



RIDGEWOOD
PUBLIC SCHOOLS

Ridgewood Public Schools

Capital Planning Discussion

Andrea L. Kahn, Esq., McManimon, Scotland & Baumann, LLC

Sherry L. Tracey, Phoenix Advisors, LLC

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Summary Procedure for Voter Approval of Bond Proposal at Special Election

- Board of Education determines scope of projects to be considered by voters.
- Board approves applications to Commissioner of Education for approval of projects.
- Commissioner approves projects and determines costs eligible for State funding.
- Board authorizes special election and form of bond proposal or proposals.
- Special election.

SAMPLE FORM OF BOND PROPOSAL QUESTION

The Board of Education of the Village of Ridgewood in the County of Bergen, New Jersey is authorized: (a) to provide for additions, renovations, alterations and improvements at **[list schools involved]**, including fixtures, furnishings, equipment, site work and related work; (b) to appropriate \$_____ for such purposes and (c) to issue bonds of the school district in the principal amount of \$_____.

The final eligible costs of the projects approved by the Commissioner of Education are \$_____ (with \$_____ allocated to _____ School, **[repeat for each school as necessary]** and \$_____ allocated to _____ **School**). The proposed improvements include \$_____ (with \$_____ allocated to _____ School, **[repeat if and as necessary]** for elements in addition to the facilities efficiency standards developed by the Commissioner of Education or not otherwise eligible for State support pursuant to N.J.S.A. 18A:7G-5(g). The State debt service aid percentage will equal 40% of the annual debt service due with respect to the final eligible costs of the projects. The Board of Education is authorized to transfer funds among the projects approved at this special election.

Do you approve this bond proposal?

Significant Considerations

- Bond proposal establishes not to exceed cost for whole project
- Proceeds may be reallocated among approved projects depending on construction bids
- Any unspent bond proceeds must pay down principal
- Bond Proposal language is required by State law
- Excess costs are not the inverse of eligible costs

School Facilities Aid Formula

Renovations-

- all costs related to educational adequacy, health and safety and code requirements are eligible

New construction-eligible costs are based on

- number of unhoused students,
- amount of space formula allocates to grade level of instruction and
- calculated at \$143 a square foot

Summary of Capital Project Options

High Priority Projects

Total: \$59,085,345

Estimated Debt Service Aid: \$20,089,017 (34% on P+I)

Secondary/Additional Projects

Total: \$7,379,724

Estimated Debt Service Aid: \$2,509,106 (34% on P+I)

Performing Arts Center

Total: \$29,277,000

Estimated Debt Service Aid: \$2,750,541 (9.40% on P+I)

Estimates for Bond Structuring

Bond Issue Term: 30 Years

Estimated Interest Rate: 3.75% (current rate about 3.00%)

Sold as One Issue – Can Be Sold as Multiple Issues

No Growth in Ratable Base

No Assumption for Interest Earnings

Estimated Tax Impact Analysis

Total Assessed Value: \$5,808,843,600

Average Home Value: \$702,225

\$59,085,345 (High Priority): Average of \$259.53

\$66,465,069 (High and Secondary Projects): Average of \$291.92

\$29,277,000 (Performing Arts Center): Average of \$176.51

\$88,362,345 (High Priority + PAC): Average of \$436.04

\$95,742,069 (ALL): Average of \$468.43



Interest Rate Comparison 1-Year vs. 20-Year "AAA" Municipal Interest Rates Since January 1, 2014

