

LYME-OLD LYME SCHOOLS

Regional School District #18

A Private School Experience



in a Public School Setting

Facilities and Finance Committee Meeting

January 8, 2020

Committee Members Present: Rick Goulding, Facilities Committee Chair; Jean Wilczynski, Finance Committee Chair; Diane Linderman; Jennifer Miller; Philip Neaton; Andy Russell; Steven Wilson

Administration/Staff Present: Ian Neviaser, Superintendent of Schools; Kelly Enoch, Principal of Mile Creek School; Glenn Fergione, Assistant Director of Facilities; Holly McCalla, Business Manager; John Rhodes, Director of Facilities and Technology

Others Present: Julia Werth, *Connecticut Examiner*

The meeting was called to order at 5:00 p.m. by Dr. Goulding.

The following agenda items were discussed:

1. Approval of Minutes of December 4, 2019 Meeting

Upon motion by Mr. Neaton and a second by Mrs. Linderman, the minutes of December 4, 2019 were unanimously approved.

2. Tennis Court Project Update

Mr. Rhodes reported that the request for proposals for the tennis court project was published in the newspapers on January 7; bids are due January 30, 2020. If all goes well, they will bring a recommendation to the Board of Education at their February 5 meeting.

3. Multipurpose Field Project Update

Mr. Rhodes reported that they will meet with the Wetlands Commission on January 28 followed by the Zoning Commission at a future date. The importance of getting accurate information to the community on this project was discussed. Public forums will be held monthly. Other suggestions for mass communication included meeting with the PTO/PAB and meeting with groups outside the school community such as senior citizens at the Lymes' Senior Center, etc.

Mr. Rhodes reviewed the timeline for the series of meetings with the town commissions, which could take six-seven months giving them sufficient time to communicate the project to the community.

4. Condition of Mile Creek School

Mrs. Enoch, Principal of Mile Creek School, updated the committee on some of the facilities needs of this building noting how pleased she was with the overall condition of the school in terms of cleanliness, safety and security. Mrs. Enoch reviewed the following needs: playground updates; temperature regulation in many areas of the building; replacement of ventilating systems; long-term plan for the courtyard; mobile SmartBoards vs. stationary; and replacement of whiteboards. Mr. Rhodes reviewed the timeline for these projects.

5. Review of Projects In-Progress and Review of Five-Year Facilities Plan

Mr. Rhodes reviewed projects completed or nearing completion and the five-year facilities plan for the district's buildings. A summary of this report is attached to these minutes for informational purposes.

6. Bond Refunding

Mr. Neviasser explained the opportunity to refund bonds for significant cost savings to the district. He and Mrs. McCalla, Business Manager, reviewed four refunding structuring option scenarios and the savings, rate and debt structure of each. A summary of this report is attached to these minutes for informational purposes. Their recommendation was to further pursue scenario #1, and they cited the benefits of this scenario over the others. There was general consensus of the committee to agree to this recommendation for bond refunding.

There being no further discussion, the meeting was adjourned at 6:08 p.m. upon a motion by Mrs. Linderman and a second by Mrs. Miller.

Five Year Facilities Draft Plan

January 8, 2020

Account Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Grand Totals	\$ 225,000	\$ 675,000	\$ 305,000	\$ 325,000	\$ 290,000	\$ 230,000
LC						
Repave tennis courts (2)			\$ 160,000			
Replace gym unit ventilators with an RTU and included AC		\$ 375,000				
Repaint exterior						\$ 80,000
Gym Floor Resurface to rubber		\$ 60,000				
Priority 1 Total	\$ -	\$ 435,000	\$ 160,000	\$ -	\$ -	\$ 80,000
Upgrade HVAC including AC & boilers					Estimated \$15M	
Classroom refresh					Estimated \$15M	
Replace office and conference room carpet	Completed					
Playground partial update				\$ 70,000		
Update fire alarm, PA and Clocks					Estimated \$15M	
Reface front entry stairs			\$ 10,000			
Bonded project study			\$ 5,000			
Replace VCT w/high perf floor					Estimated \$15M	
Priority 2 Total	\$ -	\$ -	\$ 15,000	\$ 70,000	\$ -	
Priority 3 Total	\$ -	\$ -	\$ -			
LC Totals	\$ -	\$ 435,000	\$ 175,000	\$ 70,000	\$ -	\$ 80,000

Five Year Facilities Draft Plan

January 8, 2020

Account Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Grand Totals	\$ 225,000	\$ 675,000	\$ 305,000	\$ 325,000	\$ 290,000	\$ 230,000
MC						
Priority 1 Total	\$ -	\$ -	\$ -			
Upgrade HVAC including AC & boilers					Estimated \$15M	
Update fire alarm, PA and Clocks					Estimated \$15M	
Classroom refresh					Estimated \$15M	
Playground partial update				\$ 70,000		
Bonded project study			\$ 5,000			
Replace VCT w/high perf flooring					Estimated \$15M	
Priority 2 Total	\$ -	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ -
Priority 3 Total	\$ -	\$ -	\$ -			
MC Totals	\$ -	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ -

Five Year Facilities Draft Plan

January 8, 2020

Account Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Grand Totals	\$ 225,000	\$ 675,000	\$ 305,000	\$ 325,000	\$ 290,000	\$ 230,000

CS

Priority 1 Total	\$ -	\$ -	\$ -			
HVAC AC upgrade including AC					Estimated \$15M	
Replace VCT with high performance flooring					Estimated \$15M	
Replace Carpets					Estimated \$15M	
PreK Expansion	Completed					
Update fire alarm, PA and Clocks					Estimated \$15M	
Repaint exterior						\$ 150,000
Bonded project study			\$ 5,000			
Playground partial update				\$ 70,000		
Priority 2 Total	\$ -	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ 150,000
Priority 3 Total	\$ -	\$ -	\$ -			
CS Totals	\$ -	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ 150,000

Five Year Facilities Draft Plan

January 8, 2020

Account Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Grand Totals	\$ 225,000	\$ 675,000	\$ 305,000	\$ 325,000	\$ 290,000	\$ 230,000

MS

Priority 1 Total	\$	-	\$	-				
Upgrade HVAC Including AC & boilers							Estimated \$15M	
Classroom refresh							Estimated \$15M	
Update fire alarm, PA and Clocks							Estimated \$15M	
Replace VCT w/high eff flooring							Estimated \$15M	
Replace Carpets/media redesign first floor			Completed					
Reapply split faced block water repellant						\$ 50,000		
Upgrade sewerage grinder pump					\$ 70,000			
Increase front of building lighting						\$ 40,000		
Bonded project study					\$ 10,000			
Replace Carpets/media redesign second floor							\$ 170,000	
Priority 2 Total	\$	-	\$	-	\$ 80,000	\$ 90,000	\$ 170,000	
Priority 3 Total								
MS Totals	\$	-	\$	-	\$ 80,000	\$ 90,000	\$ 170,000	

Five Year Facilities Draft Plan

January 8, 2020

Account Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Grand Totals	\$ 225,000	\$ 675,000	\$ 305,000	\$ 325,000	\$ 290,000	\$ 230,000

HS

Expand irrigation to include baseball field					\$ 30,000	
Refinish commons floor					\$ 30,000	
Crack repair, recoat and reline track field				\$ 25,000		
north west corner of the soccer/lacrosse field and SB left					\$ 60,000	
Repave tennis courts (6)	\$ 225,000	\$ 240,000				
Priority 1 Total	\$ 225,000	\$ 240,000	\$ -	\$ 25,000	\$ 120,000	\$ -
Soccer/lacrosse field bleacher			\$ 40,000			
			Undesignate fund			
Artificial turf field installation			(\$2.5M est.)			
Priority 2 Total	\$ -	\$ -	\$ 40,000			
Priority 3 Total						
HS Totals	\$ 225,000	\$ 240,000	\$ 40,000	\$ 25,000	\$ 120,000	\$ -

Estimated available Reserve Fund Balance as October of:

2019	2020	2021
\$1,775,000	\$2,135,000	\$2,495,000

Regional School District Number 18, Connecticut
Refunding Structuring Option Scenarios

January 8, 2020

	Scenario One - Level Savings August Payments			Scenario Two - Level Savings April Payments			Scenario Three - Upfront Savings in 2021-2023 August Payments			Scenario Four - Upfront Savings in 2021-2023 April Payments		
Bonds Details	GO Bonds ^{(2) (3) (4)}			GO Bonds ^{(2) (3) (5)}			GO Bonds ^{(2) (3) (4)}			GO Bonds ^{(2) (3) (5)}		
Par Amount	\$ 7,245,000			\$ 7,125,000			\$ 7,235,000			\$ 7,120,000		
Dated Date	2/10/2020			2/10/2020			2/10/2020			2/10/2020		
Final Maturity	8/15/2030			4/15/2031			8/15/2030			4/15/2031		
Projected Rate ⁽⁶⁾	1.4495% ⁽¹⁾			1.4700% ⁽¹⁾			1.4534% ⁽¹⁾			1.4763% ⁽¹⁾		
Projected Budgetary Savings	\$ 491,883			\$ 409,494			\$ 471,880			\$ 392,144		
Projected Present Value Savings	\$ 415,381			\$ 403,715			\$ 412,772			\$ 400,747		
Amount to be Refunded	\$ 7,605,000			\$ 7,605,000			\$ 7,605,000			\$ 7,605,000		
Total Interest	\$ 1,000,830			\$ 1,203,219			\$ 1,030,833			\$ 1,225,568		
Total Debt Service	\$ 8,245,830			\$ 8,328,219			\$ 8,265,833			\$ 8,345,568		
Debt Service - Estimated as of 6/30/2020												
Excludes Refunded		Proposed Total		Proposed Total		Proposed Total		Proposed Total		Proposed Total		
Fiscal Year	Existing Debt	Proposed Debt	New Debt Service	Proposed Debt	New Debt Service	Proposed Debt	New Debt Service	Proposed Debt	New Debt Service	Proposed Debt	New Debt Service	
6/30/2021	\$ 963,313	2,199,705	3,163,017	2,212,219	3,175,531	2,137,458	3,100,770	2,163,618	3,126,931			
6/30/2022	1,683,938	1,362,125	3,046,063	1,380,350	3,064,288	1,302,625	2,986,563	1,329,550	3,013,488			
6/30/2023	1,636,213	1,327,250	2,963,463	1,341,600	2,977,813	1,265,875	2,902,088	1,293,300	2,929,513			
6/30/2024	2,257,613	87,000	2,344,613	86,850	2,344,463	92,250	2,349,863	91,050	2,348,663			
6/30/2025	1,312,463	801,125	2,113,588	811,850	2,124,313	845,775	2,158,238	846,050	2,158,513			
6/30/2026	1,958,600	65,250	2,023,850	65,100	2,023,700	69,300	2,027,900	68,400	2,027,000			
6/30/2027	1,893,850	65,250	1,959,100	65,100	1,958,950	69,300	1,963,150	68,400	1,962,250			
6/30/2028	1,829,000	65,250	1,894,250	65,100	1,894,100	69,300	1,898,300	68,400	1,897,400			
6/30/2029	1,068,400	779,375	1,847,775	790,100	1,858,500	827,750	1,896,150	828,400	1,896,800			
6/30/2030	1,027,100	757,625	1,784,725	768,350	1,795,450	804,650	1,831,750	805,600	1,832,700			
6/30/2031	295,100	735,875	1,030,975	741,600	1,036,700	781,550	1,076,650	782,800	1,077,900			
6/30/2032	286,650		286,650		286,650		286,650		286,650			
6/30/2033	278,200		278,200		278,200		278,200		278,200			
6/30/2034	269,100		269,100		269,100		269,100		269,100			
	\$ 16,759,538	\$ 8,245,830	\$ 25,005,367	\$ 8,328,219	\$ 25,087,756	\$ 8,265,833	\$ 25,025,370	\$ 8,345,568	\$ 25,105,106			

¹ Projected true interest cost

² Estimated cost of issuance of \$80,000 is built into the proposed debt service

³ Estimated Underwriter's Discount is built into the proposed debt service

⁴ Assumes first principal and interest payment 8/15/2020

⁵ Assumes first interest payment 10/15/2020, and first principal and interest payment 4/15/2021

⁶ Rates are preliminary and subject to change with market movement

**** Preliminary, Subject to Change. For discussion purposes only. ****

Disclosure: Hilltop Securities Inc. is providing the information contained in this document for discussion purposes as municipal advisor to Regional School District Number 18. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the market or no market may exist at all.

Debt Service

<u>Year Issued</u>	<u>Amount</u>
2009 Refunding Bonds 029-032	\$10,555,000
2010 Building Project (January 2011 Bond Issue) 033	\$14,500,000
2010 Building Project (January 2012 Bond Issue) 033	\$14,500,000
2012 Refunding Bonds 029 - 032	\$2,440,000
2015 Building Project (January 2015 Bond Issue) 033	\$5,000,000
2017 Refunding Project	\$9,325,000

<u>Fiscal Year</u>	<u>2009 Refunding Bonds</u> <u>\$10.555 Million</u>	<u>2011 HS Building Project</u> <u>\$14.5 Million</u>	<u>2012 HS Building Project</u> <u>\$14.5 Million</u>	<u>2012 Refunding Bonds</u> <u>\$2.44 Million</u>	<u>2015 HS Building Bonds</u> <u>\$5.0 Million</u>	<u>2017 Refunding Bonds</u> <u>\$ 9.325 Million</u>	<u>Total Debt Service</u>
2019-2020	1,153,888	816,637	918,362	242,500	393,063	346,950	\$3,871,400
2020-2021	554,725	789,863	903,063	233,900	382,463	346,950	\$3,210,964
2021-2022	530,000	0	887,763	221,450	371,863	1,090,625	\$3,101,701
2022-2023	510,000	0	872,463	216,200	361,263	1,058,750	\$3,018,676
2023-2024		0	90,250	207,050	350,663	1,699,900	\$2,347,863
2024-2025		0	850,250		345,363	967,100	\$2,162,713
2025-2026		0	71,250		339,400	1,619,200	\$2,029,850
2026-2027		0	71,250		331,450	1,562,400	\$1,965,100
2027-2028		0	71,250		318,500	1,510,500	\$1,900,250
2028-2029		0	831,250		310,700	757,700	\$1,899,650
2029-2030		0	808,450		302,900	724,200	\$1,835,550
2030-2031			784,700		295,100		\$1,079,800
2031-2032					286,650		\$286,650
2032-2033					278,200		\$278,200
2033-2034					269,100		\$269,100
Total	\$2,748,613	\$1,606,500	\$7,160,301	\$1,121,100	\$4,936,678	\$11,684,275	\$29,257,467