**

**A18** If the referendum is approved on Tuesday, March 13, 2018:

- The average tax increase on a home assessed at the East Rutherford Borough average of \$316,815 would be \$0.87 per day, \$26 per month, or \$308 per year over the life of the bond.
- For a home assessed at the borough average of \$316,815; Add an additional \$8 per month for every \$100,000 over the average.

### **Q19 How will the proposed referendum affect taxes for senior citizens?**

**A19** Seniors and people with disabilities may be protected from future property tax increases by applying for the Property Tax Reimbursement Program (Senior Freeze). Seniors and people with disabilities must meet eligibility requirements, which can be found on the NJ Division of Taxation website: <http://www.state.nj.us/treasury/taxation/ptr/index.shtml>. For more information, go to the website, or call the NJ Division of Taxation at 1-800-882-6597.

**Q20 What happens if the total cost of the projects is less than the amount passed in the March 13<sup>th</sup> referendum?**

**A20** State law requires the district to return all unused bond proceeds to the taxpayer in the form of tax relief. The district is not permitted to utilize the bond proceeds for projects other than those approved by voters in the referendum.

**Q21 What if the actual costs of the projects exceed the amount approved in the March 13<sup>th</sup> referendum?**

**A21** State law prohibits the district from spending more than that stipulated in the bond referendum approved by the voters. The district believes the overall plan includes prudent estimates. However, in the unlikely event that actual costs of the project exceed the gross bond proceeds, the district will search for more efficient means of achieving the referendum's overall objective and/or reduce the scope of work. The East Rutherford Board of Education stresses cost-efficiency with its professionals.

**Referendum State Aid**

**Q22 Is the East Rutherford School District eligible for state aid for the referendum projects?**

**A22** The district will be eligible to receive 40% in state aid for the renovations to Faust and McKenzie (a total of \$5.1 million in aid). The state aid reduces the local tax share. **State aid is available only if the referendum passes; it is not available** for projects completed **within the annual budget.**

**Q23 Will the referendum affect the amount of annual state aid given to the East Rutherford School District?**

**A23** No, the referendum will not affect the annual state aid given to the East Rutherford School District. The annual aid given is a combination of transportation aid and pupil aid, and is completely unrelated to referendums.

### **Voter Information**

**Q24 When will the community vote on this referendum?**

**A24** The referendum **VOTE** will take place on **Tuesday, March 13, 2018.**

**Q25 When do voters have to be registered in order to vote on the referendum?**

**A25 Voters must be registered by Tuesday, February 20, 2018.** Voter registration forms will be available at the Faust and McKenzie School offices as well as online at <http://www.co.bergen.nj.us/elections>.

**NOTE: Already registered?** There's no need to register again. You will be able to vote in the March 13<sup>th</sup> referendum special election.

**Q26 Are Vote by Mail ballots available?**

**A26** Yes. Vote by Mail ballots are available, and can be found at the East Rutherford School offices, or online at [http://www.nj.gov/state/elections/form\\_pdf/vote-by-mail-forms/vote-mail-ballot-bergen-english.pdf](http://www.nj.gov/state/elections/form_pdf/vote-by-mail-forms/vote-mail-ballot-bergen-english.pdf).