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 <u>K-8 Code Analysis and Building &</u> <u>Grounds Survey</u> (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 <u>debt services schedules for the three bond issues.</u>

Capital Improvements: The financial forecast uses the Seven-Year Capital Improvement Plan that is included in the <u>FY 2022- 2023 Adopted Budget</u> 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.

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
		<u>Budget</u>	Budget	<u>Budget</u>	<u>Budget</u>
EXPENDIT	URES				
Education		74,448,257	76,815,712	79,258,451	81,778,87
Town		33,380,320	34,391,744	35,433,814	36,507,45
BOE Pensi	ons	250,000	325,000	402,500	482,06
	ce (non high scho		7,204,709	7,387,913	7,976,98
	of 2022 (\$40.0)	2,377,884	2,318,046	2,225,076	2,905,77
	HS Issues (\$65.0)		1,885,000	3,945,750	5,259,12
	provements	3,881,000	3,631,656	3,741,233	3,889,53
		, ,	, ,		
	Total	121,266,233	126,571,866	132,394,736	138,799,81
GRAND LIS	<u>ST</u>				
Deel Catato		2 240 004 505	2 202 012 055	2 222 455 245	2 242 420 20
Real Estate		3,248,094,596	3,302,012,966	3,322,155,245	3,342,420,39
Personal P		233,594,145	239,504,077	245,563,530	251,776,28
Motor Veh		315,511,580	319,139,963	322,810,073	326,522,38
	Total	3,797,200,321	3,860,657,006	3,890,528,848	3,920,719,06
		3,737,200,321	3,000,037,000	3,030,320,040	3,520,715,00
REVENUES	5				
	perty Taxes	1,405,000	1,433,100	1,461,762	1,490,99
	nd Permits	781,500	808,853	833,118	859,77
Fines and	Penalties	15,000	16,000	16,000	16,00
Interest		150,000	300,000	275,000	225,00
Grants		6,459,586	6,581,672	6,706,066	6,832,81
Service Ch	arges	1,514,308	1,550,651	1,567,984	1,605,61
Other		772,126	768,964	765,800	762,63
	ds Contribution	320,000	320,000	320,000	320,00
Fund Balar		-	-	-	
	Total	11,417,520	11,779,240	11,945,730	12,112,83
TAX & MIL	LL RATE				
Tax Levy		\$ 110,984,713	\$ 115,542,626	\$ 121,199,006	\$ 127,436,97
Mill Rate		29.32	3 115,542,626	3 121,199,000	3 127,438,97
Mill Rate C	Change	0.52	0.72	1.23	1.3
% Change		1.80%		4.09%	
Avg Reside	ential Assessment		\$ 232,632	\$ 232,632	\$ 232,63
Real Estate	e Taxes	\$ 6,649.10	\$ 6,988.12	\$ 7,273.94	\$ 7,589.4
Dollar Incr	ease	117.29	339.02	285.82	315.4
Percent In	crease	1.80%	5.10%	4.09%	4.34
Increase D	ue to High School	Project	258.41	115.95	117.
Debt to Bu	udget	7.7%	9.0%	10.2%	11.0

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

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					-		
			FY26/27	FY27/28		FY28/29	FY29/20
			Projected	Projected		Projected	Projected
			Budget	Budget		Budget	Budget
EXPENDITU	JRES						
Education			84,379,438	87,062,704	1	89,831,298	92,687,933
Town			37,613,634	38,753,32		39,927,553	41,137,358
BOE Pensio			563,060	634,060		705,060	776,060
	ce (non high			8,273,41	_	8,027,327	7,964,359
	of 2022 (\$4	-	2,812,807	2,719,837		2,626,867	2,533,897
	HS Issues (-	5,407,625	5,581,12		5,662,625	5,511,125
Capital Imp	provements		3,992,973	4,123,300)	4,233,543	4,352,988
	Total		142,499,690	147,147,772	1	151,014,274	154,963,721
	TULAI		142,499,090	147,147,77.		131,014,274	134,903,721
GRAND LIS	T				_		
GRAND LIS	<u>n</u>						
Real Estate			3,362,809,157	3,419,976,912	,	3,440,838,772	3,461,827,888
Personal P			258,146,227	264,677,32	_	271,373,663	278,239,417
Motor Veh			330,277,396	334,075,586		337,917,455	341,803,506
			000,217,000				0.12,000,000
	Total		3,951,232,780	4,018,729,825	5	4,050,129,890	4,081,870,811
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REVENUES					_		
Other Prop	erty Taxes		1,520,817	1,551,234	1	1,582,258	1,613,903
Licenses ar			889,870	921,016		953,251	986,615
Fines and F			17,500	18,500		18,500	18,500
Interest			200,000	175,000		175,000	150,000
Grants			6,961,951	7,093,532		7,227,599	7,364,201
Service Cha	arges		1,644,150	1,683,610)	1,724,017	1,765,393
Other			759,473	756,310		753,146	749,983
Westwood	s Contribut	ion	320,000	320,000)	320,000	320,000
Fund Balan	ice		-		-	-	-
	Total		12,313,761	12,519,200)	12,753,771	12,968,595
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TAX & MIL	L RATE						
Tax Levy			\$ 130,935,929	\$ 135,378,572			
Mill Rate			33.26	33.82	_	34.45	35.10
Mill Rate C	hange		0.64	0.55		0.64	0.65
% Change			1.95%	1.66	70	1.89%	1.89%
Avg Residential Assessment \$		\$ 232,632	\$ 238,58	7 \$	238,587	\$ 238,587	
Real Estate Taxes		\$ 232,032 \$ 7,737.59			,		
Dollar Increase		148.16	329.52		152.20	155.19	
Percent Inc			1.95%			1.89%	
	ue to High S	chool I				-4.72	-18.35
Debt to Bu	dget		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
EXPENDIT	URES		budget	Dudget	Buuget
Education			95,635,410	98,676,616	101,814,532
Town			42,383,820	43,668,050	44,991,191
BOE Pensio	ons		847,060	918,060	989,060
Debt Servio	ce (non high	schoo	7,749,177	7,494,230	7,028,445
	of 2022 (\$40	-	2,459,521	2,403,739	2,347,957
Additional	HS Issues (\$	65.0)	5,359,625	5,208,125	5,056,625
Capital Imp	provements		4,472,250	4,594,821	4,715,136
	Total		158,906,862	162,963,640	166,942,946
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Real Estate			3,482,945,038	3,539,020,453	
Personal P			285,278,874	292,496,430	
Motor Veh	licles		345,734,246	349,710,190	353,731,857
	Tatal		4 442 050 450	4 101 227 022	4 214 226 025
	Total		4,113,958,159	4,181,227,073	4,214,236,925
REVENUES					
IL VLINOLS	2				
Other Pror	berty Taxes		1,646,181	1,679,105	1,712,687
Licenses ar	-		1,021,146	1,056,887	
Fines and F			18,500	18,500	
Interest			150,000	135,000	
Grants			7,503,384	7,645,198	
Service Cha	arges		1,807,762	1,851,149	
Other			746,819	743,656	
Westwood	ls Contributic	n	320,000	320,000	320,000
Fund Balar	nce		-	-	
	Total		13,213,793	13,449,494	13,695,825
TAX & MIL	<u>L RATE</u>				
.			A	A 450 551 5-5	A
Tax Levy			\$ 146,443,069	\$ 150,264,146	
Mill Rate	`h.e.e.e.e		35.73	36.07	
Mill Rate C	.nange		0.63	0.34	
% Change			1.79%	0.96%	6 1.68%
Avg Residential Assessment		nent	\$ 238,587	\$ 242,428	\$ 242,428
Real Estate Taxes		\$ 238,587 \$ 8,524.43	\$ 242,428 \$ 8,744.69		
			<u>\$ 8,524.45</u> 149.94	220.25	
Dollar Increase Percent Increase			1.79%	220.23	
	ue to High Sc	hool F	-16.99	-12.2	
			10.00	12.20	
Debt to Bu	dget		9.8%	9.3%	6 8.6%