



HIGH POINT REGIONAL HIGH SCHOOL

A SPECIAL BALLOT QUESTION FOR PROPOSED SCHOOL AND OUTDOOR ATHLETIC FACILITIES RENOVATION PROJECT

FREQUENTLY ASKED QUESTIONS

1. First, some facts...

- a. The original building opened in 1966; the 400 wing addition opened in 1991
- b. The windows and doors are original
- c. The roof on the 400 wing is the original
- d. Our science labs are original, some older than others
- e. Our gym bleachers are 43 years old and not ADA compliant

2. Why are we considering a facility upgrade at this time?

HP has a variety of debt (\$11,965,000) that will be paid off on June 1, 2010. We are pursuing the replacement of that debt with new debt at attractive terms for necessary upgrades to the facility. We're acting now to take advantage of the low interest rates and the availability of state aid to get the most value for our taxpayers.

3. High Point is in excellent condition. Why spend money until we have to?

Our facilities staff does an incredible job of keeping our school in excellent shape. But, like any asset, it's important to invest in maintenance and upgrades to maintain the value and quality of our investment. Our objective when identifying projects was to address current needs, anticipate future needs, and secure financial bonding while interest rates are favorable.

4. How much debt will our district retire this year?

The total debt being retired is \$11,965,000. The specifics are:

- a. 1989 Bonds for Building Expansion - \$4,800,000
- b. 1991 Bonds for Building Expansion - \$4,750,000
- c. 2000 Lease Purchase Financing for Building Projects - \$2,415,000

All of the above items will be paid in full as of June 1, 2010

5. Is there any remaining debt beyond 2010?

Yes, on 3/27/2003 the district refinanced early retirement, series 2003 coupon bonds totaling \$1,945,000. The final payment will be June 30, 2016. As of 9/1/09, the principal outstanding is \$1,010,000 not including interest. The bond rates vary from 1.75% increasing annually to 5% in the final year of payment, 2016.

6. What is the annual cost to the district on the remaining debt?

The remaining debt costs the taxpayers approximately \$195,000 annually including interest payments.

7. What will be the annual savings for the district from the retiring debt?

The Lease Purchase Principal for 2009-2010 was \$305,000, plus interest payments totaling \$12,995, for a total of \$317,995. The Bond Principal Payments for 2009-2010 were \$665,000, plus interest payments totaling \$45,693. The total annual cost of the retiring debt is \$1,028,688.

8. Does the state subsidize our current debt?

Yes, we receive 40.5237% funding annually in state debt service aid to offset the cost to taxpayers. In 2009-2010 the district received \$416,863 of the total debt payments due of \$1,224,144. There is no debt repayment assistance from the State on the remaining debt to June 30, 2016.

9. Is there State aid available to offset the cost to taxpayers?

Yes, facility improvements within the current footprint are eligible for state aid up to 40% of the project costs. Overall, we are receiving state debt service aid in the amount of 33.0173% for our proposed improvements.

10. What is the total cost of the projects being considered?

The total project cost is \$13,056,877.

11. How much and what type of State aid has the State awarded to the Board of Education for the proposed project?

In State Aid Letters dated November 30, 2009 and December 2, 2009, the State of New Jersey has formally awarded State Aid to the overall project in the form of 33.0173% annual "State Debt Service Aid", which include athletics facilities.

12. How was the State Aid allocated to the various portions of the overall project?

The portion of the project cost relating to the High School physical plant was awarded the maximum 40% aid permitted under State law. While the portion of the project relating to

the outdoor athletic facilities was awarded aid at a smaller percentage (19.11%), the Board is still very pleased with that aid award. We are told that High Point is one of only two school districts statewide to receive *any* aid for outdoor athletic facilities in the last 10 years.

13. What are the mechanics of financing this project?

With a State Debt Service Aid structure, the Board will issue long-term, tax-exempt school bonds in an amount equal to the \$13,056,877 total project cost. Under the State Aid Letters, the State has committed to make annual debt service aid payments to the School District each year in an amount equal to 33.0173% percent of the School District's annual debt service payments (\$4,311,032 principal) plus interest on the school bonds. The School District property taxpayers will pay for 66.9827% of the project debt service payments (\$8,745,845 principal) plus interest.

14. Is there any concern that in the future the State may opt to discontinue the State Aid that has been committed to the project?

The State law that currently governs State Debt Service Aid awards, which has been in effect for 10 years, requires that all school project ballot questions expressly state the exact percentage of aid the State has committed to pay, so that the voters are aware of this information when they vote. The State has fully funded its aid commitments under the current law in every year since its enactment.

15. Why didn't the School District pursue an "up front State Aid grant" for the project, similar to those received by neighboring school districts in prior years, as opposed to the debt service aid?

The Board did not pursue this form of State Aid because it is not currently available. Governor-Elect Christie recently made public statements about school aid which appear to suggest that State Aid grants will continue to remain unavailable for an extended period of time.

As a general comparison, "up-front" State Aid grant awards will always be more appealing than receiving such State Aid annually on a pro rata basis "over a period of years". But it is important to remember that: (1) the State has fully honored its annual State Debt Service Aid commitments under the current State Aid law since its enactment 10 years ago; and (2) assuming the State fully honors its State Debt Service Aid commitment on the school bonds, the School District property taxpayers will, in effect, ultimately receive a benefit under the State Debt Service Aid that is *identical* to the benefit they would have received under a State grant.

16. How much will this cost the taxpayers?

Our target throughout this process has been to replace the current debt with new debt with an overall savings to the taxpayers. The annual cost of the current debt for an average property ranges from a high of \$72.27 (Lafayette) to a low of \$36.03 (Sussex). The annual cost of the new debt will range from a high of \$67.85 (Lafayette) to a low of \$33.83 (Sussex). The savings will average about 6% annually for each sending district.

17. What if we do nothing?

All other things being equal, if we do nothing, the annual taxes would be reduced by that full amount; between \$36.03 and \$72.27 for the average taxpayer, based on average home assessed value for each town.

18. Is an addition to the school part of the plan?

No, all proposed projects are within the current school footprint. There will be no new construction or expansion in this plan.

19. What projects are being considered as part of this upgrade?

We have identified projects to upgrade the science labs, mechanical systems (air conditioning in targeted areas, electrical upgrades), roof (400 wing), windows & doors throughout, and athletic facilities.

20. What upgrades are being considered for the science labs?

We currently have eight science labs at High Point. The furniture, fixtures and equipment in many of the labs were part of the original building when it opened in 1966. Renovations will include the replacement of all existing furniture, fixtures and equipment, and upgrades to the HVAC system; and will bring us into compliance with all ADA requirements and as recommended by NJCCCS. Updated equipment will enhance academic achievement and expand the opportunities for our graduates to be competitive at the college level.

21. What is the scope of the air conditioning improvements?

The current plan is to install air conditioning in the auditorium and in targeted classrooms throughout the building. We will also upgrade the heating control systems with state of the art electronic computer controls which will aid in driving efficiency.

22. Is there any air conditioning in the building today?

Yes, parts of the building are air conditioned using a mixture of window units and smaller compressors.

23. Why go to the expense of installing additional air conditioning?

Our auditorium is often used by community groups. From May to October, the temperature throughout the building is unpredictable and often uncomfortable. Several classrooms with high concentrations of computer equipment will also be air conditioned to improve both the learning environment and the efficiency of the equipment

24. Wasn't the original plan to upgrade the entire HVAC system and cool the entire facility??

Yes, however, during our communications with the public, the air conditioning initiative was the one most often questioned. With this in mind, we have decided to table the larger HVAC initiative and move forward with further investigation into solar alternatives. We believe that a full upgrade to the HVAC system makes sense in the long term, but felt it prudent to address just pressing needs of the identified projects at this time.

25. Why not just move forward with a full solar solution now?

We feel that solar alternatives offer great promise. However, the technology is still in an evolutionary phase. In the long term, we feel that solar may offer savings in energy costs as well as reduce High Point's carbon footprint; however, at the end of the day, a solar alternative cannot just be a "feel good" story. Incorporation of solar technology into the High Point footprint must be favorable to the taxpayers in our district. We will continue to research and monitor this for the future.

26. What changes are being made to the electrical systems?

We will upgrade the existing electrical service to 3000 amps to better handle increasing power demands from technology, air conditioning and sports lighting. In addition, we will replace all exit lighting, fire alarm pull stations and the main gym luminaries. Another energy saving feature will be the addition of occupancy sensor lighting controls in classrooms and offices.

27. Why replace the roof at this time?

The roof on the 400 wing is approaching the end of its useful life. While it is likely that we could delay this replacement for a year or two, we know it needs to be replaced shortly. This is an opportunistic move based on the current availability of state aid.

28. Why replace the windows and doors?

The plan is to replace all of the windows and doors in the original building. Energy efficiency gains will be realized upon completion.

29. What are the planned upgrades to the athletic facilities?

Our objective is to improve the quality and usability of the athletic complex for athletic competition as well as outdoor educational space, by converting the existing grass football field to a synthetic surface suitable for use for football, boy's and girl's soccer, field hockey, lacrosse and outdoor physical education classes. In addition to the synthetic turf, we would also add permanent lighting for night games and a new running track.

We currently have three tennis courts in desperate need of repair. Our plan calls for the refurbishment of these three existing courts and building two additional courts which would allow us to host tournaments and state matches as well as optimize practices and expand our outdoor classroom use.

Changes planned to the main gymnasium include the refinishing of the original gym floor and the replacement of the original bleachers which do not meet requirements for ADA compliance.

30. What are the potential benefits of these improvements to the athletic facilities?

This would:

- a. Increase use of the field beyond football
- b. Light the field for more use and more community enjoyment
- c. Be available for youth recreation as well as high school sports
- d. Allow High Point to compete with other high schools in the county and the new conference
- e. Increase community/student/parental pride and support and increase the enjoyment of student athletes

Our football field is currently one of the most attractive and picturesque venues in the state for watching a game. Today, however, its use is limited to four or five varsity football games and a handful of track meets. These improvements would allow us to make better use of this beautiful setting for a number of boy's and girl's sports. The addition of permanent lighting will expand the time available to use the field and allow more parents to watch their children's games. Our expectation is that the field would also be made available to youth sports clubs as schedules permit.

31. Has this been voted on by the Board of Education?

Yes, the Board of Education approved the referendum proposal at the December 21st board meeting.

32. Do these projects need to be approved by the taxpayers?

Yes, the projects and the assumption of new debt must be approved by the taxpayers.

33. When will this be voted on?

The date of the referendum is January 26, 2010 from 2:00 to 9:00pm in all general polling locations.

34. If the referendum is approved, when would the work begin?

Work on project specs would begin immediately following approval by the voters with an expectation that work would commence in late spring or early summer 2010. Project phasing is anticipated, and some projects could be delayed until the summer of 2011.

35. What is the communication plan?

Meetings with the staff and the community have been ongoing since the summer. These presentations will continue up to the election.

36. Where do I go for additional information?

Updated information is available on our website www.hpregonal.org. Also, feel free to attend the public forum scheduled for Wednesday, January 6th at 6:30 pm in the High School Cafeteria Annex. Information on additional meetings will be available on the website or by calling the Board office. For answers to specific questions, please attend the Board of Education meetings or contact our Business Administrator, Linda Alvarez in the board office.