South Burlington School District

Master Planning and Visioning

October 2016

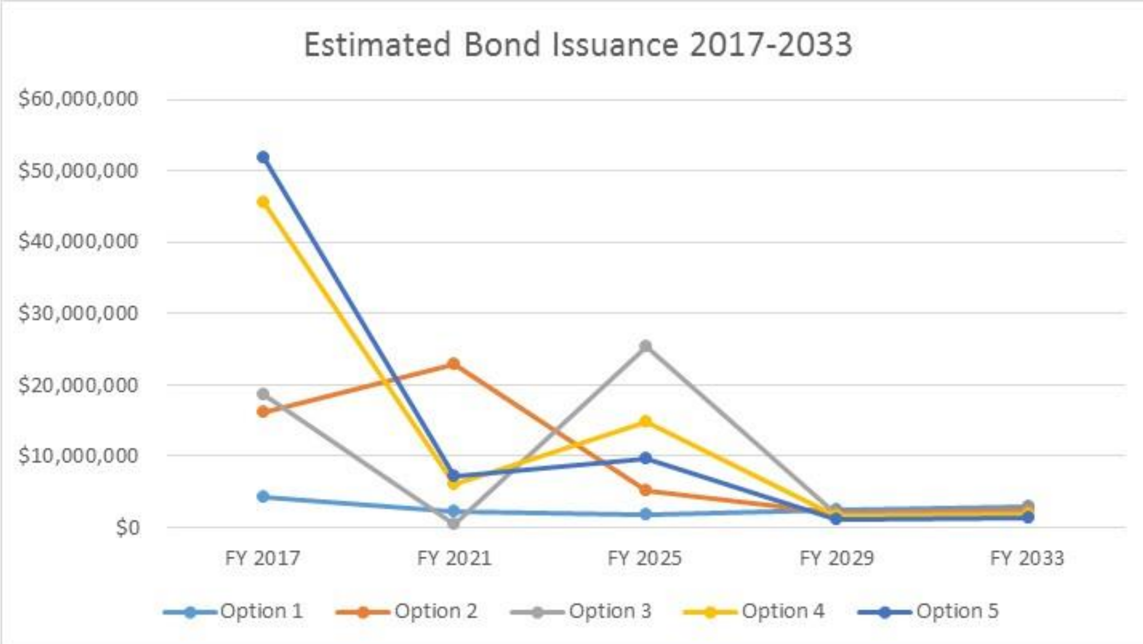
The following charts depict information provided by White + Burke, except where noted. It should be noted when reading these charts that the debt service covered by taxpayers in each of the scenarios factors in:

1. Operational cost savings – cutting teachers and classrooms where possible, cutting administrators and support staff where possible, reducing expenses for utilities
2. Stewardship savings
3. Proceeds of selling the school properties assumed to be sold in each option
4. The forgiveness of outstanding debt by the State of Vermont
5. Growth in the amount raised by a $0.01 increase in the tax rate from $220K in Year 1 to $296K in Year 20 (compound growth of 1.5% per annum)

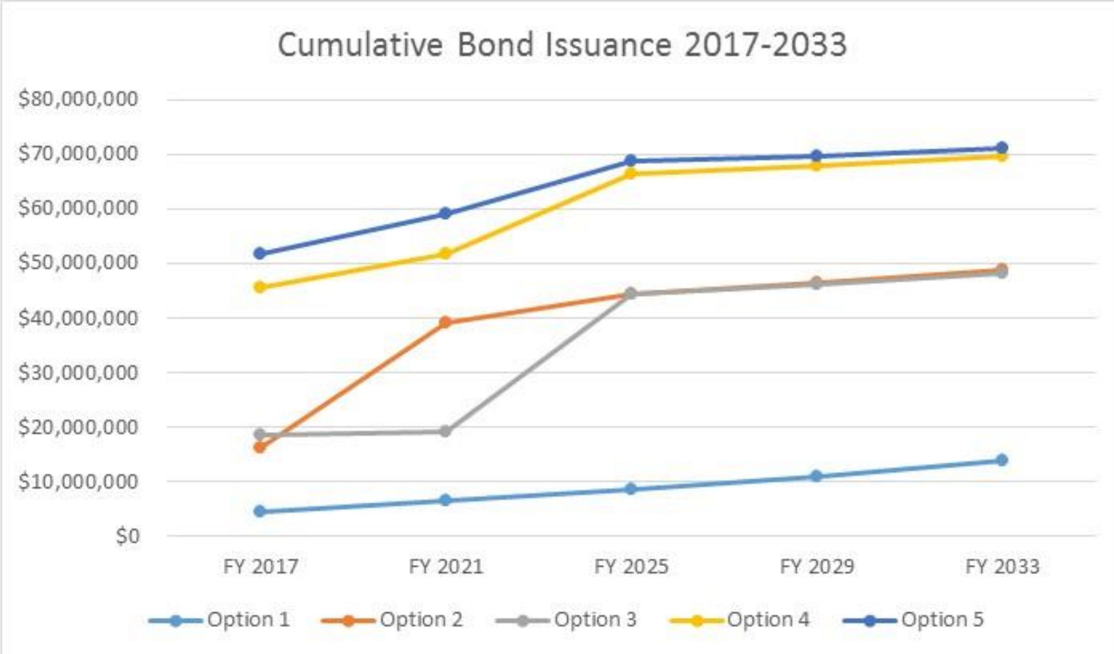
The items that have not been factored in include:

1. Languages, music, other curriculum enhancements
2. Estimates of additional professional development necessary to implement 21st century learning
3. Changes to transportation costs
4. Reductions in revenue from use of gym space by community groups
5. Debt service beyond Year 20 (all bonds are assumed to be 30-year bonds, meaning those issued in 2036 (Year 20) will be fully repaid by 2067 (Year 50))

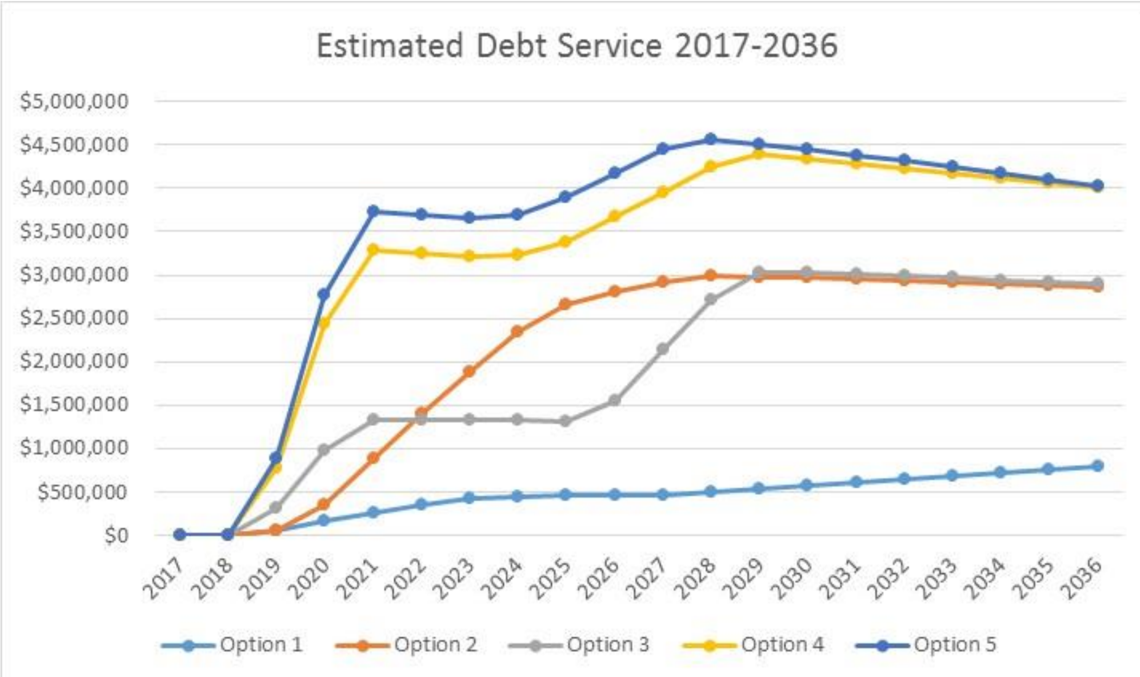
One further note is that the charts focus on cash flow. They do not account for the fact that the assets of the District in Option 5 will have been reduced from roughly 30 acres of land and 3 buildings to 11 acres of land (only a portion of which is buildable) and a single building.



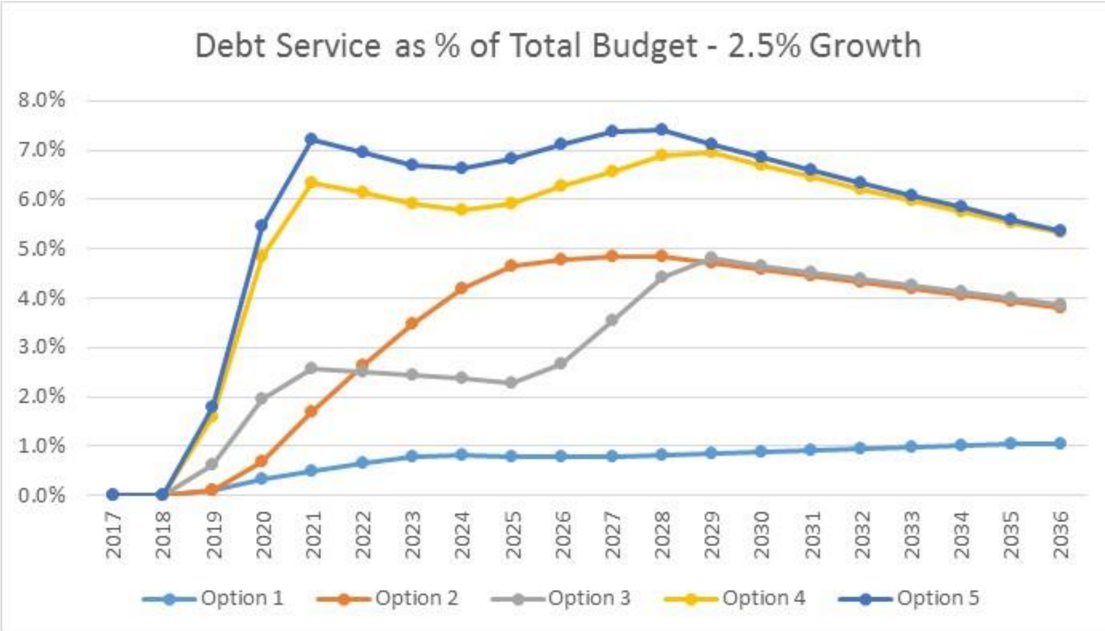
- Option 5 bond issuance in Year 1: $51.8 million
- Option 4 bond issuance in Year 1: $45.7 million
- High school improvements start in Year 6-7 in Options 4 and 5
- High school improvements start in Year 9 in Option 3
- High school improvements start in Year 3 in Option 2
- Options 3-5 delay high school improvements significantly.
- We were concerned that a $5 million bond would not pass in 2016, so we reduced it to $2.5 million. In Options 4 and 5 we will have to convince voters to pass $40-$50 million in bonds in Year 1 to replace schools that are already high-functioning.



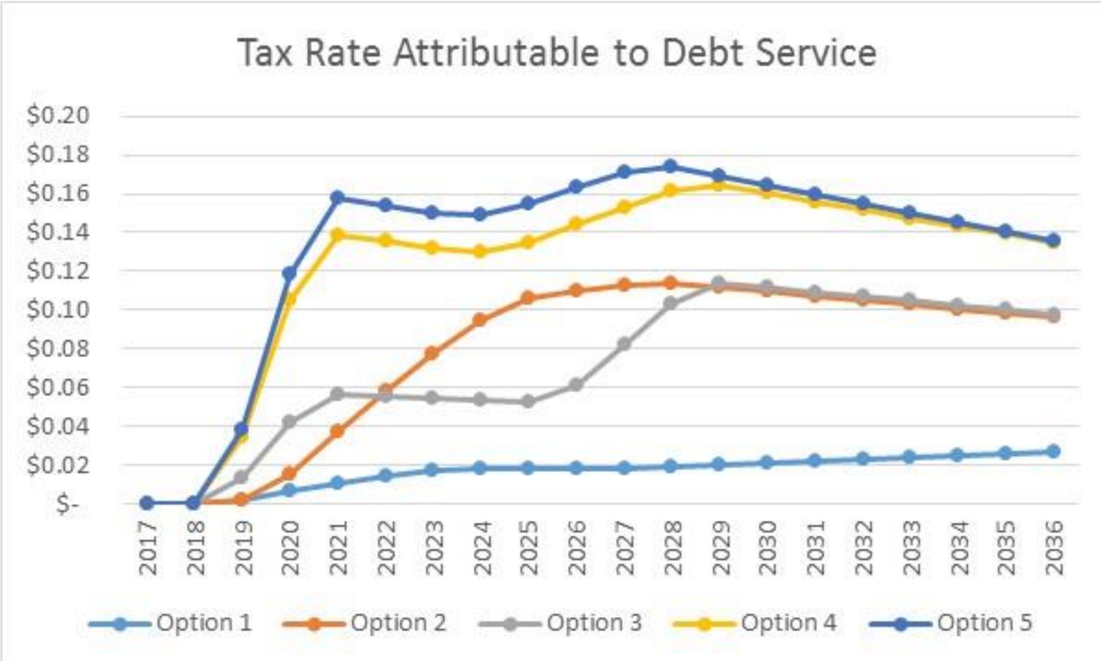
- Option 5 Total Bonds: $71.2 million
- Option 4 Total Bonds: $69.7 million
- Option 3 Total Bonds: $48.3 million
- Option 2 Total Bonds: $48.8 million
- Option 1 Total Bonds: $13.8 million



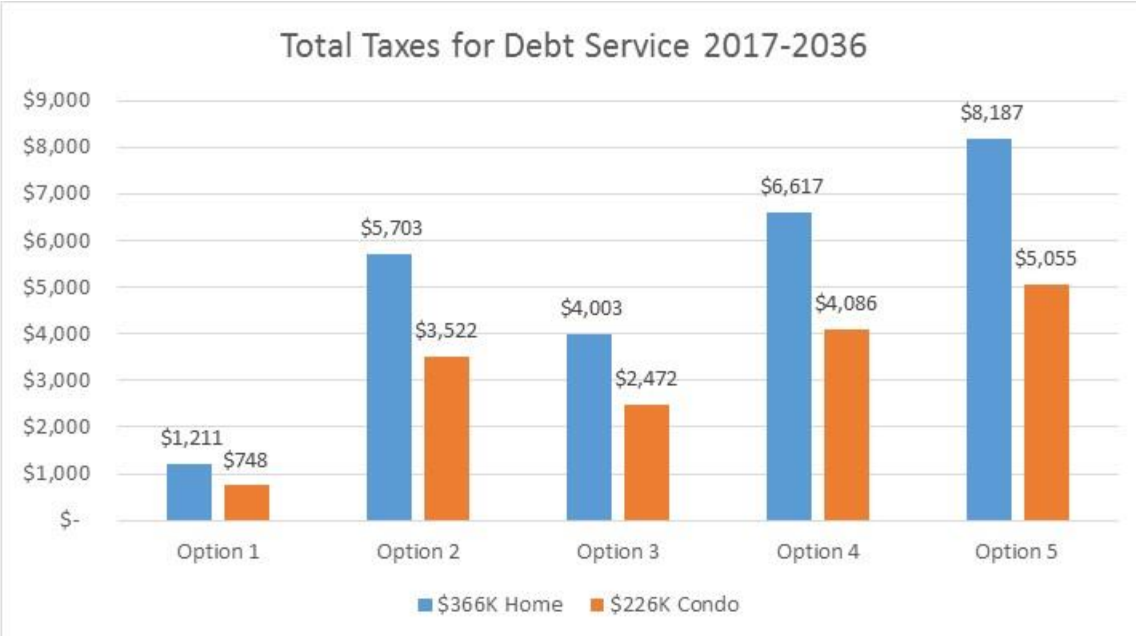
- Option 5 peak debt service: $4.6 million
- Option 4 peak debt service: $4.4 million
- Option 3 peak debt service: $3.0 million
- Option 2 peak debt service: $3.0 million
- Option 1 peak debt service: $0.8 million
- By Year 4 in Option 5, debt service is higher than the total amount we bonded for in 2016.

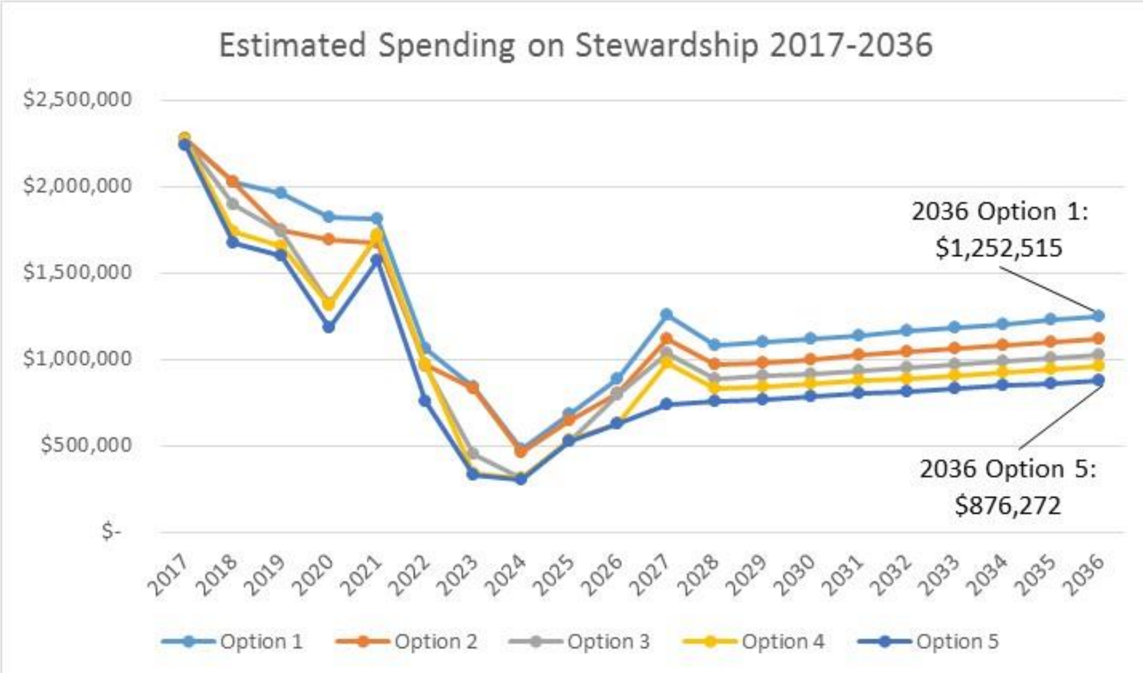


- For the chart above, it was assumed that the total school budget grows by 2.5% per year
- Peak Debt Service as a % of Total Budget Option 5: 7.4%
- Peak Debt Service as a % of Total Budget Option 4: 7.0%
- Peak Debt Service as a % of Total Budget Option 3: 4.8%
- Peak Debt Service as a % of Total Budget Option 2: 4.9%
- Peak Debt Service as a % of Total Budget Option 1: 1.1%
- Debt service becomes a significant, inflexible portion of the budget within the first few years under Options 4 and 5.



- Under Option 5 up to $0.17 of the tax rate will be attributable to debt service versus a peak of $0.11 for Option 2.


Total Taxes for Debt Service 2017-2036
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$-
$1,211
$748
$5,703
$3,522
$4,003
$2,472
$6,617
$4,086
$8,187
$5,055
Option 1
Option 2
Option 3
Option 4
Option 5
$366K Home
$226K Condo



- These stewardship trend lines reflect data provided to White + Burke by the District as inputs to the model. They are based on the detailed 20-year stewardship plan that the District maintains.
- Over the course of 20 years, Option 5 would be expected to save the District $6.7 million in stewardship costs versus Option 1.