



## Office of Mayor Miro Weinberger

School Board Chair Clare Wool  
Superintendent Yaw Obeng

Burlington School District  
150 Colchester Avenue  
Burlington, VT 05401

August 21, 2018

Dear Clare and Yaw,

Thank you for your discussions with City Councilors and me this summer both at our June dinner and at the July 17 meeting regarding your proposed upcoming bond vote to invest in Burlington High School (BHS). I have observed that, in recent weeks, you have been working hard and making progress on raising the public profile of this issue and on starting to address the questions that the Councilors and I have indicated will need to be answered for us to approve putting a major bond on the local ballot. I write as a follow-up to our prior conversations to reiterate and expand upon our earlier questions and to update you on the City's progress on related issues.

I am excited that, after years of discussions, an effort to improve our high school is advancing. For a long time, I have been convinced that we need to make significant, new investments in our high school. The ADA and energy code deficiencies of the current facility are clearly unacceptable, and the 50-year-old facility does not meet modern standards on many other fronts. We must act soon to keep BHS, our public school system and, ultimately, the community strong. I have tried to put action behind this support, including, at my direction, the City and the Burlington Electric Department taking the unusual step of contributing funds to the Burlington School District (BSD) consultant report a few years ago to support the development of a plan for modernizing our high school, and in 2017 I strongly supported the BSD's \$19 million bond for deferred maintenance funding.

In short, my City Council colleagues and I want to see BSD achieve its goal of providing an outstanding 21<sup>st</sup> Century education to our high school students. To that end, and in the interest of fulfilling our duty to responsibly steward the public's valuable and limited resources, we request that you please share your responses to the following issues and questions:

1. **Clear articulation of why you are proposing to move forward with the proposed plan as opposed to alternatives.** We are looking to understand the options that the BSD considered and why you have selected the current approach. In particular, we would like to understand how the current proposal has been informed by the consultant recommendations that were produced a few years ago, in part with City resources.
2. **Detailed explanation of how the proposed plan will improve the education of our high school students.** The ADA and energy benefits of a renovated high school have long been clear. My understanding is that there are strategies for significantly addressing these issues with considerably less investment than currently is being proposed. We appreciate that recent materials developed by BSD have attempted to address the other benefits of the current, larger plan. We will be looking for you to further detail and explain these benefits.

3. **Clear and confident presentation of the tax impact.** Taxpayers need to understand the dollar figure by which their property tax bills will change if the voters approve a high school bond. The slides that were produced for last week's school board discussion are helpful – we are hoping to receive some additional explanation of how these numbers were derived and how certain you are about the accuracy of these figures. Further, we would like to understand whether any of the BSD's \$19 million of voter-approved bonding authority will be utilized for this project or will be funded entirely by new bonding (our understanding is that the \$19 million figure included some allocation for deferred maintenance at BHS).
4. **Understanding of how the statewide financing system impacts the proposed project and the implications of uncertainty amidst a period of policy reform.** In connection with #3, we are looking to the BSD to explain how the statewide education financing system either mitigates or increases the potential costs borne by Burlington taxpayers. Further, given our awareness that the statewide funding system is undergoing a period of debate and reform that likely will continue in the upcoming legislative session, we are looking to understand from the BSD whether that debate may have any clear implications on this project and whether the Agency of Education has been engaged in the proposed project in any way.
5. **Plan for public engagement.** Our community is comprised of dedicated and passionate residents who expect to be brought into major decisions around the future of our public assets and school system. Burlingtonians want to make thoughtful and informed decisions at the ballot box, and community buy-in will be critical before your proposed ballot question is put to voters. We would like to understand what additional public engagement, education, and advocacy efforts are planned in the lead-up to a City-wide vote.
6. **Plan for managing project.** The proposed project would be one of the largest public investments ever made in Burlington and constitutes a major development plan. Such projects require experienced project teams with specialized skills to achieve their programmatic and financial goals. We are looking to understand how the BSD intends to manage the proposed project from now until completion.
7. **Confidence in total project costs** We would like to understand how the current project cost elements have been developed and what strategies the BSD plans to pursue to keep the project within budget through both the pre-development and construction periods.
8. **Other funding mechanisms.** The success of bonding initiatives often depends in part on communicating to voters that all alternatives to a property tax increase have been considered and pursued. We understand that the BSD has limited alternative funding streams, yet would like to understand if the BSD has explored the potential of other funding mechanisms, such as philanthropy or grant funding opportunities, and the status of those efforts.

### **Debt capacity and policy**

As we discussed at our June dinner, the City has been working to create the City's first Debt Policy since last spring when our financial consultants recommended that we consider creating such a policy to help the City maintain and eventually improve our joint credit rating. At a time when both the City and School District are making major infrastructure investments, we believe such a policy is particularly critical. We hope that, through such a policy, we will arrive at a mutual understanding about how we will define the limits of and share our debt capacity. We have common interests in limiting the combined debt impact on Burlington taxpayers by keeping our shared credit rating strong and borrowing rates low.

The recent work on this policy has included preliminary discussion of a draft policy at the August 13 Board of Finance meeting and communications between the City's Chief Administrative Officer Beth Anderson and the BSD's Senior Director of Finance Nathan Lavery. Active communications with our consultants and Moody's Investors Service are ongoing, and more discussion is planned at upcoming Board of Finance meetings. From our work to date, I am confident that the final policy will accommodate substantial additional BSD and municipal debt, including new debt at the level the BSD currently is contemplating for BHS. At the same time, I believe that both the BSD and City are likely to need to defer or rethink some infrastructure priorities if we are going to live within our community's means in the years ahead. We are working to finalize this new policy as soon as possible so that the proposed BHS and other investments can be evaluated in this important context. We welcome continued BSD staff and Board collaboration in the finalization of this policy and in projecting its implications.

### **Update on other City investments**

Finally, I would like share where we stand on other City infrastructure projects that we anticipate may require near-term bonding: Memorial Auditorium and Wastewater/Stormwater infrastructure.

Memorial Auditorium: The City has been working hard this spring and summer to put a bond decision before the City Council and voters in November. This effort has included a survey to which more than 2,700 people responded and expressed very robust public support for continued City ownership of the building and restoration of Memorial as a public assembly space. After consultation with City Councilors, I have decided to work towards a Memorial Auditorium bond being on the March, 2019 ballot to: 1) ensure that the public engagement process underway is completed successfully and not rushed; and 2) allow the City to focus in the coming months on the wastewater/stormwater efforts described below.

Wastewater/Stormwater infrastructure upgrades: This summer's challenging rain events have caused us to accelerate our existing plans to upgrade our wastewater system (most of which has seen little investment for the last 25 or more years) and stormwater system (which also has many aging pipes and other antiquated components). While no final decisions about bonding or timing have been made to date, we will be discussing potential plans during a City Council work session on August 27 and expect to finalize a proposal in the days after that discussion. These plans will have implications for local costs of living, however, bonding for wastewater and stormwater improvements will be paid by fee-payers (all Burlington water users, including tax-exempt institutions) and will not impact property taxes.

The City is prepared to work with the School District in the weeks and months ahead to forward your important plans and ensure that all Burlington students get the education they deserve.

Sincerely,



Miro Weinberger  
Mayor