

Four-year financial plan for Gradual Permanent Downsizing

School closings save taxpayers \$1.7 million in property taxes

At first glance, it might seem that closing two schools saves the District only \$400,000 next year and \$600,000 annually after 2005-06. But a closer look reveals that the decision to close schools yields far greater and longer-term savings — and in a way that contributes to gradual permanent downsizing. Over the next four years alone, the District is saving taxpayers a total of \$1.7 million in property taxes while **freeing more than \$5 million to reinvest** in its own students and schools.

Taxpayer relief

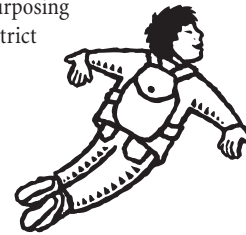
Actions	Savings			
	2005-06	2006-07	2007-08	2008-09
Debt Service Levy Reduction: The School Board committed more than \$1 million from the sale of the Snail Lake Landing property to reduce debt service levies currently paid by taxpayers. This was designed as a trade-off for not vacating leases held by Oak Grove in 2005-06 and the Area Learning Center in 2006-07 — as was originally planned in order to reduce lease levies.	\$341,044	\$757,558	—	—
Lease Levy Reduction: Programs currently housed in leased space at Mounds View Extended Campus and one room at the Family Service Center will relocate into existing District-owned facilities. This saves taxpayers lease levy taxes on an ongoing basis.	\$159,822	\$159,822	\$159,822	\$159,822

**Four-year total =
\$1,737,890 in taxpayer savings**



More than \$5 Million Reinvested in the District

Actions	Savings			
	2005-06	2006-07	2007-08	2008-09
Operating cost savings: Closing two schools and repurposing the buildings enables the District to become more efficient by operating facilities closer to their capacities.	\$395,374	\$596,874	\$596,874	\$596,874
Operating cost savings: In winter 2005, the District relocated its maintenance facilities from the District Service Center (DSC) into cooperative spaces at the Twin Cities Army Ammunition Plant (TCAAP). The School Board committed funds from the sale of the Snail Lake Landing property to pay for the purchase agreement. As a result of this agreement, the DSC can now be vacated and relocated much more easily without having to relocate a maintenance garage.	\$177,394	\$177,394	\$177,394	\$177,394
Capital cost savings: In 2005, the District plans to vacate and sell the DSC and the Ralph Reeder Community Center in New Brighton. The District also plans to sell its portion of the Family Service Center in New Brighton. These sales will also save future capital expenses that would be spent for new roofs needed on the facilities. Portions of the sales revenues have been committed to debt service reduction and operating cost savings for TCAAP. Other potential uses include increasing Alternative Facilities levies for continued deferred maintenance needs, improvements to Irondale's athletic field, textbooks and Instructional Media Centers' capital needs.	\$1,750,000	\$500,000	—	—



Four-year total = \$5,145,572 saved to reinvest in schools
Grand total = \$6,883,462

Considering the District earned \$6.3 million through the sale of Snail Lake Landing property in 2004-05, a five-year total would equal \$11,445,572.