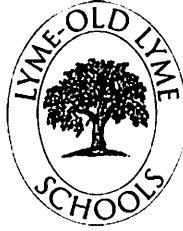


# LYME-OLD LYME SCHOOLS

*Regional School District #18*

*A Private School Experience*



*in a Public School Setting*

## **Special Board of Education Meeting**

February 7, 2024

*Board Present:* Jason Kemp, Chair; Anna James, Vice Chair; Christopher Staab, Treasurer; Martha Shoemaker, Secretary; Scott Brown; Laura Dean-Frazier; Susan Fogliano; Gavin Lodge; Alexander Lowry

*Administration Present:* Ian Neviaser, Superintendent of Schools; Mark Ambruso, Principal of Lyme-Old Lyme Middle School; Michelle Dean, Director of Curriculum; Melissa Dougherty, Director of Special Services; Kelly Enoch, Principal of Mile Creek School; Allison Hine, Principal of Lyme Consolidated School; Ron Turner, Director of Facilities & Technology; Noah Ventola, Assistant Principal of Lyme-Old Lyme Middle School; James Wygonik, Principal of Lyme-Old Lyme High School

*Others Present:* Heather Saia, RETA CO-President; Chloe Datum and Ada LaConti, Student Representatives; Emilia Otte, *Connecticut Examiner*

The meeting was called to order by Chairman Jason Kemp at 6:30 p.m. The purpose of the meeting was to hold a public forum on the proposed 2024-2025 budget. The Pledge of Allegiance was recited.

Mr. Neviaser gave a PowerPoint presentation on the 2024-2025 budget which reflected a proposed budget figure of \$36,067,881 a 0.62% increase from the current year's budget.

Reporting highlights included: goals to be served by the budget; overall budget summary breakdown; budget drivers (increases/decreases); historical perspective of budget increases/decreases; budget increases of local school districts; a reflection of the key areas of the budget; and proposed facilities projects.

Based on a suggestion by Mr. Staab at a previous meeting, Mr. Neviaser presented the following considerations regarding debt service in order to offset the high increase in debt service expected in the 2025-2026 budget by possibly including some debt service/monies in the 2024-2025 budget:

***49 Lyme Street, Old Lyme, Connecticut 06371***

***T: 860-434-7238 F: 860-434-9959 E: [neviaseri@region18.org](mailto:neviaseri@region18.org) [www.region18.org](http://www.region18.org)***

- We will not have a final total cost of bonding until we receive final estimates and approve actual bids. Therefore, all costs are currently **estimated** costs.
- Reduces future budget increases by reducing total debt.
- Reduces total debt service as it lowers the total amount borrowed by paying cash up front.
- Increases 2024-2025 budget.
- Lowers year over year percentage increase.
- Payoff of the 2015 bonds does not count against the authorization amount for the PK-8 project.
- Cash amounts used to reduce borrowing amounts does count against the authorization amount for the PK-8 project.
- One goal is to reduce possible double digit increase in the 2025-2026 budget (approximately maximum of \$4.4 million increase in debt service).
- Rates are currently high so it is expected that refunding of future bonds will occur sometime over the course of the bonding schedule.
- The callable bonds that are considered to be paid off in these scenarios both are at a 3% interest rate.

<b>OPTION 4</b>	<b>Amount Added to 2024-2025 Budget</b>	<b>2024-2025 Budget Increase</b>	<b>Total Debt Service (23 years)</b>	<b>Total Savings Versus Option 4 With No Change</b>	<b>Savings on 2025-2026 Budget (\$4,109,667)</b>
B (cash)	\$674,000	2.5%	\$72,529,768	\$321,175	\$74,100
C (cash)	\$763,000	2.75%	\$72,397,643	\$364,300	\$84,000
D (cash)	\$853,000	3.0%	\$72,265,018	\$406,925	\$95,025
E (bond payoff)	\$670,850	2.5%	\$72,955,193	<b>-\$101,100</b>	\$265,000
F (bond payoff plus \$95K cash)	\$763,000	2.75%	\$72,817,011	<b>-\$55,068</b>	\$268,457
G (bond payoff plus \$185K cash)	\$853,000	3.0%	\$72,681,836	<b>-\$9,893</b>	\$279,407

<b>OPTION 1</b>	<b>Amount Added to 2024-2025 Budget</b>	<b>2024-2025 Budget Increase</b>	<b>Total Debt Service (24 years)</b>	<b>Total Savings Versus Option 1 With No Change</b>	<b>Savings on 2025-2026 Budget (\$4,469,449)</b>
B (cash)	\$674,000	2.5%	\$72,041,260	\$321,175	\$74,100
C (cash)	\$763,000	2.75%	\$71,909,135	\$364,300	\$84,000
D (cash)	\$853,000	3.0%	\$71,776,510	\$406,925	\$95,025
E (bond payoff)	\$670,850	2.5%	\$72,466,685	<b>-\$101,100</b>	\$265,000
F (bond payoff plus \$95K cash)	\$763,000	2.75%	\$72,328,502	<b>-\$55,068</b>	\$268,457

G (bond payoff plus \$185K cash)	\$853,000	3.0%	\$72,193,327	<b>-\$9,893</b>	\$279,407
----------------------------------	-----------	------	--------------	-----------------	-----------

<b>OPTION 2</b>	<b>Amount Added to 2024-2025 Budget</b>	<b>2024-2025 Budget Increase</b>	<b>Total Debt Service (23 years)</b>	<b>Total Savings Versus Option 2 With No Change</b>	<b>Savings on 2025-2026 Budget (\$2,250,532)</b>
B (cash)	\$675,000	2.51%	\$74,025,894	\$321,225	\$75,150
C (cash)	\$765,000	2.76%	\$73,892,719	\$364,400	\$86,100
D (cash)	\$855,000	3.01%	\$73,760,094	\$407,025	\$97,125
E (bond payoff)	\$670,850	2.5%	\$74,452,369	<b>-\$101,100</b>	\$265,000
F (bond payoff plus \$95K cash)	\$765,850	2.76%	\$74,311,194	<b>-\$54,925</b>	\$271,450
G (bond payoff plus \$185K cash)	\$855,850	3.01%	\$74,176,019	<b>-\$9,750</b>	\$282,400

<b>OPTION 3</b>	<b>Amount Added to 2024-2025 Budget</b>	<b>2024-2025 Budget Increase</b>	<b>Total Debt Service (24 years)</b>	<b>Total Savings Versus Option 3 With No Change</b>	<b>Savings on 2025-2026 Budget (\$1,258,616)</b>
B (cash)	\$675,000	2.51%	\$79,298,640	\$396,188	\$33,657
C (cash)	\$765,000	2.76%	\$79,155,065	\$449,763	\$38,144
D (cash)	\$855,000	3.01%	\$79,012,490	\$502,338	\$42,632
E (bond payoff)	\$670,850	2.5%	\$79,800,077	<b>-\$101,100</b>	\$265,000
F (bond payoff plus \$95K cash)	\$765,850	2.76%	\$79,648,262	<b>-\$44,285</b>	\$269,737
G (bond payoff plus \$185K cash)	\$855,850	3.01%	\$79,502,687	<b>-\$11,290</b>	\$274,225

The Board discussed adding money to the 2024-2025 budget to offset the cost of the PreK-8 borrowing amount, its affect on the 2024-2025 budget increase, and savings to the 2025-2026 budget. Mr. Neviaser reported that Option 2 was found to be the most reasonable choice over time after discussion with the Lyme and Old Lyme Boards of Finance members who agreed with this selection in light of the low budget increase (0.62%) of the 2024-2025 budget. The Board discussed the importance of reduction of borrowing costs and its effect on future budgets' debt service. It was noted that the towns were planning for a higher percent increase for 2024-2025 (4.75%). There was Board consensus to move forward with Option 2 which included monies to pay for some costs of the building project up front and thus reduce the borrowing amount (bringing 2024-2025 increase to 3% increase over the current year's budget).

A copy of this presentation is attached to these minutes for informational purposes.

The meeting was opened up for questions and comments from the Board of Ed and the public.

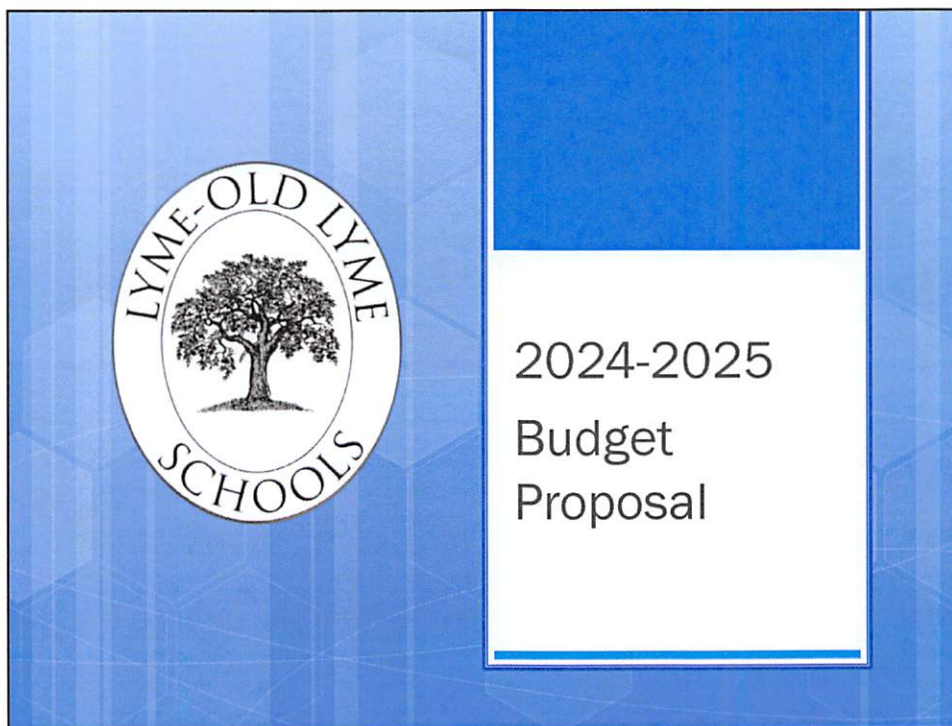
Kim Thompson, a member of the Board of Finance, noted the importance of the Lyme-Old Lyme distribution of students via the average of the October and April 1 enrollment population when the towns are planning their budgets.

There being no further comments or questions, the special meeting adjourned at 7:04 p.m. upon motion by Mr. Staab and a second by Mr. Lodge.

Respectfully submitted,

Martha Shoemaker, Secretary





### **Goals to be Served by the Budget**

To support the objectives outlined in the Strategic Plan by:

- Preserving and building upon the high standards of education in LOL while remaining fiscally responsible to our communities.
- Supporting the ongoing renewal of curriculum, instruction, assessment, and staff development activities in response to the expectations of state and national standards.
- Continuing to plan and provide technology infrastructure and applications that are consistent with highly effective and efficient programming and operational standards.
- Maintaining high facility standards for all district buildings and grounds.
- Maintaining a dynamic and responsive approach to programming needs and mandates in special education.
- Maintaining both compliance and reasonability in response to state and federal mandates.

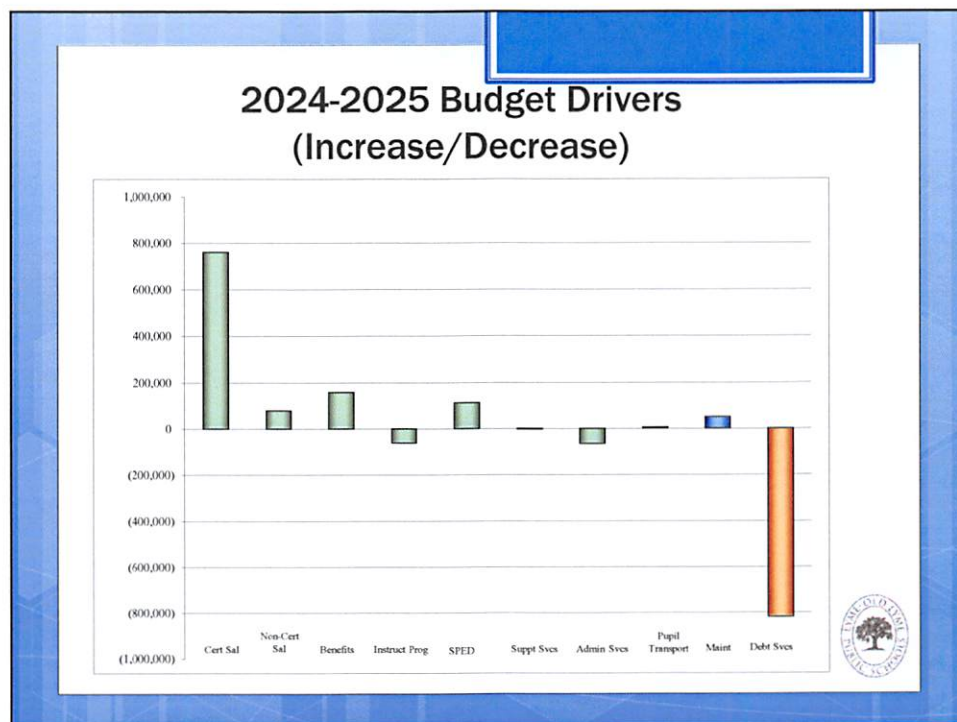
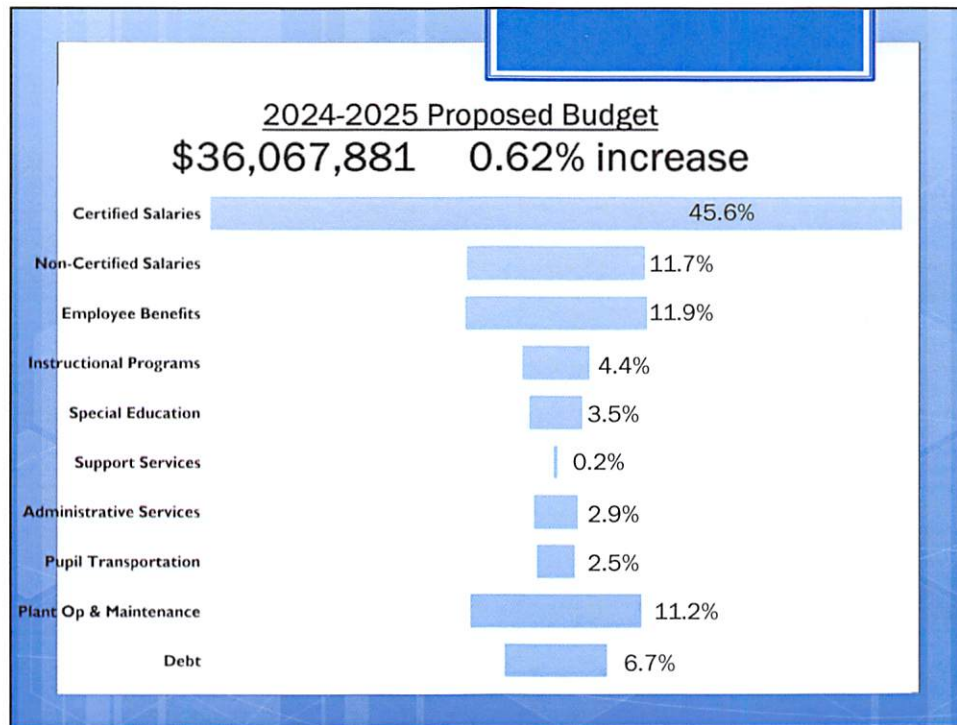
## What is a budget?

- **Sec. 10-222. Appropriations and budget.** Each local board of education shall prepare **an itemized estimate** of the cost of maintenance of public schools for the ensuing year and shall submit such **estimate** to the board of finance in each town or city having a board of finance, to the board of selectmen in each town having no board of finance or otherwise to the authority making appropriations for the school district, not later than two months preceding the annual meeting at which appropriations are to be made.
- **A BUDGET IS NOT ONLY A PLAN, IT IS A STATEMENT OF VALUES AND PRIORITIES**



## Overall Budget Summary

	22-23 Actuals	23-24 Budget	24-25 Budget	\$ Increase or (Decrease)	% Inc or (Dec) by Line Item
Certified Salaries	15,384,794	15,588,415	16,349,160	760,745	4.88%
Non-certified Salaries	3,865,648	4,108,877	4,188,967	80,090	1.95%
Employee Benefits	3,854,810	4,114,462	4,274,244	159,782	3.88%
Instructional Programs	1,296,326	1,647,801	1,586,694	(61,107)	(3.71)%
Special Education	732,988	1,124,665	1,238,752	114,087	10.14%
Support Services	68,769	80,232	78,298	(1,934)	(2.41)%
Administrative Services	894,170	1,092,238	1,026,921	(65,317)	(5.98)%
Pupil Transportation	650,432	878,441	883,269	4,828	0.55%
Plant Op & Maintenance	4,067,515	3,979,901	4,030,574	50,673	1.27%
<b>OPERATING BUDGET</b>	<b>30,815,452</b>	<b>32,615,032</b>	<b>33,656,879</b>	<b>1,041,847</b>	<b>3.19%</b>
Debt Service	2,963,163	3,229,313	2,411,002	(818,311)	(25.34)%
<b>TOTAL BUDGET</b>	<b>\$33,778,615</b>	<b>\$35,844,345</b>	<b>\$36,067,881</b>	<b>\$223,536</b>	<b>0.62%</b>





### Historical Perspective

2019-2020	\$35,084,758	
2020-2021	\$34,711,631	-1.06
2021-2022	\$34,874,548	+0.47
2022-2023	\$34,830,464	-0.13
2023-2024	\$35,844,345	2.91
2024-2025	\$36,067,881	0.62

2019-2020	\$35,084,758
2024-2025	\$36,067,881
	+\$983,123

That is an average annual increase over five years of \$196,624 or 0.5% per year

### Comparisons

- Old Saybrook 3.38%
- Guilford 5.47%
- Madison 4.44%
- Waterford 5.99%
- Westbrook 5.32%
- East Lyme 6.08%

All others 4+... many 6, 7, 8



## The operations/program budget reflects:

- Continued adherence to class size guidelines
- Addition/ reduction of staff to account for enrollment shifts
- Continuance of existing academic and extracurricular activities
- Adjustments for anticipated changes in the special education population
- Adequate funding for maintenance and repair of buildings and grounds
- Scheduled replacement of technology and equipment
- Program improvements that are consistent with high academic and operational standards



## Facilities Proposed Projects

Capital Projects	2024 – 2025
Replace Main Campus Generator	\$150,000
Increase Middle School Exterior Lighting	\$40,000
High School Gym Sound System	\$30,000
Middle School Auditorium Carpet	\$23,500
Repaint Lyme School Exterior	\$22,750
Middle School Stage Floor Refinish	\$20,000
Repair Lyme School Rear Entry Ramp	\$19,000
<b>Project Totals</b>	<b>\$305,250</b>

## Debt Service Reduction

Options 1 & 4

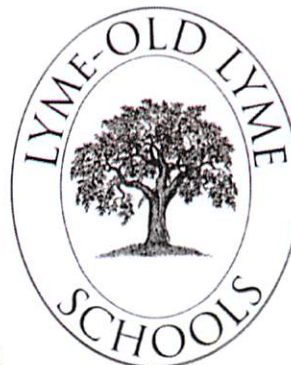
### Considerations

- Reduces future budget increases by reducing total debt
- Reduces total debt service as it lowers the total amount borrowed by paying cash upfront
- Increases 2024-2025 budget
- Lowers year over year percentage increase
- Pay-off of the 2015 Bonds does not count against the authorization amount for the PK-8 project
- Cash amounts used to reduce borrowing amounts does count against the authorization amount for the PK-8 project
- One goal is to reduce possible double digit increase in the 2025-2026 budget (approx. \$4.1 million increase in debt service)
- Rates are currently high so it is expected that refunding of future bonds will occur sometime over the next 20+ years.
- The callable bonds that are considered to be paid off in these scenarios both are at a 3% interest rate.



Option 4	Amount Added To 2024-2025 Budget	2024-2025 Budget Increase	Total Debt Service (23 years)	Total Savings Versus Option 4 With No Change	Savings on 2025-2026 budget
B (Cash)	\$674,000	2.5%	\$72,529,768	\$321,175	\$74,100
C (Cash)	\$763,000	2.75%	\$72,397,643	\$364,300	\$84,000
D (Cash)	\$853,000	3.0%	\$72,265,018	\$406,925	\$95,025
E (bond payoff)	\$670,850	2.5%	\$72,955,193	-\$101,100	\$265,000
F (bond payoff plus \$95K cash)	\$763,000	2.75%	\$72,817,011	-\$55,068	\$268,457
G (bond payoff plus \$185K cash)	\$853,000	3.0%	\$72,681,836	-\$9,893	\$279,407

Option 1	Amount Added To 2024-2025 Budget	2024-2025 Budget Increase	Total Debt Service (24 years)	Total Savings Versus Option 1 With No Change	Savings on 2025-2026 budget
B (Cash)	\$674,000	2.5%	\$72,041,260	\$321,175	\$74,100
C (Cash)	\$763,000	2.75%	\$71,909,135	\$364,300	\$84,000
D (Cash)	\$853,000	3.0%	\$71,776,510	\$406,925	\$95,025
E (bond payoff)	\$670,850	2.5%	\$72,466,685	-\$101,100	\$265,000
F (bond payoff plus \$95K cash)	\$763,000	2.75%	\$72,328,502	-\$55,068	\$268,457
G (bond payoff plus \$185K cash)	\$853,000	3.0%	\$72,193,327	-\$9,893	\$279,407



## What's next?

- Opportunity for public comment
- Board action on the proposed budget