

Regional district wants \$8.9M for roof, new HVAC

Bond referendum set for Jan. 25 in Cape May, Lower, West Cape

By JACK FICHTER
Cape May Star and Wave

ERMA — A referendum seeking the public's approval for the Lower Cape May Regional School District to bond \$8.9 million is scheduled for Jan. 25.

Voters are being asked to approve the bond, payable over 20 years, as part of a project totaling \$13.9 million.

Main parts of the project are replacing the roof and installing air conditioning in the Richard M. Teitelman Middle School and new air conditioning at Lower Cape May Regional High School.

The roof is estimated to cost \$3.2 million. During a town hall meeting Nov. 17, architect Bob Garrison said the school district has been the most successful of his clients in passing referenda in the past 27 years. He said the state would pay 40 percent of the project's cost.

The school was built in 1974 and a two-story addition was built in 1995. The high school was built in 1960 with additions in 1967 and 1968. A science wing was added in 1995 and an audi-

torium in 2000.

"It's important to realize that while the bones of these buildings are good from the '60s and the '70s, their systems need to be replaced — and you've done that in an organized manner over time," Garrison said.

He said the Teitelman School roof was reaching the end of its useful life. The roof measures 72,000 square feet with a replacement cost of \$35 per square foot totaling \$2.5 million. Garrison said "soft costs" add on \$756,000. They include architect and engineering fees, contingency costs, construction management and legal fees. Garrison said supply-chain issues could contribute to contingency costs.

He said the existing roof would be torn off down to the structural deck. Energy compliant-R-30 insulation would be installed. When constructed, 3.5 inches of insulation was required while the today's code requires 5.5 inches of insulation, Garrison said.

New drains would be installed for proper water flow

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off the building, he said.

Addressing the new HVAC system for the Teitelman School, Garrison said indoor air quality has become paramount for students and staff during the COVID pandemic.

Roof-top HVAC equipment would be installed in the media center, kitchen, science wing and office areas. The gym and locker room would get air conditioning for the first time.

Ventilator split systems would add air conditioning to all classrooms. Total cost of the HVAC systems is estimated at \$3.9 million, Garrison said.

He said air conditioning installation would follow guidelines from the Centers for Disease Control and Prevention.

"We've learned in the pandemic that we have to maintain high levels of indoor air quality," Garrison said.

The new equipment will have MERV 13 filtration systems.

"Be assured, not only at Teitelman but here at Lower Cape May Regional, that those indoor quality measures will be in all of the new equipment as it is implemented in the bond proposal when it's successful," he said.

New air conditioning needs electrical infrastructure at a cost of about \$589,000, Garrison said.

He said installing air conditioning in concert with replacing the roof at the Te-

itelman School means holes would not be cut in the new roof to accommodate HVAC equipment.

Air conditioning is especially important for the second floor of the Teitelman School where heat accumulates, Garrison said.

"A fully air conditioned, instructional middle school will not only serve the community with indoor air quality but increase the comfort of the students and the staff," Garrison said.

At the high school, roof-top air conditioning would be installed in the cafeteria, art room, wood shop, health, culinary and offices, he said, Garrison said new rooftops units would be installed for the gym and locker rooms.

Classroom unit ventilators have a price tag of \$2.9 million. He said \$1.7 million in state and federal Elementary and Secondary School Emergency Relief funds would be applied to reduce the cost of the project.

The high school would get a new chiller in the science wing and 104 exhaust fans and gravity vents for a total cost for HVAC of \$5 million. Electrical infrastructure for the new systems totals \$1 million.

Garrison said when the projects are totaled, the amount to borrow for the projects is \$13.9 million with the state paying up to 40 percent of costs.

"The state of New Jersey has committed \$5.5 million; the taxpayers then have to pick up the \$8.3 million," he said.

The annual average tax impact to a property owner in Cape May with a home assessed at \$654,000 would be \$43, he said.

The tax impact to a property owner in Lower Township with a home assessed at \$232,000 would be \$24. In West Cape May, the owner of a home assessed at \$466,000 would see an annual tax impact of \$49.

Garrison said if the referendum passes, the roof of Teitelman School may be able to be replaced this summer.

Robbi Acampora of Phoenix Advisors, a financial company, said the new referendum would take effect after old debt was paid off, meaning it would have no impact on taxes.

"It is a fortuitous time to be issuing debt because interest rates are so low," she said.

The interest rate for the referendum bond would be tax-exempt, lower than what a consumer would pay to get a mortgage, Acampora said.

"This is a smooth transition from the existing debt to the new debt," she said. "We've projected interest rates to be 3.25 percent."

Acampora said if the bonds were sold today, the rates would be in the low end of 2 percent. She said the bonds would be sold about two months after the referendum and would likely be lower than anticipated.

A video presentation is available at lcmrschooldistrict.com.

LCMR School Referendum Planned in '22

By KAREN KNIGHT

ERMA - Lower Cape May Regional School District voters will decide Jan. 25, 2022, on a \$13.9 million bond referendum to replace the roof at the middle school and replace and upgrade the heating, ventilation and air conditioning (HVAC) systems at the middle and high schools.

There will be no increase in school taxes, as recent federal Covid relief funds will be applied, as well as funding from the state, at 40%. The local share is 60%, or \$8.3 million.

The Board of Education June 24 voted to submit

the project to the state Department of Education for approval.

Superintendent Joseph Castellucci explained that among the lessons learned during the pandemic was the "importance of having modern, up-to-date ventilation and climate control in our schools.

"Anyone who has been in our schools during the late spring or early fall months understands how hot, humid and uncomfortable many of our

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non-air-conditioned classrooms can be," he said. "Given the age of our schools, most of our classrooms lack proper air conditioning, which can have detrimental effects on the health of the students and staff inhabiting those rooms each day."

The original Richard M. Teitelman Middle School was built in 1974, with a two-story addition built in 1995. Lower Cape May Regional High School was originally built in 1960, with additions in 1967 and 1988, the addition of the science wing in 1995, and the addition of the auditorium in 2000.

The vote's timing is tied to the debt service the district has, which is expiring, Castellucci said.

"When it expires, we need to renew it and can do so without additional taxes," he said. "The only way the state will help fund school projects today is via debt service aid. Districts must incur debt or borrow money to get money from the state. Projects funded through the annual school budget are not eligible for state aid.

"The state will not allow school districts to carry over significant money to replace building systems from year to year and has capped the school budget increases, so districts cannot easily replace building systems within their annual budgets," he added. "The state, because of its funding formula, provides more money to districts that renovate existing facilities versus new construction."

In addition, Castellucci said new construction is "penalized by a low, state-mandated construction dollar value of \$143 per square foot. Actual current new construction cost varies significantly from region to region, but is between \$300-\$350 per square foot. The state only pays a maximum of 40% of eligible costs based on the \$143 per square foot new construction value.

"Renovation costs are not penalized and can reflect the current market values," he added. "The state pays 40% of eligible costs based on the architect's construction estimate for all renovations."

Although the district has been losing student enrollment over the last 10 years, from a high of 1,544 in 2012-2013, to a projected 1,249 for the 2021-2022 school year, Castellucci said, "We still have students enrolled here, so we have to maintain our buildings. We are not building new facilities or adding to them."

Along with the student enrollment decline, state aid of nearly \$7 million has been cut from the district.

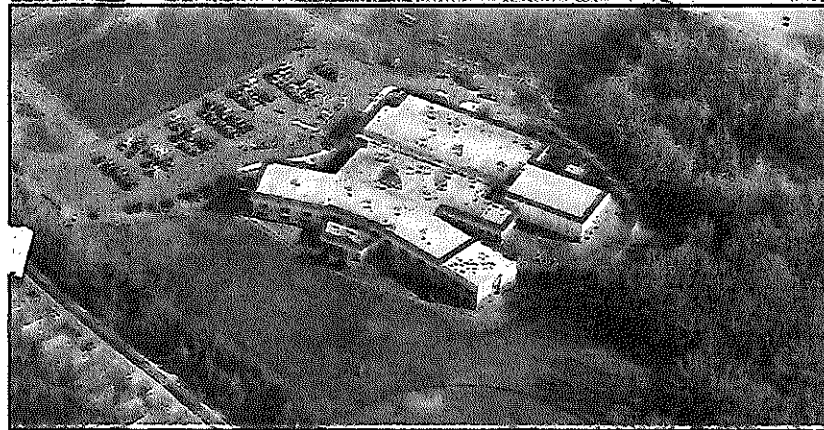
"The state aid cuts have been spread out over seven years, with the coming school year being the fourth year on the schedule," the superintendent said. "Our district is preparing for a \$1.5 million cut for next year's budget."

In preparation for the financial reductions, Castellucci said "staff has been significantly reduced over the past six years through attrition, and we have made creative adjustments to our school schedules and curriculum to maintain, and even develop, new, effective and dynamic programs for our students. We have also carefully budgeted any savings from reductions in the workforce to maintain and improve our district facilities with renovation and building projects."

If the referendum passes, work would likely start in 2023.

Voters may request an absentee ballot from the Cape May County Clerk's Office if they are not already on the list to receive absentee ballots. Those on the absentee ballot list will automatically receive their ballot before the vote, according to the county's election clerk.

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Provided

The roof and HVAC systems at the Richard M. Teitelman Middle School will be replaced if voters approve a school district bond referendum next year.