

Jim Ned Voters,

Please research all aspects of the school bond election in order to vote in the most prudent way considering our children and the financial resources we have been entrusted with. We built our home in Buffalo Gap because of the local elementary, its exemplary academic standing, teachers, and beautiful feel. I realize this sentiment may not be shared by residents in other locations and since my kids are no longer in elementary, I was not overly concerned about the election until I researched and learned a few completely verifiable facts. These caused me great concern and are questions most are not aware of.

Jim Ned has three remaining refinance bonds outstanding with maturities 2014 - 2016. The 1996 bonds issued to fund the new high school were promoted with the agreement that on maturity the 6.73% tax increase is returned to tax payers. Understanding this, should the community be more patient? In 38 months, a bond could be reissued instead of returning the tax break to the community. This could provide funds to renovate both elementary schools with no tax increase. If combined with only a portion of the current \$10.8 million in reserves, a new building could be completed with a minimal impact on taxes. Regardless of your position on building or renovating, waiting saves financial resources.

In a 2010 bond election, the school board said that \$2.1 million would renovate the Buffalo Gap campus and that \$3.9 million was needed to renovate both elementary schools. Currently the information being distributed by Jim Ned Parents For Progress states that \$13.1 million would be required to renovate (\$9.2MM or 235% in 3 years). If the 2010 School Board presented accurate information, do we not owe it to ourselves to consider this option? FYI, the bond election in 2010 was voted down by 92% of the voters as it was combined with a request to build a new high school. If we had voted on \$3.9 to reinstate, would it have passed? My guess is yes.

The current tax rate is 1.11 and the proposed tax rate is 1.388. This represents a straight tax increase of 25%. To promote the bond behind the current high school, tax payers were encouraged to vote yes with the potential to receive a 7 cent reduction once paid. Therefore, the effective tax increase of the bond is 33.46% from the possible 1.04 rate that would occur with a no vote. Regardless, 25% or 33%, this represents one of the highest tax increases requested by any school district in Texas for decades.

The chart below shows the cost to home owners over the next 25 years (potential bond maturity). Values were calculated using the Individual Tax Payer Analysis worksheet from the Schools web Page. This assumes no growth in the value of homes and no additional increases in the tax rate. As home values often increase, the actual impact could be much higher.

<u>Home Taxable Value</u>	<u>Annual Cost</u>	<u>Total Cost to Home Owner (25 years)</u>
\$ 50,000	\$139	\$3,475
\$100,000	\$278	\$6,950
\$200,000	\$556	\$13,900
\$300,000	\$834	\$20,850

As President of an Investment Advisory Firm for insurance companies, I purchase many school construction bonds. I have seen many nice Texas schools constructed for less. Are we being greedy? **Are we bringing Washington style spending to our local conservative Community?** Please also consider that our current elementary schools have recently been rated exemplary.

Again, my request is that you do real research and vote according to facts and not the emotion being generated by many on both sides of this issue.

Theron Robert Holladay Sr., CFA