

Clinton Township Board of Education

“Where Children Come First”



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Clinton Township Board of Education

Referendum - March 8, 2022

This message is being shared on behalf of the Clinton Township Board of Education for the information and convenience of the public, and does not constitute any opinions, endorsements, or recommendations by the Township of Clinton.

What Is The Tax Impact On This Referendum To The Taxpayers Of Clinton Township?

There is no tax impact to the taxpayers of Clinton Township. These projects will be funded through the district's capital reserve. If the referendum passes, the **state of New Jersey will contribute approximately 34% towards the project.** If the referendum fails, the district will be responsible for 100% of the costs for these projects.

What Is This Referendum About?

This referendum is about having the state of New Jersey contribute approximately 34% towards three capital projects that will be funded through the district's capital reserves. This contribution from the state of New Jersey will only occur if the referendum passes. The projects will proceed with or without the passing of the referendum. There only is a benefit to have this referendum passed to the Clinton Township community.

What Capital Projects Does This Referendum Support?

Window replacement with new insulated glass double hung aluminum windows and two fixed storefront frames in the courtyard at the Patrick McGaheran School; the removal and replacement of the existing HVAC system in six classrooms at Patrick McGaheran School; The removal and replacement of the existing HVAC system at the Round Valley School gym and cafeteria.

What Is The Need?

These projects have not been funded by the district for multiple years. During the review of the district's ventilation systems, prior to the reopening of schools due to the Covid shutdown, it was realized that it was essential to replace windows, existing HVAC systems in several of the rooms at Patrick McGaheran School and to address the HVAC systems in the gym and cafeteria at Round Valley School. During the past two years, the district has continually monitored the ventilation in the specific areas.

What Are the Financial Options?

As the Board and the administration explored funding options for the three projects, the district found an opportunity to pursue a method which would have no impact to the taxpayers of Clinton Township and at the same time offset the total cost to the district. The district determined that by funding these three projects directly from capital reserves there would be no tax impact to the taxpayers of Clinton Township. **At the same time, the district realized that by submitting these projects to the state of New Jersey to be processed as “eligible projects”, the state would offset the project by approximately 34%, but could only be done through the referendum process. Therefore, by supporting this referendum, the district could receive approximately 34% contribution from the state of New Jersey, all at the same time, no tax impact to the community of Clinton Township.**

What Has the District Done Recently to Help Reduce the Tax Burden?

The district refinanced two bonds over the last year which had significant savings to the taxpayers of Clinton Township. The district had been paying approximately an average of 4% interest on these two bond issues. The refinancing has substantially reduced the interest rates. The June 2011 bond that was refinanced now has an interest rate of 0.897% with the bond expiring in fiscal year 2024. The December 2011 bond that was refinanced now has an interest rate of 1.35% with the bond expiring in fiscal year 2030. The reduction in interest will save the community approximately \$2 million over the remaining life of the two bonds.