

Financial Affairs
George M. Burgess, Chief Financial Officer

SUBJECT: REVENUES ANTICIPATION NOTES (RAN's) SERIES 2003

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

The cost of this District's property insurance coverage increased by \$8 million in the current year. For the upcoming year property insurance costs are flattening and levels of available coverage are much greater. We will be budgeting this cost in the general fund and, depending on the state legislature, possibly a portion from the two mill levy. However, for the current year the approved budget contemplated borrowing money to cover the \$8 million increase. Resolution #03-33 authorizing the issuance of the \$8 million RAN's will be submitted to the Board under separate cover.

If at all possible we would like to avoid borrowing money for this purpose. Depending on our contingency fund balance and end-of-year projections we would prefer to fund this expense out of our operating budget. However, it is prudent for staff to have the flexibility to issue short-term debt if necessary. In any event, it is our intent to repay any RAN within one to two years. Again, if at all possible we would like to avoid this borrowing but request authorization if the issuance of RAN's is necessary.

It is proposed that this increase, a cost associated to the value of the property built or acquired through Capital Outlay funds, be funded by the RAN's, as Florida laws allow, and repaid over as short a period of time as possible from two mill levy receipts, or such other monies as may become available. It is anticipated the RANs will mature on or about April 15, 2004.

RECOMMENDED: That The School Board of Miami-Dade County, Florida

- a) Approve utilizing up to \$8 million from the contingency fund to reduce the transfer from capital outlay for the payment of property insurance premiums for the current year. } Added
- b) Approve Resolution #03-33 authorizing the issuance of \$8,000,000 in RAN's for the specific purpose of funding the increase in property insurance costs for the current year.
- c) Approve the costs of issuance as provided by the current contracts, and other expenses not to exceed a total of \$75,000.

REVISED

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