

**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.

<b>Anticipated Date of Issue</b>	<b>Amount</b>	<b>Assumed Interest Rate</b>	<b>Term of Bond</b>
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.





