

# EXHIBIT D

## Krushenski, Ken

---

**From:** Jenkins, Steve  
**Sent:** Friday, April 09, 2010 10:48 AM  
**To:** Krushenski, Ken  
**Cc:** Cinder, Gary  
**Subject:** FW: question

Ken

This is what I sent to Angie related to sales tax for the high school renovation.

Steve

---

**From:** Jenkins, Steve  
**Sent:** Monday, April 05, 2010 3:31 PM  
**To:** 'Angi Agle'  
**Subject:** RE: question

Angie

For Anderson County school sales tax only, the .181818 is derived by dividing the growth in the schools sales tax percent related to the high school referendum (.25%) by the total sales tax collected in Anderson County for the school systems (1.375%). Assuming these funds had not been necessary for the repayment of debt on the high school, the .25% is the amount of extra funds that the City schools would have received when Anderson County superseded the City's sales tax. Keep in mind this does not impact the sales tax that the City schools are receiving that is not related to the high school referendum. By the way, the City is still putting the full amount of its .25% sales tax in the debt service fund to pay for the high school. It takes both to repay the roughly \$67,000,000 in debt.

All previous models always indicated that this portion of the schools sales tax would be used to pay the debt service on the high school until it was paid in full. The 5 years was simply a time frame that we hoped the county would delay superseding the City's sales tax. It turned out to be only wishful thinking. This would have allowed the City to retire the high school debt a few years sooner and at that point the funds would have been released for other City and school uses. Obviously, that did not happen and now the debt is not scheduled to be retired until 2041.

As you will recall, the referendum was passed based on the concept that there would not be a property tax increase for construction of the renovated high school. It will take all of the funds described above, which are placed in the debt service fund, to pay the debt service on the high school without raising the property tax rate. If the City does not receive these funds from the schools, then the funds will have to be replaced with property taxes.

I am not sure why there is a question about this sales tax, but Keys came by this morning to discuss the same issue. This has been discussed in public meetings and in detail with the Superintendent and Karen Gagliano over the past 6 years. A detail of the sales tax collections is located on the City's website.

Steve

---

**From:** Angi Agle [mailto:agle@bellsouth.net]  
**Sent:** Monday, April 05, 2010 1:34 PM  
**To:** Jenkins, Steve  
**Subject:** question

Steve,

4/9/2010

Currently, the school system sends a check to the city each year to help pay the bonds on the high school. The formula used is  $.181818 \times$  the sales tax revenue received (dedicated to education, divided by our share of the countywide ADM).

Where did the .181818 formula come from?

Wasn't that supposed to expire at the end of the five years (when you had assumed that Anderson County would supersede the sales tax anyway)?

– Angi Agle