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TOWN OF FARMINGTON

FINANCIAL FORECAST WITH \$105M BOND ISSUE

(20 YEARS)

FY 22/23-FY 32/33

NOTE: The following report and forecasts were prepared by the Town of Farmington Finance Department using historical data and certain financial assumptions. This forecast is a planning document and is updated on an ongoing basis as needed.

The following financial assumptions were made for this financial forecast:

Expenditures

Education: 3.20% increase each year

Town: 3.0% increase each year

BOE Pensions: Contributions to the BOE Defined Benefit Employee Retirement Plan are projected to increase on average 15% per year over the next ten years.

Debt Service: Existing and future debt based on the Town's seven-year Capital Improvement Plan (CIP). Please note: This includes \$2.2M per year to address issues in the [K-8 Code Analysis and Building & Grounds Survey](#) (also known as the Friar Report). This Report provides recommendations for determining school-based and system renovations, as well as prioritizing capital improvement projects. Farmington Public Schools has taken a strategic-project based approach for the recommendations in the K-8 Code Analysis and Building & Grounds Survey.

H.S. Issue of 2022 (\$40.0): In February 2022, \$37.2M in 20-year bonds were issued for the Farmington High School Project. The bonds were sold at a net interest rate of 2.38%.

\$65.0 Bond Issue: The remaining debt for the Farmington High School Building Project is anticipated to be sold in three separate bonds issues. The timing, amount, and duration of each issue will be determined as the project progresses, economic conditions, and cash needs.

Anticipated Date of Issue	Amount	Assumed Interest Rate	Term of Bond
April 2023	\$23M	4.15%	20 years
April 2024	\$25M	4.25%	20 years
April 2025	\$17M	4.25%	20 years

View the [debt services schedules for the three bond issues.](#)

Capital Improvements: The financial forecast uses the Seven-Year Capital Improvement Plan that is included in the [FY 2022- 2023 Adopted Budget](#) which was approved at referendum on April 28, 2022.

Grand List

Real Estate: Projected to increase by .61% per year; Revaluations are built into fiscal years 2023/2024, 2027/2028 and 2031/2032. Projection is based on a 10-year rolling average.

Personal Property: Projected to increase by 2.5% per year. Projection is based on a 10-year rolling average.

Motor Vehicles: Projected to increase by 1.1% per year. Projection is based on a 10-year rolling average.

Revenues: The non-property tax revenues changes in the financial forecast are based on a 10-year rolling average.

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TAX AND BUDGET WORKSHEET
FINANCIAL FORECAST WITH \$105 MILLION BOND ISSUE (20 YEARS)

			FY22/23	FY23/24	FY24/25	FY25/26
			Adopted	Projected	Projected	Projected
			Budget	Budget	Budget	Budget
EXPENDITURES						
Education			74,448,257	76,815,712	79,258,451	81,778,870
Town			33,380,320	34,391,744	35,433,814	36,507,458
BOE Pensions			250,000	325,000	402,500	482,060
Debt Service (non high school)			6,928,772	7,204,709	7,387,913	7,976,989
H.S. Issue of 2022 (\$40.0)			2,377,884	2,318,046	2,225,076	2,905,777
Additional HS Issues (\$65.0)				1,885,000	3,945,750	5,259,125
Capital Improvements			3,881,000	3,631,656	3,741,233	3,889,535
	Total		121,266,233	126,571,866	132,394,736	138,799,814
GRAND LIST						
Real Estate			3,248,094,596	3,302,012,966	3,322,155,245	3,342,420,392
Personal Property			233,594,145	239,504,077	245,563,530	251,776,287
Motor Vehicles			315,511,580	319,139,963	322,810,073	326,522,389
	Total		3,797,200,321	3,860,657,006	3,890,528,848	3,920,719,068
REVENUES						
Other Property Taxes			1,405,000	1,433,100	1,461,762	1,490,997
Licenses and Permits			781,500	808,853	833,118	859,778
Fines and Penalties			15,000	16,000	16,000	16,000
Interest			150,000	300,000	275,000	225,000
Grants			6,459,586	6,581,672	6,706,066	6,832,810
Service Charges			1,514,308	1,550,651	1,567,984	1,605,616
Other			772,126	768,964	765,800	762,637
Westwoods Contribution			320,000	320,000	320,000	320,000
Fund Balance			-	-	-	-
	Total		11,417,520	11,779,240	11,945,730	12,112,838
TAX & MILL RATE						
Tax Levy		\$	110,984,713	\$ 115,542,626	\$ 121,199,006	\$ 127,436,976
Mill Rate			29.32	30.04	31.27	32.62
Mill Rate Change			0.52	0.72	1.23	1.36
% Change			1.80%	2.45%	4.09%	4.34%
Avg Residential Assessment		\$	226,777	\$ 232,632	\$ 232,632	\$ 232,632
Real Estate Taxes		\$	6,649.10	\$ 6,988.12	\$ 7,273.94	\$ 7,589.43
Dollar Increase			117.29	339.02	285.82	315.49
Percent Increase			1.80%	5.10%	4.09%	4.34%
Increase Due to High School Project				258.41	115.95	117.09
Debt to Budget			7.7%	9.0%	10.2%	11.6%

TAX AND BUDGET WORKSHEET
FINANCIAL FORECAST WITH \$105 MILLION BOND ISSUE (20 YEARS)

			FY26/27	FY27/28	FY28/29	FY29/20
			Projected	Projected	Projected	Projected
			Budget	Budget	Budget	Budget
EXPENDITURES						
Education			84,379,438	87,062,704	89,831,298	92,687,933
Town			37,613,634	38,753,327	39,927,553	41,137,358
BOE Pensions			563,060	634,060	705,060	776,060
Debt Service (non high school)			7,730,153	8,273,417	8,027,327	7,964,359
H.S. Issue of 2022 (\$40.0)			2,812,807	2,719,837	2,626,867	2,533,897
Additional HS Issues (\$65.0)			5,407,625	5,581,125	5,662,625	5,511,125
Capital Improvements			3,992,973	4,123,300	4,233,543	4,352,988
	Total		142,499,690	147,147,771	151,014,274	154,963,721
GRAND LIST						
Real Estate			3,362,809,157	3,419,976,912	3,440,838,772	3,461,827,888
Personal Property			258,146,227	264,677,327	271,373,663	278,239,417
Motor Vehicles			330,277,396	334,075,586	337,917,455	341,803,506
	Total		3,951,232,780	4,018,729,825	4,050,129,890	4,081,870,811
REVENUES						
Other Property Taxes			1,520,817	1,551,234	1,582,258	1,613,903
Licenses and Permits			889,870	921,016	953,251	986,615
Fines and Penalties			17,500	18,500	18,500	18,500
Interest			200,000	175,000	175,000	150,000
Grants			6,961,951	7,093,531	7,227,599	7,364,201
Service Charges			1,644,150	1,683,610	1,724,017	1,765,393
Other			759,473	756,310	753,146	749,983
Westwoods Contribution			320,000	320,000	320,000	320,000
Fund Balance			-	-	-	-
	Total		12,313,761	12,519,200	12,753,771	12,968,595
TAX & MILL RATE						
Tax Levy		\$	130,935,929	\$ 135,378,571	\$ 139,010,503	\$ 142,745,126
Mill Rate			33.26	33.81	34.45	35.10
Mill Rate Change			0.64	0.55	0.64	0.65
% Change			1.95%	1.66%	1.89%	1.89%
Avg Residential Assessment		\$	232,632	\$ 238,587	\$ 238,587	\$ 238,587
Real Estate Taxes		\$	7,737.59	\$ 8,067.11	\$ 8,219.31	\$ 8,374.50
Dollar Increase			148.16	329.52	152.20	155.19
Percent Increase			1.95%	4.26%	1.89%	1.89%
Increase Due to High School F			-0.68	8.74	-4.72	-18.35
Debt to Budget			11.2%	11.3%	10.8%	10.3%

TAX AND BUDGET WORKSHEET
FINANCIAL FORECAST WITH \$105 MILLION BOND ISSUE (20 YEARS)

			FY30/31	FY31/32	FY32/33
			Projected	Projected	Projected
			Budget	Budget	Budget
EXPENDITURES					
Educational			95,635,410	98,676,616	101,814,532
Town			42,383,820	43,668,050	44,991,191
BOE Pensions			847,060	918,060	989,060
Debt Service (non high school)			7,749,177	7,494,230	7,028,445
H.S. Issue of 2022 (\$40.0)			2,459,521	2,403,739	2,347,957
Additional HS Issues (\$65.0)			5,359,625	5,208,125	5,056,625
Capital Improvements			4,472,250	4,594,821	4,715,136
	Total		158,906,862	162,963,640	166,942,946
GRAND LIST					
Real Estate			3,482,945,038	3,539,020,453	3,560,608,478
Personal Property			285,278,874	292,496,430	299,896,589
Motor Vehicles			345,734,246	349,710,190	353,731,857
	Total		4,113,958,159	4,181,227,073	4,214,236,925
REVENUES					
Other Property Taxes			1,646,181	1,679,105	1,712,687
Licenses and Permits			1,021,146	1,056,887	1,093,878
Fines and Penalties			18,500	18,500	18,500
Interest			150,000	135,000	125,000
Grants			7,503,384	7,645,198	7,789,692
Service Charges			1,807,762	1,851,149	1,895,576
Other			746,819	743,656	740,492
Westwoods Contribution			320,000	320,000	320,000
Fund Balance			-	-	
	Total		13,213,793	13,449,494	13,695,825
TAX & MILL RATE					
Tax Levy		\$	146,443,069	\$ 150,264,146	\$ 153,997,121
Mill Rate			35.73	36.07	36.68
Mill Rate Change			0.63	0.34	0.61
% Change			1.79%	0.96%	1.68%
Avg Residential Assessment		\$	238,587	\$ 242,428	\$ 242,428
Real Estate Taxes		\$	8,524.43	\$ 8,744.69	\$ 8,891.73
Dollar Increase			149.94	220.25	147.04
Percent Increase			1.79%	2.58%	1.68%
Increase Due to High School F			-16.99	-12.28	-15.57
Debt to Budget			9.8%	9.3%	8.6%