

# Finance Committee Meeting

October 23, 2023



# Meeting Agenda

1. Introductions
2. L-S Debt Profile Review, Projections and Recommendations – Olivia Atlasik (Raymond James)
3. 2022-23 Preliminary Budget Outcome
4. 2023-24 Projected Budget Outcome
5. 2024-25 Budget Discussion
6. Policy Review
7. Items from the Committee

# Lampeter-Strasburg School District

## Raymond James Public Finance

October 23, 2023



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**RAYMOND JAMES**

# GENERAL OBLIGATION BOND DEBT PROFILE – GROSS DEBT SERVICE

PUBLIC FINANCE

	(1)	(2)	(3)	(4)	(5)
	Fiscal Year Ending	G.O. Note Series of 2017	G.O. Bond Series of 2021	G.O. Bonds Series of 2022	Total Gross Debt Service
<b>Gross Debt Service</b> <i>(Prior to State Reimbursement)</i>	6/30/2024	632,117	1,514,562	684,750	2,831,429
	6/30/2025	628,260	1,520,781	684,600	2,833,640
	6/30/2026	629,161	1,516,667	684,450	2,830,278
	6/30/2027	624,701	1,522,353	684,300	2,831,354
	6/30/2028	0	2,107,706	684,150	2,791,856
	6/30/2029	0	0	1,909,000	1,909,000
	6/30/2030	0	0	1,912,500	1,912,500
	6/30/2031	0	0	1,912,750	1,912,750
	6/30/2032	0	0	1,909,750	1,909,750
	6/30/2033	0	0	1,908,500	1,908,500
	6/30/2034	0	0	1,908,750	1,908,750
	6/30/2035	0	0	1,910,250	1,910,250
	6/30/2036	0	0	1,912,750	1,912,750
	6/30/2037	0	0	1,911,000	1,911,000
	<b>TOTALS</b>		<b>2,514,239</b>	<b>8,182,068</b>	<b>20,617,500</b>

<b>Issue Details</b>	Principal Outstanding <sup>[1]</sup> :	\$2,370,000	\$7,850,000	\$13,605,000	<b>\$23,825,000</b>
	Purpose:	CR 2011, NM	NM	NM	
	Call Date:	3/1/2023	Anytime	3/1/2030	
	Abritrage Yield:	2.41%	1.33%	3.28%	
	Reimb %:	11.24%	0.00%	0.00%	
	23/24 CARF%	41.76%	41.76%	41.76%	
	School Share:	95.31%	100.00%	100.00%	
	State Share:	4.69%	0.00%	0.00%	

**Purpose Codes: NM = New Money CR = Current Refunding**

[1] Outstanding principal as of October 18, 2023

# GENERAL OBLIGATION BOND DEBT PROFILE – NET DEBT SERVICE

PUBLIC FINANCE

	(6)	(7)	(8)	(9)	(10)
	Fiscal Year Ended	G.O. Note Series of 2017	G.O. Bond Series of 2021	G.O. Bonds Series of 2022	Total Net Debt Service
<b>Net Debt Service (After State Reimbursement)</b>	6/30/2024	602,447	1,514,562	684,750	2,801,759
	6/30/2025	598,770	1,520,781	684,600	2,804,151
	6/30/2026	599,629	1,516,667	684,450	2,800,746
	6/30/2027	595,379	1,522,353	684,300	2,802,031
	6/30/2028	0	2,107,706	684,150	2,791,856
	6/30/2029	0	0	1,909,000	1,909,000
	6/30/2030	0	0	1,912,500	1,912,500
	6/30/2031	0	0	1,912,750	1,912,750
	6/30/2032	0	0	1,909,750	1,909,750
	6/30/2033	0	0	1,908,500	1,908,500
	6/30/2034	0	0	1,908,750	1,908,750
	6/30/2035	0	0	1,910,250	1,910,250
	6/30/2036	0	0	1,912,750	1,912,750
	6/30/2037	0	0	1,911,000	1,911,000
	<b>TOTALS</b>		<b>2,396,225</b>	<b>8,182,068</b>	<b>20,617,500</b>

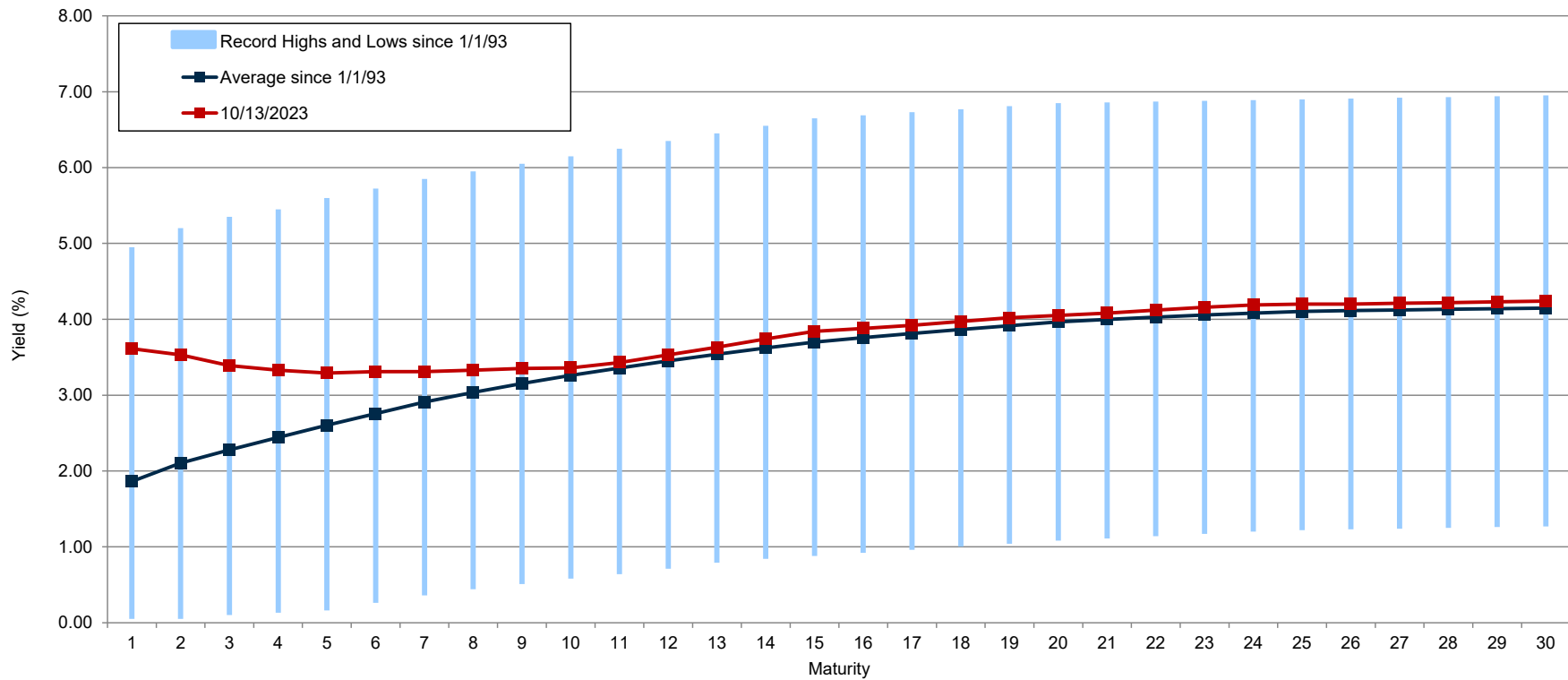
<b>Issue Details</b>	Principal Outstanding <sup>[1]</sup> :	\$2,370,000	\$7,850,000	\$13,605,000	<b>\$23,825,000</b>
	Purpose:	CR 2011, NM	NM	NM	
	Call Date:	3/1/2023	Anytime	3/1/2030	
	Abrirage Yield:	2.41%	1.33%	3.28%	
	Reimb %:	11.24%	0.00%	0.00%	
	23/24 CARF%	41.76%	41.76%	41.76%	
	School Share:	95.31%	100.00%	100.00%	
	State Share:	4.69%	0.00%	0.00%	

**Purpose Codes: NM = New Money CR = Current Refunding**

[1] Outstanding principal as of October 18, 2023

# HISTORICAL AAA MMD RATES

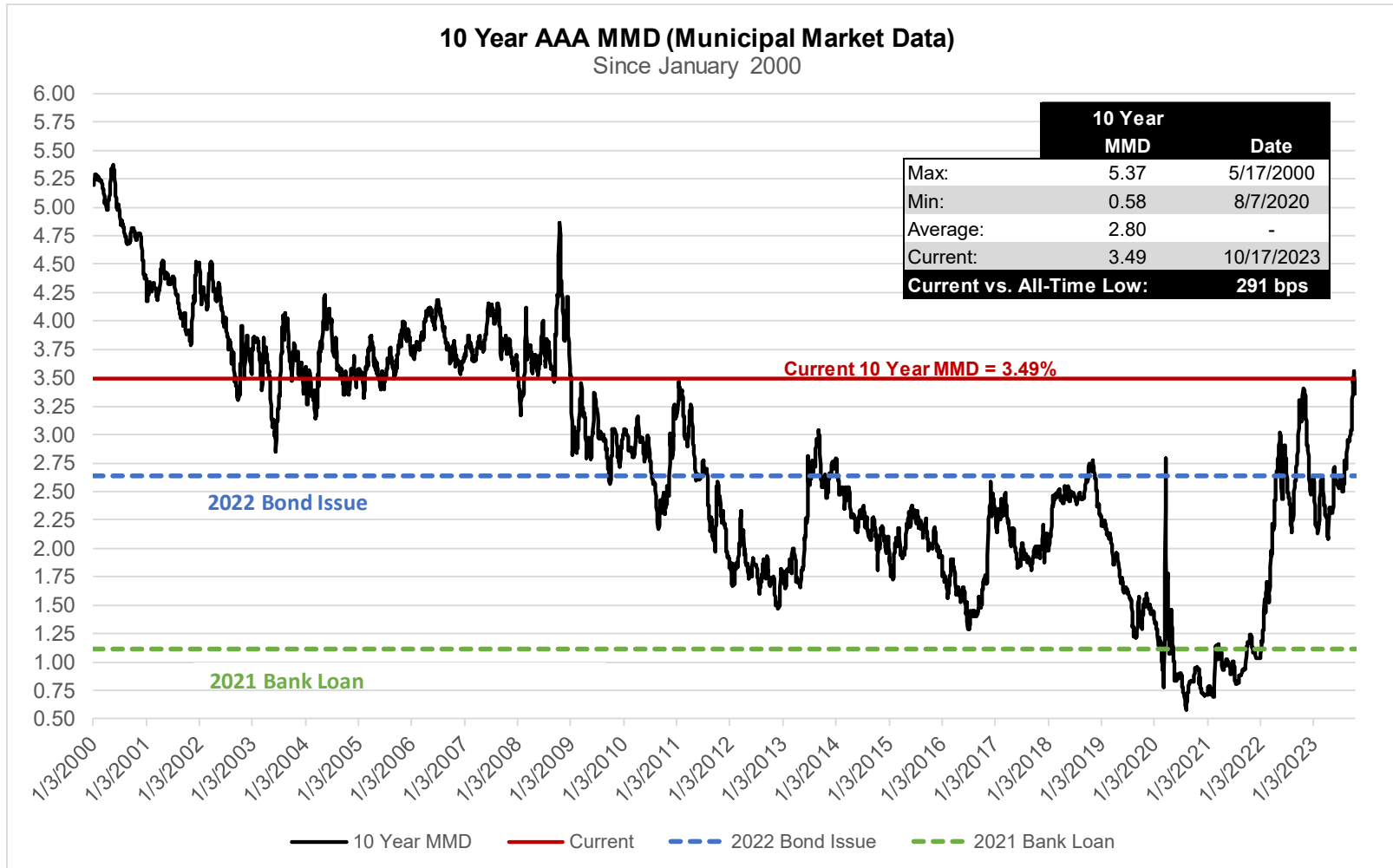
- The graph below shows the range between the record highs and lows of AAA MMD at each maturity since 1993, along with average rates over this time frame and the current rates.



	1	5	10	15	20	25	30
Record Low since 1/1/93	0.05	0.16	0.58	0.88	1.08	1.22	1.27
Record High since 1/1/93	4.95	5.60	6.15	6.65	6.85	6.90	6.95
Average since 1/1/93	1.87	2.60	3.26	3.70	3.96	4.10	4.15
Current (10/13/23)	3.61	3.29	3.36	3.84	4.05	4.20	4.24

**MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.**

Interest Rate History (2000 - YTD)



# STUDY #1: IMMEDIATE CAPITAL NEEDS BORROWING AS NEEDED

## \$68M FOR MARTIN MEYLIN MS & HANS HERR ES

1	2	3	4	5	6	7	8	9	10	11
		Martin Meylin	Hans Herr							
Fiscal Year Ending June 30	Total Net Outstanding D/S	PROPOSED Series of 2024 \$40,000,000 Project Fund Net D/S	PROPOSED Series of 2026 \$28,000,000 Project Fund Net D/S	Less: Interest Earnings/SD Reserves	Total Net D/S	Value of 1 Mil	New Mills Required	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)
2023	2,647,302				2,647,302	2,254,151	0.000	2.48	5,580,480	2,933,178
2024	2,801,759				2,801,759	2,272,184	0.050	2.53	5,738,733	2,936,975
2025	2,804,151	1,695,424			4,499,575	2,290,362	0.000	2.53	5,784,643	1,285,068
2026	2,800,746	1,930,650			4,731,396	2,308,685	0.000	2.53	5,830,920	1,099,524
2027	2,802,031	1,930,500	1,333,208	188,171	5,877,568	2,327,154	0.000	2.53	5,877,567	(0)
2028	2,791,856	1,930,350	1,386,800	184,418	5,924,588	2,345,771	0.000	2.53	5,924,588	0
2029	1,909,000	2,775,200	1,426,650	138,865	5,971,985	2,364,537	0.000	2.53	5,971,985	(0)
2030	1,912,500	2,769,700	1,425,300	87,739	6,019,761	2,383,454	0.000	2.53	6,019,761	(0)
2031	1,912,750	2,771,200	1,423,950	39,981	6,067,919	2,402,521	0.000	2.53	6,067,919	(0)
2032	1,909,750	2,775,450	1,426,700		6,111,900	2,421,742	0.000	2.53	6,116,462	4,562
2033	1,908,500	2,772,200	1,429,200		6,109,900	2,441,115	0.000	2.53	6,165,394	55,494
2034	1,908,750	2,776,700	1,431,450		6,116,900	2,460,644	0.000	2.53	6,214,717	97,817
2035	1,910,250	2,773,450	1,428,450		6,112,150	2,480,330	0.000	2.53	6,264,435	152,285
2036	1,912,750	2,767,700	1,430,450		6,110,900	2,500,172	0.000	2.53	6,314,550	203,650
2037	1,911,000	2,769,450	1,427,200		6,107,650	2,520,174	0.000	2.53	6,365,066	257,416
2038		4,683,200	1,428,950		6,112,150	2,540,335	0.000	2.53	6,415,987	303,837
2039		4,683,200	1,425,450		6,108,650	2,560,658	0.000	2.53	6,467,315	358,665
2040		4,685,200	1,421,950		6,107,150	2,581,143	0.000	2.53	6,519,053	411,903
2041		4,683,700	1,423,450		6,107,150	2,601,792	0.000	2.53	6,571,206	464,056
2042		4,683,450	1,424,700		6,108,150	2,622,606	0.000	2.53	6,623,775	515,625
2043		4,683,950	1,425,700		6,109,650	2,643,587	0.000	2.53	6,676,766	567,116
2044		4,684,700	1,426,450		6,111,150	2,664,736	0.000	2.53	6,730,180	619,030
2045		4,685,200	1,426,950		6,112,150	2,686,054	0.000	2.53	6,784,021	671,871
2046			6,107,200		6,107,200	2,707,542	0.000	2.53	6,838,293	731,093
2047			6,111,000		6,111,000	2,729,203	0.000	2.53	6,893,000	782,000
2048			6,112,000		6,112,000	2,751,036	0.000	2.53	6,948,144	836,144
2049			6,110,000		6,110,000	2,773,045	0.000	2.53	7,003,729	893,729
2050			6,109,800		6,109,800	2,795,229	0.000	2.53	7,059,759	949,959
2051			6,111,000		6,111,000	2,817,591	0.000	2.53	7,116,237	1,005,237
2052					-	2,840,131	0.000	2.53	7,173,167	7,173,167
2053					-	2,862,852	0.000	2.53	7,230,552	7,230,552
2054					-	2,885,755	0.000	2.53	7,288,396	7,288,396
2055					-	2,908,841	0.000	2.53	7,346,704	7,346,704
<b>TOTAL</b>	<b>33,843,094</b>	<b>69,910,574</b>	<b>63,633,958</b>	<b>639,174</b>	<b>166,748,452</b>		<b>0.050</b>			

(2) Annual Net Debt Service for Series of 2017 Notes, 2021 Bonds, and 2022 Bonds.

(3) Proposed Series of 2024, \$39,765,000 New Money Dated April 15, 2024. Current rates. Local Effort 100%. Produces \$40MM for project.

(4) Proposed Series of 2026, \$32,860,000 New Money Dated March 15, 2026. Current rates. Local Effort 100%. Produces \$28MM for project.

(7) FY 2022-23 mill is worth \$2,254,151 and grows at a rate of .80% a year per the administration as of October 2022.

(9) Mills in place for prior debt.



# STUDY #2: LONG-TERM CAPITAL NEEDS BORROWING AS NEEDED

## \$92M FOR MARTIN MEYLIN MS, HANS HERR ES, HIGH SCHOOL, AND REMAINING PROJECTS

	1	2	3	4	5	6	7	8	9	10	11	12
			Martin Meylin	Hans Herr	HS/Remaining Projects							
Fiscal Year Ending June 30	Total Net Outstanding D/S	PROPOSED Series of 2024 \$40,000,000 Project Fund Net D/S	PROPOSED Series of 2026 \$28,000,000 Project Fund Net D/S	PROPOSED Series of 2028 \$24,000,000 Project Fund Net D/S	Less: Interest Earnings/SD Reserves	Total Net D/S	Value of 1 Mil	New Mills Required	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)	
2023	2,647,302					2,647,302	2,254,151	0.000	2.48	5,580,480	2,933,178	
2024	2,801,759					2,801,759	2,272,184	0.050	2.53	5,738,733	2,936,975	
2025	2,804,151	1,695,424				4,499,575	2,290,362	0.100	2.63	6,013,679	1,514,104	
2026	2,800,746	1,930,650				4,731,396	2,308,685	0.100	2.73	6,292,657	1,561,261	
2027	2,802,031	1,930,500	1,333,208			6,065,739	2,327,154	0.100	2.83	6,575,714	509,975	
2028	2,791,856	1,930,350	1,386,800			6,109,006	2,345,771	0.100	2.93	6,862,896	753,891	
2029	1,909,000	2,775,200	1,426,650		1,165,398	358,448	6,917,800	2,364,537	0.000	2.93	6,917,800	0
2030	1,912,500	2,769,700	1,425,300		1,212,200	346,558	6,973,142	2,383,454	0.000	2.93	6,973,142	0
2031	1,912,750	2,771,200	1,423,950		1,212,050	291,023	7,028,927	2,402,521	0.000	2.93	7,028,927	0
2032	1,909,750	2,775,450	1,426,700		1,211,900	238,641	7,085,159	2,421,742	0.000	2.93	7,085,159	(0)
2033	1,908,500	2,772,200	1,429,200		1,211,750	179,810	7,141,840	2,441,115	0.000	2.93	7,141,840	(0)
2034	1,908,750	2,776,700	1,431,450		1,211,500	129,425	7,198,975	2,460,644	0.000	2.93	7,198,975	(0)
2035	1,910,250	2,773,450	1,428,450		1,211,250	66,834	7,256,566	2,480,330	0.000	2.93	7,256,566	0
2036	1,912,750	2,767,700	1,430,450		1,211,000	7,281	7,314,619	2,500,172	0.000	2.93	7,314,619	(0)
2037	1,911,000	2,769,450	1,427,200		1,210,750		7,318,400	2,520,174	0.000	2.93	7,373,136	54,736
2038		4,683,200	1,428,950		1,210,500		7,322,650	2,540,335	0.000	2.93	7,432,121	109,471
2039		4,683,200	1,425,450		1,210,250		7,318,900	2,560,658	0.000	2.93	7,491,578	172,678
2040		4,685,200	1,421,950		1,215,000		7,322,150	2,581,143	0.000	2.93	7,551,511	229,361
2041		4,683,700	1,423,450		1,214,500		7,321,650	2,601,792	0.000	2.93	7,611,923	290,273
2042		4,683,450	1,424,700		1,214,000		7,322,150	2,622,606	0.000	2.93	7,672,818	350,668
2043		4,683,950	1,425,700		1,208,500		7,318,150	2,643,587	0.000	2.93	7,734,201	416,051
2044		4,684,700	1,426,450		1,208,250		7,319,400	2,664,736	0.000	2.93	7,796,074	476,674
2045		4,685,200	1,426,950		1,208,000		7,320,150	2,686,054	0.000	2.93	7,858,443	538,293
2046			6,107,200		1,212,750		7,319,950	2,707,542	0.000	2.93	7,921,310	601,360
2047			6,111,000		1,207,250		7,318,250	2,729,203	0.000	2.93	7,984,681	666,431
2048			6,112,000		1,207,000		7,319,000	2,751,036	0.000	2.93	8,048,558	729,558
2049			6,110,000		1,211,800		7,321,800	2,773,045	0.000	2.93	8,112,947	791,147
2050			6,109,800		1,211,400		7,321,200	2,795,229	0.000	2.93	8,177,850	856,650
2051			6,111,000		1,206,000		7,317,000	2,817,591	0.000	2.93	8,243,273	926,273
2052					7,320,800		7,320,800	2,840,131	0.000	2.93	8,309,219	988,419
2053					7,321,000		7,321,000	2,862,852	0.000	2.93	8,375,693	1,054,693
2054					7,317,750		7,317,750	2,885,755	0.000	2.93	8,442,699	1,124,949
2055					6,378,750		6,378,750	2,908,841	0.000	2.93	8,510,240	2,131,490
<b>TOTAL</b>	<b>33,843,094</b>	<b>69,910,574</b>	<b>63,633,958</b>	<b>56,141,298</b>	<b>1,618,020</b>	<b>221,910,903</b>		<b>0.450</b>				

(2) Annual Net Debt Service for Series of 2017 Notes, 2021 Bonds, and 2022 Bonds.

(3) Proposed Series of 2024, \$39,765,000 New Money Dated April 15, 2024. Current rates. Local Effort 100%. Produces \$40MM for project.

(4) Proposed Series of 2026, \$32,860,000 New Money Dated March 15, 2026. Current rates. Local Effort 100%. Produces \$28MM for project.

(5) Proposed Series of 2028, \$25,385,000 New Money Dated March 15, 2028. Current rates. Local Effort 100%. Produces \$24MM for project.

(8) FY 2022-23 mill is worth \$2,254,151 and grows at a rate of .80% a year per the administration as of October 2022.

(10) Mills in place for prior debt.

- U. S. Treasury yields oscillated this past week, falling on geopolitical concerns and reduced prospects for additional Fed tightening, before rising in response to firmer economic data and week demand for 30yr U.S. Treasury auction.
- Fed speakers have recently noted that the tightening impact of a higher for longer policy warrants a more cautious approach, however the strong September CPI data kept another hike in play for November or later.
- Markets will be attuned to Fed Chair Powell’s October 19<sup>th</sup> speech to assess the likelihood of a November hike.
- In the near term, as geopolitical risks widen the range of outcomes, markets will be guided by the events in Israel.
- U.S. Treasury yield retreated as the UST 10yr snapped a strong on five consecutive weekly gains.
- The 10 yr closed at a 4.61%, remaining the highest since 2007 and well above the low of 3.29% in April.

Key Interest Rates

	This Week 10/13/2023	Last Week 10/6/2023	Last Month 9/13/2023	Last Year 10/13/2022
Federal Funds Rate	5.50	5.50	5.50	3.25
Prime Rate	8.50	8.50	8.50	6.25
Treasury - 2 yr	5.05	5.08	4.97	4.46
Treasury - 10 yr	4.61	4.80	4.25	3.94
10-Year AAA MMD*	3.36	3.56	3.00	3.15
30-Year AAA MMD*	4.24	4.45	3.94	3.76

\* Represents the benchmark yield for high grade municipal issues, based on a natural "AAA" rated general obligation bond issue. "AAA" MMD is the benchmark for pricing of all tax-exempt municipal issues.

Fed’s Dot Plot After September 2023 Meeting



# STUDY #3: LONG-TERM CAPITAL IN FOUR EQUAL BORROWINGS \$92M FOR MARTIN MEYLIN MS, HANS HERR ES, HIGH SCHOOL, AND REMAINING PROJECTS

PUBLIC FINANCE

	1	2	3	4	5	6	7	8	9	10	11	12	13
			Martin Meylin		Hans Herr	HS/Remaining Projects							
Fiscal Year Ending June 30	Total Net Outstanding D/S	PROPOSED Series of 2024 \$23,000,000 Project Fund Net D/S	PROPOSED Series of 2025 \$23,000,000 Project Fund Net D/S	PROPOSED Series of 2026 \$23,000,000 Project Fund Net D/S	PROPOSED Series of 2028 \$23,000,000 Project Fund Net D/S	Less: Interest Earnings/SD Reserves	Total Net D/S	Value of 1 Mil	New Mills Required	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)	
2023	2,647,302						2,647,302	2,254,151	0.000	2.48	5,580,480	2,933,178	
2024	2,801,759						2,801,759	2,272,184	0.050	2.53	5,738,733	2,936,975	
2025	2,804,151	1,079,378					3,883,529	2,290,362	0.100	2.63	6,013,679	2,130,150	
2026	2,800,746	1,122,700	1,082,406				5,005,851	2,308,685	0.100	2.73	6,292,657	1,286,806	
2027	2,802,031	1,122,550	1,125,850	1,101,099			6,151,530	2,327,154	0.100	2.83	6,575,714	424,183	
2028	2,791,856	1,122,400	1,125,700	1,145,300			6,185,256	2,345,771	0.100	2.93	6,862,896	677,641	
2029	1,909,000	1,417,250	1,350,550	1,255,150	1,092,593	106,744	6,917,799	2,364,537	0.000	2.93	6,917,800	0	
2030	1,912,500	1,413,250	1,348,650	1,256,700	1,371,450	329,408	6,973,142	2,383,454	0.000	2.93	6,973,142	0	
2031	1,912,750	1,413,000	1,346,600	1,258,100	1,369,250	270,773	7,028,927	2,402,521	0.000	2.93	7,028,927	0	
2032	1,909,750	1,417,000	1,349,600	1,254,350	1,371,900	217,441	7,085,159	2,421,742	0.000	2.93	7,085,159	(0)	
2033	1,908,500	1,415,000	1,351,850	1,258,100	1,369,250	160,860	7,141,840	2,441,115	0.000	2.93	7,141,840	(0)	
2034	1,908,750	1,417,250	1,348,350	1,256,350	1,371,250	102,975	7,198,975	2,460,644	0.000	2.93	7,198,975	(0)	
2035	1,910,250	1,413,500	1,349,350	1,259,350	1,367,500	43,384	7,256,566	2,480,330	0.000	2.93	7,256,566	0	
2036	1,912,750	1,414,000	1,349,600	1,256,850	1,368,250		7,301,450	2,500,172	0.000	2.93	7,314,619	13,169	
2037	1,911,000	1,413,500	1,349,100	1,259,100	1,368,250		7,300,950	2,520,174	0.000	2.93	7,373,136	72,186	
2038		3,327,000	1,347,850	1,255,850	1,372,500		7,303,200	2,540,335	0.000	2.93	7,432,121	128,921	
2039		3,323,750	1,350,850	1,257,350	1,370,750		7,302,700	2,560,658	0.000	2.93	7,491,578	188,878	
2040		3,324,750	1,347,850	1,258,350	1,368,250		7,299,200	2,581,143	0.000	2.93	7,551,511	252,311	
2041		3,324,500	1,349,100	1,258,850	1,370,000		7,302,450	2,601,792	0.000	2.93	7,611,923	309,473	
2042		3,327,750	1,349,350	1,253,850	1,370,750		7,301,700	2,622,606	0.000	2.93	7,672,818	371,118	
2043		3,324,000	1,348,600	1,258,600	1,370,500		7,301,700	2,643,587	0.000	2.93	7,734,201	432,501	
2044		3,323,250	1,351,850	1,257,600	1,369,250		7,301,950	2,664,736	0.000	2.93	7,796,074	494,124	
2045			4,673,850	1,261,100	1,367,000		7,301,950	2,686,054	0.000	2.93	7,858,443	556,493	
2046			4,673,600	1,258,850	1,368,750		7,301,200	2,707,542	0.000	2.93	7,921,310	620,110	
2047			4,673,800	1,261,100	1,364,250		7,299,150	2,729,203	0.000	2.93	7,984,681	685,531	
2048			4,672,600	1,260,300	1,368,750		7,301,650	2,751,036	0.000	2.93	8,048,558	746,908	
2049			4,674,800	1,259,100	1,367,150		7,301,050	2,773,045	0.000	2.93	8,112,947	811,897	
2050				5,932,500	1,369,750		7,302,250	2,795,229	0.000	2.93	8,177,850	875,600	
2051				5,933,500	1,366,350		7,299,850	2,817,591	0.000	2.93	8,243,273	943,423	
2052				5,931,500	1,372,150		7,303,650	2,840,131	0.000	2.93	8,309,219	1,005,569	
2053				5,932,500	1,366,750		7,299,250	2,862,852	0.000	2.93	8,375,693	1,076,443	
2054					7,304,000		7,304,000	2,885,755	0.000	2.93	8,442,699	1,138,699	
2055					7,302,750		7,302,750	2,908,841	0.000	2.93	8,510,240	1,207,490	
<b>TOTAL</b>	<b>33,843,094</b>	<b>40,455,778</b>	<b>48,291,706</b>	<b>52,391,349</b>	<b>48,559,343</b>	<b>1,231,585</b>	<b>222,309,685</b>		<b>0.450</b>				

- (2) Annual Net Debt Service for Series of 2017 Notes, 2021 Bonds, and 2022 Bonds.
- (3) Proposed Series of 2024, \$22,485,000 New Money Dated March 15, 2024. Current rates. Local Effort 100%. Produces \$23MM for project.
- (4) Proposed Series of 2025, \$26,005,000 New Money Dated March 15, 2025. Current rates. Local Effort 100%. Produces \$23MM for project.
- (5) Proposed Series of 2026, \$25,115,000 New Money Dated March 15, 2026. Current rates. Local Effort 100%. Produces \$23MM for project.
- (5) Proposed Series of 2028, \$23,515,000 New Money Dated March 15, 2028. Current rates. Local Effort 100%. Produces \$23MM for project.
- (9) FY 2022-23 mill is worth \$2,254,151 and grows at a rate of .80% a year per the administration as of October 2022.
- (11) Mills in place for prior debt.

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

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# 2022-23 Preliminary Budget Outcome

- The General Fund had a positive change in fund balance in the amount of \$2,638,540 as of June 30, 2023.
  - The General Fund had an ending fund balance of \$12,451,368 as follows:

➤ Non-Spendable – Inventories, Prepaid Expense	\$ 164,477
➤ Assigned for Retirement	\$ 1,111,500
➤ Assigned for Technology	\$ 32,005
➤ Assigned for Assessment Appeals	\$ 171,710
➤ Assigned for Capital Expenditures	\$ 5,922,643
➤ Unassigned Fund Balance	\$ 5,049,033
  - Capital Reserve Fund had a balance of \$4,830,277 as of June 30, 2023.
  - Capital Projects Fund had a balance of \$11,630,150 as of June 30, 2023.
- The 2022-23 Financial Statements were presented at the Board Workshop on October 16, 2023, and will be on the agenda to accept at the Board Meeting on November 6, 2023.

# 2022-23 Preliminary Budget Outcome

## Revenue Differences

<b>REVENUE</b>	<b>2022-23 Budget</b>	<b>2022-23 Actual</b>	<b>\$ Variance</b>	<b>% Variance</b>
Real Estate Taxes	37,727,636	38,054,485	326,849	0.87
Earned Income Taxes	3,620,000	3,955,766	335,766	9.28
Transfer Taxes	525,000	744,247	219,247	41.76
Delinquent Taxes	500,000	482,823	(17,177)	(3.44)
Interest Income	120,000	516,392	396,392	330.33
Gains (Losses) on Investments	(175,000)	(296,292)	(121,292)	69.31
IDEA & Access Revenue	547,733	844,185	296,452	54.12
Other Local Revenue	165,500	342,079	176,579	106.69
Basic Education Subsidy	4,555,000	5,038,655	483,655	10.62
Special Education Subsidy	1,550,000	1,644,171	94,171	6.08
State Share of Social Security & Retirement	5,102,283	5,057,040	(45,243)	(0.89)
Transportation Subsidy	753,870	742,134	(11,736)	(1.56)
PlanCon Subsidy	59,600	60,224	624	1.05
Property Tax Relief	797,840	797,840	-	0.00
Equipment Grant	-	13,217	13,217	n/a
Other State Revenue	456,120	486,743	30,623	6.71
Federal Revenue - Title I, II, IV	601,800	817,287	215,487	35.81
Federal Revenue - ESSER	593,880	2,316,998	1,723,118	290.15
Other Federal Revenue	-	-	-	n/a
<b>TOTAL REVENUE</b>	<b>57,501,262</b>	<b>61,617,994</b>	<b>4,116,732</b>	<b>7.16</b>

# 2022-23 Preliminary Budget Outcome

## Expenditure Differences

<b>EXPENDITURES</b>	<b>2022-23 Budget</b>	<b>2022-23 Actual</b>	<b>\$ Variance</b>	<b>% Variance</b>
Salaries	23,763,033	23,419,111	(343,922)	(1.45)
Social Security & Retirement	9,986,573	9,842,807	(143,766)	(1.44)
Health Benefits	6,292,660	5,729,424	(563,236)	(8.95)
Tuition Reimbursement	236,475	188,739	(47,736)	(20.19)
Employer Share 403(b) - Retirements	157,500	104,178	(53,322)	(33.86)
Life Insurance	31,837	29,231	(2,607)	(8.19)
Unemployment	10,000	-	(10,000)	(100.00)
Workers' Comp	169,407	161,839	(7,568)	(4.47)
Special Education Contracts & Tuition	3,040,192	3,096,358	56,166	1.85
Cyber & Charter School Tuition (includes LLVS)	1,360,702	1,146,021	(214,681)	(15.78)
CTC Tuition & Bond Payment	698,608	707,555	8,947	1.28
Instructional & Administrative Allocations	761,063	750,916	(10,147)	(1.33)
Technology Allocation	740,600	710,680	(29,920)	(4.04)
Transportation Allocation	1,557,565	1,647,862	90,297	5.80
Custodial & Maintenance Allocation	567,491	635,767	68,276	12.03
Utilities	521,000	612,049	91,049	17.48
Athletics & Music Allocations	256,226	293,712	37,486	14.63
Debt Service	2,148,757	2,676,902	528,145	24.58
Transfer to Other Funds	3,431,723	2,903,578	(528,145)	(15.39)
Federal Programs - Title I, II, IV	601,800	894,005	292,205	48.56
Federal Programs - ESSER	593,881	2,381,442	1,787,561	301.00
Budgetary Reserve	480,000	-	(480,000)	(100.00)
Balance of Other Expenditures	894,875	1,047,280	152,405	17.03
<b>TOTAL EXPENDITURES</b>	<b>58,301,968</b>	<b>58,979,454</b>	<b>677,487</b>	<b>1.16</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(800,706)</b>	<b>2,638,540</b>		

# District Demographics

For 2023, 91.8% of the District's taxable properties are residential, which represents 73.1% of the taxable assessed value.

LAND USE TYPE	TAXABLE		EXEMPT		TOTAL	
	#	\$	#	\$	#	\$
Residential	7,355	1,660,396,600	96	9,647,000	7,451	1,670,043,600
Commercial - Retail	274	210,070,300	25	5,690,400	299	215,760,700
Other	386	399,784,600	103	145,506,600	489	545,291,200
<b>TOTAL</b>	<b>8,015</b>	<b>2,270,251,500</b>	<b>224</b>	<b>160,844,000</b>	<b>8,239</b>	<b>2,431,095,500</b>

Pennsylvania Farmland and Forest Land Assessment Act (Act 319 – Clean and Green) is a state law that generally allows land parcels which are 10 acres or more in size and are devoted to agricultural or forestland use, to be assessed at value for that use rather than Fair Market Value. The intent of the act is to encourage property owners to retain their land in agricultural or forestland use, and to provide some tax relief to landowners.

MUNICIPALITY	LOTS	MARKET VALUE	ACT 319 VALUE	DIFFERENCE
West Lampeter Twp	127	103,742,400	39,289,100	64,453,300
Strasburg Boro	4	966,900	81,100	885,800
Strasburg Twp	246	191,524,600	73,836,200	117,688,400
Lancaster City Annex	1	236,600	9,200	227,400
<b>TOTAL</b>	<b>378</b>	<b>296,470,500</b>	<b>113,215,600</b>	<b>183,254,900</b>
			<i>Tax Implication</i>	<i>3,291,789</i>



# Fund Balance Summary

As of June 30, 2023

Description	Fund Balance	
General Fund	12,451,368	
Capital Reserve	4,830,277	
Capital Projects	11,630,150	
Activity Fund - Lampeter Elementary	13,531	
Activity Fund - Hans Herr	8,206	
Activity Fund - Martin Meylin	42,162	
Activity Fund - High School	139,296	
Trust Fund (Scholarships)	182,211	
Cafeteria / Food Service	579,531	*
School Age Child Care (SACC)	400,512	*
Internal Service Fund (Healthcare)	2,096,733	*
* Fund Balance Before Audit Adjustments		

# 2023-24 Projected Budget Outcome

# 2023-24 Projected Budget Outcome

## Comparison of Budget to Projected

Account Type	2023-24 Budget	2023-24 Projected	\$ Difference	% Variance to Budget
<b>Total Fund Balance - Beginning</b>	11,831,967	12,286,891	454,924	3.84
<b>Revenue</b>				
Local	45,059,443	45,304,454	245,011	0.54
State	14,093,201	14,501,385	408,184	2.90
Federal	1,112,666	1,323,514	210,848	18.95
<i>Gain / Loss on Investments *</i>	<i>(135,000)</i>	<i>(135,000)</i>	-	0.00
<b>Total Revenue</b>	60,130,310	60,994,353	864,043	1.44
<b>Expenditures</b>				
Expenditures	54,214,876	54,442,748	227,872	0.42
<i>Budgetary Reserve *</i>	<i>480,000</i>	-	<i>(480,000)</i>	<i>(100.00)</i>
Debt Service	2,831,429	2,831,429	-	0.00
Transfer to Capital Reserve	2,865,096	2,865,096	-	0.00
<b>Total Expenditures and Transfers</b>	60,391,401	60,139,273	<i>(252,128)</i>	<i>(0.42)</i>
<b>Operating Balance</b>	<i>(261,091)</i>	855,080		
<b>Adjusted Operating Balance *</b>	353,909	990,080		
<b>Total Fund Balance - Ending</b>	11,570,876	13,141,971		
<b>Assigned for Retirement</b>	1,111,500	1,111,500		
<b>Assigned for Lost Appeals</b>	78,710	78,710		
<b>Assigned for Technology</b>	32,005	32,005		
<b>Assigned for Capital Expenditures</b>	5,922,643	5,922,643		
<b>Unassigned Fund Balance</b>	4,426,018	5,997,113		
<b>Total Fund Balance</b>	11,570,876	13,141,971		

# 2023-24 Projected Budget Outcome

## Revenue Differences

Account Type	2023-24 Budget	2023-24 Projected	\$ Variance to Budget	% Variance to Budget	Comments
Real Estate and Interim Taxes	38,841,302	38,945,219	103,917	0.27	Slightly Higher Assessment than Budgeted
Earned Income Taxes	4,017,000	4,017,000	-	0.00	
Delinquent Taxes	500,000	500,000	-	0.00	
Transfer Taxes	575,000	575,000	-	0.00	
Interest Earnings	250,000	350,000	100,000	40.00	
Gain / Loss on Investments	(135,000)	(135,000)	-	0.00	Based on Current Market Valuation
Intermediate Sources	665,641	715,218	49,577	7.45	
Other Local Revenue	210,500	202,017	(8,483)	(4.03)	
Basic Education Subsidy	5,100,000	5,482,270	382,270	7.50	Projected Subsidy from PDE
Special Education Subsidy	1,600,000	1,673,000	73,000	4.56	Projected Subsidy from PDE
Vocational Education Subsidy	80,000	95,000	15,000	18.75	
Transportation Subsidy	779,000	765,000	(14,000)	(1.80)	
Property Tax Relief Funds	810,423	810,423	-	0.00	
Social Security and Retirement Subsidies	5,176,521	5,115,869	(60,652)	(1.17)	
PlanCon Subsidy	59,670	59,670	-	0.00	
Other State Subsidies	487,587	500,153	12,566	2.58	
Federal Revenue - Title, ESSER	1,112,666	1,323,514	210,848	18.95	
<b>Total</b>	<b>60,130,310</b>	<b>60,994,353</b>	<b>864,043</b>	<b>1.44</b>	

# 2023-24 Projected Budget Outcome

## Expenditure Differences

Account Type	2023-24 Budget	2023-24 Projected	\$ Variance to Budget	% Variance to Budget	Comments
Salaries					
Professional	20,249,143	20,202,244	(46,899)	(0.23)	Administrative and Teaching Staff
Salary Exempt & Support	5,311,807	5,347,844	36,037	0.68	
Total Salaries	25,560,950	25,550,088	(10,862)	(0.04)	
Benefits					
Social Security	1,884,924	1,885,356	432	0.02	Tied to Wages
Retirement	8,453,597	8,399,688	(53,909)	(0.64)	Tied to Wages, Adjust for Non-PSERS Eligible
Medical Benefits	5,992,396	6,037,981	45,585	0.76	2% Increase in Claims from 22/23
Other Benefits	653,780	632,365	(21,415)	(3.28)	Workers Comp Adjustment
Total Benefits	16,984,697	16,955,390	(29,307)	(0.17)	
Purchased Professional Services	3,481,736	3,691,473	209,737	6.02	Additional Special Education Services
Purchased Property Services	781,261	786,872	5,611	0.72	
Other Purchased Services	4,697,244	4,807,227	109,983	2.34	Additional Special Education Placements Offset by Reduction in Charter School Enrollment
Supplies	2,050,428	1,991,808	(58,620)	(2.86)	Updated Utility Projection
Equipment	602,420	602,420	-	-	
Dues & Memberships	56,140	57,470	1,330	2.37	
Debt - Interest & Principal	2,831,429	2,831,429	-	-	
Transfer to Food Service	-	-	-	-	
Transfer to Capital Reserve	2,865,096	2,865,096	-	-	
Budgetary Reserve	480,000	-	(480,000)	(100.00)	
<b>Total All Expenditures:</b>	<b>60,391,401</b>	<b>60,139,273</b>	<b>(252,128)</b>	<b>(0.42)</b>	

# 2024-25 General Fund Budget

# 2024-25 Budget Schedule

- The Pennsylvania Department of Education (PDE) has provided the Act 1 base index, adjusted index and budget timeline for the 2024-25 Fiscal Year.
  - The 2024-25 base and adjusted index for Lampeter-Strasburg School District is 5.3%.
- Important dates on the timeline are:
  - January 2, 2024: the deadline to adopt a Resolution indicating that the district will not raise the rate of tax by more than its adjusted index OR date by which 2024-25 Proposed Preliminary Budget must be available for public inspection. This is the last anticipated Board Meeting date prior to Commonwealth deadline of January 4, 2024.
  - January 15, 2024: the deadline to adopt a 2024-25 Preliminary Budget (only if a Resolution has not been adopted). This is the last anticipated Board Workshop date prior to Commonwealth deadline of January 24, 2024.
  - May 6, 2024: the deadline to adopt a 2024-25 Proposed Final Budget (30 days in advance of adopting Final Budget). This is the last anticipated Board Meeting date prior to Commonwealth deadline of May 31, 2024.
  - June 10, 2024: the deadline to adopt a 2024-25 Final Budget. This is the last anticipated Board Meeting date prior to Commonwealth deadline of June 30, 2024.

# 2024-25 General Fund Budget Assumptions

- 4.25% increase to total wages (matches CBA)
- Retirement Rate – estimated 34.73% (increase from 2023-24 rate of 34.00%)
- Capital Reserve transfer budgeted at net Debt Service level
- 5% increase in medical claims offset by change in employer HSA contributions and increased Working Spouse deductions
- Sale of Strasburg Elementary at end of 2023
- Opening of Early Childhood Kindergarten Center for 2024/25
  
- Millage Rate increased by Act 1 index of 5.3%
  - Maintained historical assumptions for 2024-25 (growth rate of 0.64%, collection rate 97%)
  - Difference in revenue of \$1,234,094 if Millage Rate increase is 2.2%
- Earned Income Tax returning to historical growth
- State Subsidies increasing by 2%
- Federal ESSER funding ending in 2023/24



# 2024-25 Budget

## 5.3% Millage Increase (Act 1 Index)

Account Type	2023-24 Budget	2023-24 Projected	2024-25 Proposed	Difference	% Change
<b>Total Fund Balance - Beginning</b>	11,831,967	12,286,891	13,141,971	855,080	6.96
<b>Revenue</b>					
Local	45,059,443	45,304,454	47,792,581	2,488,127	5.49
State	14,093,201	14,501,385	14,992,846	491,461	3.39
Federal	1,112,666	1,323,514	554,095	(769,419)	(58.13)
<i>Gain / Loss on Investments *</i>	<i>(135,000)</i>	<i>(135,000)</i>	<i>(135,000)</i>	-	0.00
<b>Total Revenue</b>	60,130,310	60,994,353	63,204,522	2,210,169	3.62
<b>Expenditures</b>					
Expenditures	54,214,876	54,442,748	57,078,125	2,635,377	4.84
<i>Budgetary Reserve *</i>	<i>480,000</i>	-	<i>480,000</i>	<i>480,000</i>	-
Debt Service	2,831,429	2,831,429	2,833,640	2,211	0.08
Transfer to Capital Reserve	2,865,096	2,865,096	2,746,729	(118,367)	(4.13)
<b>Total Expenditures and Transfers</b>	60,391,401	60,139,273	63,138,494	2,999,221	4.99
<b>Operating Balance</b>	(261,091)	855,080	66,028		
<b>Adjusted Operating Balance *</b>	353,909	990,080	681,028		
<b>Total Fund Balance - Ending</b>	11,570,876	13,141,971	13,207,999		
<b>Assigned for Retirement</b>	1,111,500	1,111,500	1,111,500		
<b>Assigned for Lost Appeals</b>	78,710	78,710	78,710		
<b>Assigned for Technology</b>	32,005	32,005	32,005		
<b>Assigned for Capital Expenditures</b>	5,922,643	5,922,643	5,922,643		
<b>Unassigned Fund Balance</b>	4,426,018	5,997,113	6,063,141		
<b>Total Fund Balance</b>	11,570,876	13,141,971	13,207,999		
<b>% of Unassigned Fund Balance to Total Expenditures</b>	7.33%	9.97%	9.60%		
<b>2.5% Millage Increase</b>		<b>Operating Balance</b>	(1,048,602)	<i>Difference of \$1,114,630</i>	
		<b>Adjusted Operating Balance*</b>	(433,602)		



# Policy Review

- Policy 601 – Fiscal Objectives
  - 601-AR-0 Fiscal Management Standards
  - 601-AR-1 Annual Financial Report
- Policy 602 – Budget Planning
  - 602-AR-0 Budget Planning
  - 602-AR-1 Needs Assessment
- Policy 603 – Budget Preparation
  - 603-AR-0 Budget Preparation
- Policy 604 – Budget Adoption
  - 604-AR-0 Annual Budget Report
  - 604-AR-1 Budget Resolution
- Policy 626 – Federal Fiscal Compliance
  - Attachments:
    - Allowability of Costs – Federal Programs
    - Cash Management – Federal Programs
    - Administration of Federal Funds
    - Procurement – Federal Programs
    - Grant Subrecipient Monitoring Procedures – Federal Programs

# Next Steps

- Items from the Committee
- Next Steps (using historical Board dates):
  - Act 1 Resolution – November 6, 2023\*
  - May 6 Board Meeting – Proposed Final Budget
  - June 10 Board Meeting – Final Budget
  - Next Committee Meeting Dates:
    - February 12, 2024
    - April 8, 2024
    - October 28, 2024