

Mr. Birkett highlighted appropriations by fund classification. He noted that it is projected for 2002-03 to have 776 students in charter schools. He compared the projected revenue for 2002-03 with the budgeted revenue for 1993-94, showing that we are depending more and more on local sources than state sources to fund the budget.

While reviewing the 2002-03 revenue summary, Mr. Birkett focused on the transfer last year of \$2.5 million of deferred capital outlay dollars to defer maintenance in the operating fund, which was an increase that set the district back a couple of years on payback of transfers. This was restored last year because of budget cuts. In addition to that is the traditional transfer of \$700,000 for leased portables. Included in this year's budget is an additional deferral of maintenance of \$1.5 million and \$600,000 of deferral of capital purchases budgeted in the operating fund. The intent is not to transfer these dollars during the year but as situations change during the year to restore these dollars to the capital project fund. Additional transfers are only going to be done if absolutely necessary.

There is a slight millage increase and the impact on a taxpayer is .03 mills this year. The district millages are established by law and there is no choice on what is levied through the budget process. The total millage reflects a .29% mill increase over last year.

Utilization of Facilities and Capital Outlay

Mr. Terry Tougaw, executive director, Facilities, as a reminder, referred to the Board's new policy on school attendance zones related to school choice and noted that over the past year several meetings were held on facility utilization. It was hoped to establish a baseline of permanent capacity figures for all schools. The Board voted to do a study in that area. The policy indicates the Choice Plan will take effect 2003-2004. There would be a window of opportunity this coming February for folks to check on the available space in schools and request a specific school for their children, thus, the need to be aware and think about the implementation of the Choice Plan as contained in policy. A recommendation will be brought to the Board at a later time. He noted that staff is currently working through a process for functional capacities and is using the functional capacities for elementary schools when addressing zoning appeals. The intent is to work with the instructional division and finish the functional capacities for secondary schools.

Mr. Tougaw shared that staff attended the annual facility planner's conference and the news given by the Department of Education was not good. PECO projections statewide for 2002-2003 are \$807 million. For the next year, 2003-2004, it drops to \$345 million and the

following year, 2004-2005, it drops to an all-time low of \$177.3 million. His guess as to the cause of the more than 50% decline for next year is they have been bonding PECO for quite some time, and he believes we are at an all-time high in repayment of the bonded monies as well as collections.

Dr. Chambers pointed out that after September 11 the Legislature wanted to stimulate the economy, particularly in the area of construction, and they fronted some money to get construction dollars into the economy.

Mr. Tougaw noted that this took away some of the dollars the district would have gotten this year.

Mr. Ed Gable, director, Facilities, reviewing the Capital Outlay program handout, pointed out that the revenue revisions show a reduction from original state estimates of \$17.15 million to \$16.2 million. He noted at the June 17 workshop a list of projects were presented totaling \$7.2 million based on those state estimates. This included the deferred projects brought forward from last year and a series of districtwide projects necessary to keep pace with needs.

He noted the revised proposed capital outlay projects being recommended for advertisement totaling \$4.169 million. This anticipates the transfer of the new \$1.37 the district will actually receive in PECO. In order to accomplish the \$3 million reduction, almost 50% of the projects, the Alachua Master Plan, Lincoln Middle locker room renovations, Hawthorne Middle buildings and some of the HVAC replacement/repair projects as well as the projects in reserve, have been reduced.

Mr. Gable reviewed the Capital Outlay COPs projects currently underway totaling \$23,526,931. The proposed projects for the 2002-2003 COPs series totals \$21,700,000.

Also included in the packet is a copy of the 2-mill advertisement that includes a list of proposed projects for 2002-2003. This gives the Board the authority to spend the 2-mill money on those projects through the year, as the funds are available.

Alternative Funding Options

Mr. Birkett pointed out that as state revenues decrease, the district will need to look at alternatives to generate dollars possibly in the operating fund and the capital outlay area. Possible options for Capital Outlay funding are:

- General Obligation Bonds

- Certificates of Participation
- 2 Year "Pay As You Go"
- Impact Fees
- 1 Cent Infrastructure Tax
- 1/2 Cent Capital Outlay Sales Tax

For the operating fund, the Legislature approved last year that school boards could levy the difference between the nonvoted millages and the ten-mill cap for a four-year period millage for operating purposes. This can be extended by voter approval for future years.

ADVERTISEMENT OF
2002-2003 PROPOSED
TENTATIVE BUDGET
AND MILLAGE

Mr. Birkett reviewed the following schedules showing proposed millage rates, millage comparisons, and budget hearing notices as required by law.

- Schedule I – Notice of Proposed Tax Increase
- Schedule II – Percent Change Over Rolled Back Rate
- Schedule III – Comparison of Proposed 2002-2003 to the 2001-2002 Actual Millage Rates
- Schedule IV – Budget Summary Notice
- Schedule V – Budget Ad Percent Decrease Over Prior Year Expenditures
- Schedule VI – Historical Summary of Financial and Demographic Data
- Schedule VII – Notice of Tax for School Capital Outlay
- Schedule VIII – Budget Appropriations Approved for Advertisement

He noted that the above-recommended schedules include an overall increase in millage over the 2001-2002 budget.

Mr. Birkett read Schedule VIII, Budget Appropriations Approved for Advertisement.

BE IT RESOLVED THAT THE SCHOOL BOARD OF ALACHUA COUNTY, FLORIDA, HEREBY ADOPTS THE TENTATIVE PROPOSED BUDGET FOR ADVERTISEMENT DATED JULY 28, 2002, WHICH CONTAINS THE FOLLOWING FUNDS AND APPROPRIATIONS, FOR THE 2002-2003 FISCAL YEAR:

GENERAL	\$169,708,998.00
SPECIAL REVENUE	23,875,237.00
DEBT SERVICE	14,048,205.00
CAPITAL PROJECTS	65,356,911.00
TRUST AND AGENCY	<u>3,723,586.00</u>
TOTAL	<u>\$276,712,937.00</u>

JULY 23, 2002

Motion by Mrs. Carroll

Seconded by Mrs. Sharpe

Moved the administration's recommendation to approve the 2002-2003 proposed Tentative Budget and Millage for advertising.

Dr. Leathers suggested a paragraph be included in the ad explaining the additional cost to the taxpayer on the value of their home; allow a conversion of mills to dollars.

The question was called.

Upon Vote: Motion passed 5-0

ADJOURNMENT

The meeting was adjourned at 3:50 p.m.