

OFFICE OF THE SUPERINTENDENT

Millburn Public Schools

ACTION ITEM

August 16, 2010

To: Board of Education Members

From: Ellen E. Mauer, PhD

Subject: Tax Anticipation Warrants

Proposed Action by the Board of Education

Approve the issuance of TAWs in the amount of either 3.7 million or 4.0 million dollars for the upcoming school year.

Background

You will remember that we discussed this at the last meeting. We have calculated that with the poor news from the state, it is possible that they will short us on future payments this spring. That means that we could have to use more than we have used last year. The discussion last time involved the public relations behind issuing more than we have issued in the past, regardless of the reason behind that. We want to be sensitive to our public and the perception that we are borrowing more, but we do find ourselves in a bind. We have operated a balanced budget last year and borrowed less. We have a balanced budget for next year and regardless, the state still may not come through with what it has promised. We are able to do the issuance for 3.7, then come back to you if we find we need the last \$300,000. We just can't predict what the state will actually do.