

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #253 (2001-2002)

April 15, 2002

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: PROPOSED BOND SALE

PERTINENT FACTS:

The voters of the Municipality of Anchorage approved Propositions 5 and 6 on April 2, 2002 in the total amount of \$98.625 million for various educational capital improvement projects. The Anchorage Assembly is scheduled to certify the Municipal Election on April 16, 2002. There are several projects within the ~~tw~~ bond propositions that are time critical and need to proceed as soon as possible. In addition, the School Board previously approved forward funding of \$1.7 million on ASD Memorandum #101 on November 12, 2001. Based on cash flow projections provided by the Facilities Department for the projects authorized by the voters in the April 2002 election, the District anticipates needing approximately \$76 million within the next two years for anticipated expenditures.

In addition, the District has \$73.15 million of authorized and unsold bonds related to the April 1999 election. Voters approved Proposition 11 authorizing \$173.15 million of various educational capital improvement projects in April 1999. The Municipality of Anchorage, at the request of the District, previously sold \$35 million of general obligation bonds in August 2000 and \$65 million of general obligation bonds in June 2002 related to this voter authorization. Based on cash flow projections provided by the Facilities Department for these projects, the District anticipates needing an additional \$59 million within the next two years for anticipated expenditures.

We have requested a debt service schedule from the Municipal administration for a projected June 2002 bond sale in the amount of \$135 million. The amount would provide funding for the next two year for projects authorized by the voters in April 1999 and April 2002. After this sale, \$36.845 million of authorized and unsold bonds will remain.

Based on the debt service schedule received from the Municipality for the \$135 million proposed bond sale, the District will be submitting a resolution to the Anchorage Assembly to increase the upper limit of the FY 2002-2003 budget and the amount of tax appropriation. This resolution is scheduled for public hearing on April 23, 2002. This request must be approved by the Anchorage Assembly prior to the setting of the mill levy on April 23, 2002. We will be requesting an increase to the Debt Service Fund for the amount of principal and interest for FY 2002-2003 related to the proposed \$135 million bond sale. In addition, the District will be requesting an increase in tax appropriation for the General Fund based on updated information that provides for an increase to the tax cap limitation.

CC/JS

Prepared and approved by: Janet Stokesbary, Chief Financial Officer