

**Read-Ahead
For
January 18, 2011 Board Workshop
Capital Budget**

As part of the January 18, 2011 Workshop we will be discussing the 2011/2012 Capital Budget. The attached read-ahead is intended to support and guide that discussion.

This will be the first time the Board has seen the tentative 2011/2012 Capital budget so our goal is primarily to familiarize each of you with status and key competing priorities. More specifically, our goals are:

- 1) Update the Board on revenue projections and assumptions
- 2) Review recurring costs and general outcomes
- 3) Seek Board input on competing projects
Time permitting
- 4) Review the current environment
- 5) Update ongoing large projects

For this workshop we plan to focus solely on the 2011/2012 budget. Our intent is to come back to the Board in the next quarter with any requested information and/or data you may ask for during the workshop and staff recommendations on how best to spend dollars available for “competing unfunded projects.” This information would then be presented as part of the five-year capital plan.

To facilitate this conversation, we are providing you with several items (attached). These items have been prepared jointly by the Finance and Operations teams. They are:

- 1) The 2011/2012 capital budget (revenue and appropriation) presented with brief narrative
- 2) A summary of our portable inventory—sorted by anticipated quantity in 2015/2016
- 3) The Capital Project Matrix (tentative) of competing major projects
- 4) State’s COFTE and District’s enrollment Projections through 2021/2022
- 5) Our debt service profile
- 6) Brief updates on the three large ongoing capital projects

Please note two key pieces of information. First, should we agree to fully fund the Sarasota Middle School HVAC renovation, and we hold \$5.5 million in reserve, we are left with just under \$14 million for current/future competing projects. Second, since we will not need to issue a third round of COPs there remains headroom in your debt profile. Also note that there is a \$50 million COPs that will pay off in 2014/2015. This payoff will free up about \$6 million in annual debt payment. We mention these as potential revenue sources as we talk about competing projects.

We will talk about each of these issues during the workshop but should you have any questions please don’t hesitate to contact any of us. Again our goal is to familiarize you with the 2011/2012 budget and to solicit your input for the upcoming five year plan—as it relates to competing projects.