



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

9C. Action

Date: November 27, 2006

SUBJECT: BUDGET AMENDMENT FOR BOND PROJECT

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Funds available in General Fund that will be reimbursed from Bond Sale proceeds

Background Information:

- TEA requirement to have the budget reflect the financial activities of the district.

Administrative Considerations:

- The district's bond counsel (Charles Kobdich of McCall, Parkhurst & Horton L.L.P.) assures the district that the practice of funding specific projects from the General Fund and later reimbursing the General Fund is an allowable practice.
- The following work reflects bond-approved items that are either emergency in nature or can best be accomplished during the holidays when school is not in session.
- Attached is the STATEMENT EXPRESSING OFFICIAL INTENT TO REIMBURSE which is to be executed by the Superintendent.
- **IP Phone Upgrade at 11 Campuses - \$271,524-** currently these campuses do not have voice mail capability or sufficient in-coming lines to handle the call volume during peak times. This upgrade will take place during the winter break for use in January 2007. Campus POTS lines can be canceled reducing the monthly phone utility cost.
- **NOC Upgrade - \$527,532 – District** servers are functioning at maximum capacity. Blade servers will be added to the existing server farm to increase the capacity for software applications. Electrical and air conditioning upgrades will also be completed to ensure a suitable environment in the Network Operations Center. Upgrades will begin during the winter break and continue through the spring of 2007.
- **Media Management Upgrade - \$100,000 –** Four campuses do not have the district standard for media management and content. The upgrade of these systems will enable teachers and students to access the same media content in the same manner at all campuses. Upgrade will occur over the 2006 winter break.

- **Wireless access – \$398,970** – 28 district facilities do not have wireless access. This upgrade will enable the use of all wireless technology including tablet PCs, student laptop carts, handheld devices (Palms), and wireless IP telephony. This upgrade will begin during the winter 2006 break and be completed by the 2007 spring break.
- The first bond sale that will include the proceeds to accomplish this work can be accomplished at the earliest in mid-December with a funding (getting the cash) by mid-January. However, Jeff Robert of 1st Southwest Company, the district’s financial advisor, does not advise that this would be an advantageous time for a sale since most of the market is gone for the holidays. This sale would also be relying on a quick turn around from TEA on the PSF guarantee and a rating visit by the rating agencies. The more likely and advisable sale would be in late January with funding in mid-February.

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The administration recommends that the Board of Trustees approve the use of \$1,298,026 of fund balance for the Technology Project and for these funds to be reimbursed from the sale of the bonds approved by the board in the November Bond Election.

Respectfully submitted,

Kent V. Morrison, III
Chief Financial Officer