

Minutes are considered "DRAFT" until approved at next meeting.

Minutes
Farmington High School Building Committee
Financial Subcommittee
Tuesday, May 21, 2019
Town Hall Council Chambers
8:00 AM

Present:

Meg Guerrera
Michael Smith
Sharon Mazzochi
Joe Swetcky, Director of Finance
Kathy Blonski, Town Manager
Kat Krajewski, Assistant Town Manager
Vince Lafontan, School Business Administrator

A. Call to Order

The meeting was called to order at 8:02 a.m.

B. To review the FHS Facility and Financial Ad Hoc Committee recommendations.

Kat Krajewski reviewed the recommendations made by the FHS Facility and Financial Ad Hoc Committee. A copy of the recommendations is recorded with these minutes as Attachment A.

C. Presentation.

Joe Swetcky, Director of Finance, gave a presentation to the subcommittee that included a ten year debt service forecast, ten year bonding forecast, and tax and budget worksheet ten year forecast. This forecast is different than the forecast that was presented to the Ad Hoc Committee in September, as it is based on the current adopted Capital and town budget, friar report, and what has taken place since- there was a bond sale last week.

Joe Swetcky reviewed the documents with the subcommittee, beginning with the ten year bonding forecast, based off the FY 2019/2020 adopted Capital Budget and Friar Report. Vince Lafontan mentioned that deferred maintenance is included in the BOE's capital planning. A copy of the ten year bonding forecast is recorded with these minutes as Attachment B.

The Ten year debt service forecast shows the existing debt service, what has already been issued and what we are obligated to pay over the next 10 years. Each of the forecasted items assumes a standard 20 year bond issue. Also included for the projected debt service is the Town's lease obligations (including ESCO and Streetlights). A copy of the ten year debt service forecast is recorded with these minutes as Attachment C.

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The Tax and Budget Worksheet 10-year forecast was created based off of averages and is a snapshot of where we are projected to be, based of where we are now. It was assumed that:

- budgets steadily increase moving forward;
- A projection was made on grand list (considerations made for revaluation every 5 years);
- Revenues are based off of historical data;
- The debt service reflects the same numbers in the other worksheets distributed today;
- The capital is a percentage of the general fund revenues, per the Town's Capital Improvement Policy;
- BOE Pensions are determined based off our understating of the Governor's proposal to gradually increase over the next 3 years.

A copy of the Tax and Budget Worksheet 10-year forecast is recorded with these minuets as Attachment D.

The subcommittee was appreciative of the thorough forecasting and excellent financial planning done by the Town. They believe this is a proactive approach that illustrates that all scenarios were considered.

D. To discuss communication strategies.

Meg Guerrera discussed the creation of a non-numbers representation of the financial impact of a project. When it comes time for the committee to communicate a number, the number will be inserted into the equation (total project - state grant/reimbursement = net municipal cost). The tax impact on residents will also be included.

There was general discussion about the role of the financial subcommittee, and Michael Smith questioned if there was a need for this subcommittee to conduct additional financial forecasting for the high school project. The committee agreed that this could be discussed in the future, and that the charge of the FHS Building Committee is to present the options and corresponding prices to the Town Council and they will set the net municipal cost.

E. To discuss the subcommittee meeting schedule.

The committee decided that they would like to talk about the communications strategy in more detail at their next meeting. Kat will send a doodle for the next meeting date and time.

F. Adjournment

The meeting adjourned at 9:02 a.m.

Respectfully Submitted,

Kathryn Krajewski, Assistant Town Manager

FHS Facility & Financial Ad Hoc Committee Recommendations Checklist
 Financial



	Before establishing a new building committee, a project's financial impact should be evaluated by the Town Council by reviewing the long-term forecasting that was presented to the Committee	Council should have debt forecast presentation before Part II of the Charge	
	The Town Council should set the range of the net municipal cost of the project for the committee	✓ Included in charge- 3/26/19	
	In the charge of the committee, The Town Council should require periodic reports from the building committee throughout the process (including financial projections)	✓ Council will re-charge the committee (Phase II) and receive reports from 2 Town Council liaisons	
	The cost of the project should be communicated early and often	FHSBC To Complete	
	The financial information needs to be presented and communicated in a clear and consistent manner	FHSBC To Complete	
	When issuing debt for the project, consideration should be given to various financing options such as principal skips.	Finance Director to complete	

10 Year Bonding Forecast
Based on FY2019/2020 Adopted CIP and BOE Friar report

Project	Appropriation	Issue date:											Totals													
		May-19	May-20	May-21	May-22	May-23	May-24	25-May	May-26	May-27	May-28	May-29														
Rescue 15	700,000																									
Referendum	Apr-22																									
Bid	Dec-22																									
Award	Feb-23																									
Deposit	Mar-23																									
Issue							350,000		350,000					700,000												
Fire Station Renovations	9,000,000																									
Referendum	Apr-20																									
Bid	Oct-20																									
Award	Dec-20																									
Issue				2,000,000		2,500,000		2,500,000		1,500,000		500,000		9,000,000												
School Roofs	1,995,000																									
Referendum	Apr-18																									
Issue		1,220,000		177,000										1,397,000												
School Roofs	1,650,000																									
Referendum	Apr-20																									
Issue						315,000		840,000						1,155,000												
School Security & Infrastructure	1,935,000																									
Referendum	Apr-18																									
Issue		1,330,925		503,000										1,833,925												
East Farms Office Relocation	1,670,000																									
Referendum	Apr-19																									
Issue			1,500,000		170,000																					
School Mechanical	24,800,000																									
Issue			320,000		1,125,000		1,125,000		1,125,000		1,125,000		1,125,000	10,445,000												
School Structural	23,130,000																									
Issue					1,125,000		1,125,000		1,125,000		1,125,000		1,125,000	10,125,000												
Totals		4,400,000		4,250,000		6,295,000		6,940,000		7,690,000		4,850,000		4,000,000		3,750,000		3,250,000		3,250,000		3,250,000		3,250,000		51,925,000

**TOWN OF FARMINGTON
TEN YEAR DEBT SERVICE FORECAST**

Attachment C

		FY19/20 Projected Budget	FY20/21 Projected Budget	FY21/22 Projected Budget	FY22/23 Projected Budget	FY23/24 Projected Budget	FY24/25 Projected Budget
Existing Debt Service		6,346,495	5,600,722	4,628,834	2,977,186	2,931,795	2,835,720
CWF Loan # 1	33,679,242	2,044,534	2,044,534	2,044,534	2,044,534	2,044,534	2,044,534
CWF Loan # 2	14,384,000	498,867	873,195	873,195	873,195	873,195	873,195
Issue of 2020	4,250,000		344,250	337,663	331,075	324,488	317,900
Issue of 2021	6,295,000			516,190	506,118	496,046	485,974
Issue of 2022	6,940,000				572,080	560,880	549,680
Issue of 2023	7,690,000					634,425	621,929
Issue of 2024	4,850,000						401,095
Issue of 2025	4,000,000						
Issue of 2026	3,750,000						
Issue of 2027	3,250,000						
Issue of 2028	325,000						
ESCO Lease	4,821,593	81,899	84,433	87,043	89,732	92,501	95,353
Streetlight Lease	1,000,000	152,690	152,690	152,690	152,690	152,690	76,345
Issuance Cost		175,000	250,000	200,000	200,000	250,000	250,000
Totals		\$ 9,299,485	\$ 9,349,824	\$ 8,840,149	\$ 7,746,610	\$ 8,360,554	\$ 8,551,725
		\$ 991,450	\$ 50,339	\$ (509,675)	\$ (1,093,539)	\$ 613,944	\$ 191,171

**TOWN OF FARMINGTON
TEN YEAR DEBT SERVICE FORECAST**

		FY25/26	FY26/27	FY27/28	FY28/29
		Projected	Projected	Projected	Projected
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Existing Debt Service		2,744,361	1,842,504	1,814,438	1,372,044
CWF Loan # 1	33,679,242	2,044,534	2,044,534	2,044,534	2,044,534
CWF Loan # 2	14,384,000	873,195	873,195	873,195	873,195
Issue of 2020	4,250,000	311,313	304,725	298,138	291,550
Issue of 2021	6,295,000	475,902	465,830	455,758	445,686
Issue of 2022	6,940,000	538,480	527,280	516,080	504,880
Issue of 2023	7,690,000	609,433	596,936	584,440	571,944
Issue of 2024	4,850,000	393,165	385,236	377,306	369,376
Issue of 2025	4,000,000	332,000	325,400	318,800	312,200
Issue of 2026	3,750,000		312,375	306,131	299,888
Issue of 2027	3,250,000			271,375	265,931
Issue of 2028	325,000				272,025
ESCO Lease	4,821,593	98,852	103,560	106,677	109,887
Streetlight Lease	1,000,000				
Issuance Cost		250,000	250,000	250,000	250,000
Totals		\$ 8,671,235	\$ 8,031,575	\$ 8,216,872	\$ 7,983,140
		\$ 119,509	\$ (639,660)	\$ 185,297	\$ (233,732)

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST**

		FY19/20	FY20/21	FY21/22	FY22/23
		Adopted	Projected	Projected	Projected
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>EXPENDITURES</u>					
Education		67,708,605	69,753,405	71,859,958	74,030,128
Town		30,373,104	31,229,626	32,110,301	33,015,811
BOE Pensions		296,006	588,512	882,768	982,962
Debt Service		9,298,362	9,349,824	8,840,149	7,746,610
Capital Improvements		3,668,000	3,327,641	3,410,795	3,473,265
	Total	111,344,077	114,249,007	117,103,971	119,248,777
<u>GRAND LIST</u>					
Real Estate		3,200,941,250	3,222,707,651	3,244,622,063	3,266,685,493
Personal Property		233,199,367	240,195,348	247,401,208	254,823,245
Motor Vehicles		235,232,708	237,867,314	240,531,428	243,225,380
	Total	3,669,373,325	3,700,770,313	3,732,554,699	3,764,734,117
<u>REVENUES</u>					
Other Property Taxes		1,240,000	1,250,000	1,250,000	1,250,000
Licenses and Permits		645,000	655,449	666,067	676,858
Fines and Penalties		24,000	29,000	29,000	29,000
Interest		525,000	525,000	525,000	525,000
Grants		4,822,777	4,782,777	4,692,777	4,602,777
Service Charges		1,380,000	1,394,504	1,409,160	1,423,970
Other		50,000	51,500	51,500	51,500
Westwoods Contribution		335,025	325,000	325,000	325,000
		800,000	-	-	-
	Total	9,821,802	9,013,230	8,948,504	8,884,105
<u>TAX & MILL RATE</u>					
Tax Levy		\$ 102,241,250	\$ 105,943,778	\$ 108,863,467	\$ 111,072,673
Mill Rate		27.97	28.73	29.27	29.61
Mill Rate Change		0.78	0.76	0.54	0.34
% Change		2.88%	2.73%	1.88%	1.16%
Avg Residential Assessment		\$ 226,777	\$ 226,777	\$ 226,777	\$ 226,777
Real Estate Taxes		\$ 6,342.25	\$ 6,516.17	\$ 6,638.73	\$ 6,715.55
Dollar Increase		177.37	173.92	122.56	76.83
Percent Increase		2.88%	2.74%	1.88%	1.16%

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST**

		FY23/24	FY24/25	FY25/26	FY26/27
		Projected	Projected	Projected	Projected
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>EXPENDITURES</u>					
Education		76,265,838	78,569,067	80,941,852	83,386,296
Town		33,946,857	34,904,159	35,888,456	36,900,510
BOE Pensions		1,094,528	1,218,757	1,357,086	1,511,116
Debt Service		8,360,554	8,551,725	8,671,235	8,031,575
Capital Improvements		3,590,033	3,697,311	3,805,759	3,894,885
	Total	123,257,811	126,941,019	130,664,389	133,724,382
<u>GRAND LIST</u>					
Real Estate		3,321,565,809	3,344,152,456	3,366,892,693	3,389,787,563
Personal Property		262,467,942	270,341,980	278,452,240	286,805,807
Motor Vehicles		245,949,505	248,704,139	251,489,625	254,306,309
	Total	3,829,983,255	3,863,198,576	3,896,834,558	3,930,899,679
<u>REVENUES</u>					
Other Property Taxes		1,250,000	1,250,000	1,265,000	1,265,000
Licenses and Permits		687,823	698,965	710,289	721,795
Fines and Penalties		29,000	29,000	29,000	29,000
Interest		525,000	525,000	525,000	525,000
Grants		4,512,777	4,422,777	4,332,777	4,242,777
Service Charges		1,438,936	1,454,059	1,469,342	1,484,784
Other		51,500	51,500	51,500	51,500
Westwoods Contribution		320,000	320,000	320,000	320,000
		-	-	-	-
	Total	8,815,036	8,751,302	8,702,907	8,639,857
<u>TAX & MILL RATE</u>					
Tax Levy		\$ 115,150,775	\$ 118,897,717	\$ 122,669,481	\$ 125,792,526
Mill Rate		30.18	30.89	31.60	32.12
Mill Rate Change		0.56	0.71	0.70	0.52
% Change		1.91%	2.37%	2.28%	1.66%
Avg Residential Assessment		\$ 230,632	\$ 230,632	\$ 230,632	\$ 230,632
Real Estate Taxes		\$ 6,959.84	\$ 7,124.53	\$ 7,287.09	\$ 7,407.85
Dollar Increase		244.29	164.68	162.56	120.76
Percent Increase		3.64%	2.37%	2.28%	1.66%

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST**

		FY27/28 Projected Budget	FY28/29 Projected Budget
<u>EXPENDITURES</u>			
Education		85,904,563	88,498,880
Town		37,941,105	39,011,044
BOE Pensions		1,682,627	1,873,605
Debt Service		8,216,872	7,983,140
Capital Improvements		4,012,355	4,121,000
	Total	137,757,522	141,487,670
<u>GRAND LIST</u>			
Real Estate		3,412,838,119	3,470,173,799
Personal Property		295,409,981	304,272,281
Motor Vehicles		257,154,540	260,034,671
	Total	3,965,402,640	4,034,480,750
<u>REVENUES</u>			
Other Property Taxes		1,265,000	1,265,000
Licenses and Permits		733,488	745,371
Fines and Penalties		29,000	29,000
Interest		525,000	525,000
Grants		4,152,777	4,062,777
Service Charges		1,500,389	1,516,159
Other		51,500	51,500
Westwoods Contribution		320,000	320,000
		-	-
	Total	8,577,155	8,514,806
<u>TAX & MILL RATE</u>			
Tax Levy		\$ 129,888,367	\$ 133,680,863
Mill Rate		32.88	33.26
Mill Rate Change		0.76	0.38
% Change		2.36%	1.16%
Avg Residential Assessment		\$ 230,632	\$ 234,553
Real Estate Taxes		\$ 7,582.50	\$ 7,800.68
Dollar Increase		174.65	218.18
Percent Increase		2.36%	2.88%