

Memorandum

From: Patrick Leduc, South Burlington School Board Chair

Date: 10/06/2016

Re: Materials shared at the 10/05/2016 Board meeting

Below are two charts that I shared with the board members at the 10/05/2016 meeting that show two views of the financial implications of the various consolidation options we've been discussing and the status-quo (option 1). These charts are using data from the White and Burke modeling with no additional assumptions or alterations.

The first chart represents the estimated annual tax payments for the average home in South Burlington for the next 20 years for all five options. It shows that when the costs and savings of all the options are looked at, including background growth, there is only a very small impact to our citizens for choosing to build a new state of the art facility for our children when compared to maintaining the aging structures we have in place today.

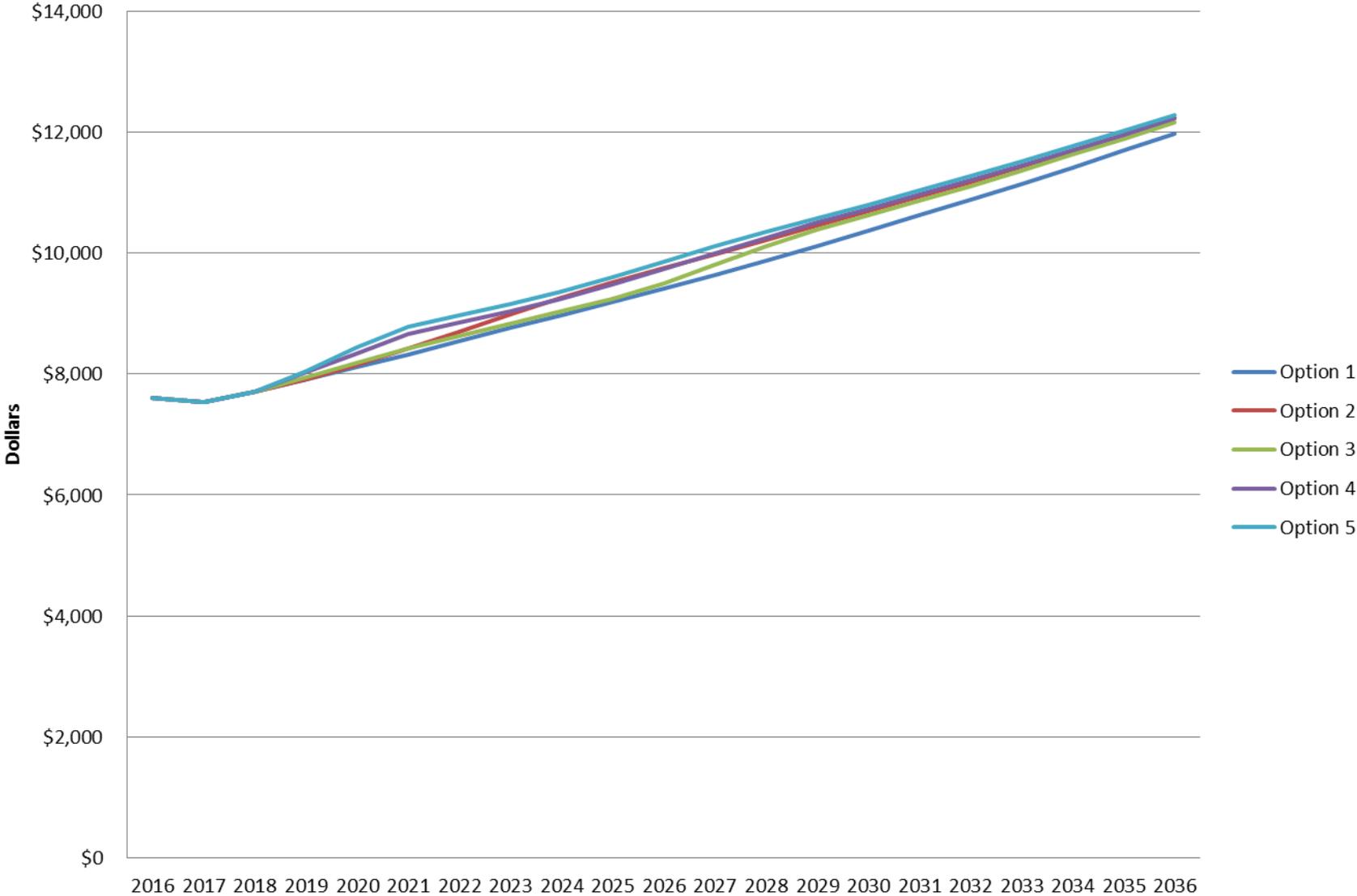
One thing this slide does not show is the percentage of the school budget that is taken up by the incurred debt service. My peer board member Bridget Burkhardt slides go into detail on this issue. I want to emphasize that this increase in school debt service is not an increase in the school's overall budget but an increase in how much of the budget is taken up by debt service.

The second chart shows the savings (operational savings and stewardship savings) over twenty years of the same five options. This chart clearly shows that cost savings are only seen in the scenarios where we pursue consolidation. These trend lines, over time, provide the board and community with the needed flexibility in budgeting that does not exist in option one or two.

Simply put: In option one the operational budget presented to voters will increase year over year as depicted and there will be zero cost savings introduced. Contrasted with option 4 or 5 where the cost to tax payers will stay on the same relative line, but operational and stewardship savings come to fruition and create opportunities for the district to evolve and make choices based on the needs at the time.

In my opinion, which I acknowledge is not universally shared, this financial model is compelling not just because of the eventual savings but because I believe that the education value brought to our students with a new flexible state of the art facility, the improvement in education delivery, and all the other factors articulated in my position statement on 9/11/2016 come together to make a compelling vision for our community. A state of the art facility, very small impact to tax payers, and better education of our youth.

Estimated taxes for average home



Operational and Stewardship savings (compared to option 1)

