

Minutes of the Town of Farmington
Regular Town Council Meeting
January 9, 2018

Present:

Nancy W. Nickerson, Chair
Patricia Boye-Williams
Bruce Charette
Paul Cianci
Edward Giannaros
Beth Kintner
Jon Landry

Kathy Eagen, Town Manager
Paula B. Ray, Clerk

A. Call to Order

B. Pledge of Allegiance

The Council and members of the public recited the Pledge of Allegiance.

1. To appoint an Acting Chair of the Town Council

Motion was made and seconded (Giannaros/Boye-Williams) to appoint Bruce Charette as acting Chair.

Adopted unanimously

2. To adopt the "Rules of Procedure"

Motion was made and seconded (Charette/Giannaros) to approve the motion recorded with these minutes as Agenda Item B-2.

Motion was made and seconded (Kintner*/Giannaros) to amend the motion by inserting the phrase "and Acting Chair" in section A205-1, subsection E. after the word "Chair".

Adopted unanimously

Adopted as amended unanimously

C. Presentations and Recognitions

1. Eagle Scout- Nicholas Rossitto

The Chair read into the record the proclamation in honor Mr. Rossitto and the Council congratulated him on his accomplishments.

PROCLAMATION

WHEREAS, the Boy Scouts of America help train the youth of our community with

*Correction per the 2-13-18 Town Council Meeting

skills which serve them well in the future, and

WHEREAS, many of our youth participate in activities of the Boy Scouts of America which benefit our community, and

WHEREAS, one of the crowning achievements of Boy Scouting is the attainment of the rank of Eagle Scout, and

WHEREAS, Nicholas Rossitto from Troop 170 Boy Scouts of America recently completed the requirements for Eagle Scout, and

WHEREAS, for his project, Nicholas Rossitto rehabilitated trails in the Farmington Memorial Forest which included facilitating many improvements to an overgrown trail and creating two additional trails that that connected the initial trail to the rest of the trails, and

WHEREAS, Nicholas Rossitto worked with the Town staff to verify that the trails he created did not encroach on the wetlands in the forest, and

WHEREAS, Nicholas Rossitto has maintained an active role in Boy Scouts of America, leading his troop as Senior Patrol Leader, and is currently the Junior Assistant Scoutmaster, and

WHEREAS, Nicholas Rossitto is an exceptional scholar as he is member of the National Honor Society, Spanish National Honor Society, and the Tri M National Honor Society, and

WHEREAS, Nicholas Rossitto demonstrates leadership as the Captain of the Farmington High School Crew Team and is a recipient of the Alexander P. Franklin Leadership Award, and

WHEREAS, as a result of Nicholas Rossitto's work, the lives of the people of Farmington will be enriched and enhanced.

NOW, THEREFORE, BE IT RESOLVED, that on behalf of the Farmington Town Council, we hereby extend to Nicholas Rossitto our best wishes and we hereby proclaim January 9, 2018 as Nicholas Rossitto Day in Farmington, Connecticut.

Dated at Farmington, Connecticut this 9th day of January 2018.

Nancy W. Nickerson
Chair, Farmington Town Council

2. Eagle Scout – Daniel Rock

The Chair read into the record the proclamation in honor Mr. Rock and the Council congratulated him on his accomplishments.

PROCLAMATION

WHEREAS, the Boy Scouts of America help train the youth of our community with skills which serve them well in the future, and

WHEREAS, many of our youth participate in activities of the Boy Scouts of America which benefit our community, and

WHEREAS, one of the crowning achievements of Boy Scouting is the attainment of the rank of Eagle Scout, and

WHEREAS, Daniel Rock from Troop 170 Boy Scouts of America recently completed the requirements for Eagle Scout, and

WHEREAS, Daniel Rock's project was the creation of a series of trails on Farmington Town Open Space, which are now known as Taine Mountain Trails, and

WHEREAS, the work performed on his project included blazing and mapping the trails, installing water bars to prevent erosion, creating and installing two trail signs, removing rubbish, and marking off surrounding private land, and

WHEREAS, Daniel Rock is a member of the National Honor Society, a violist in the Farmington High School Orchestra and a Co-Captain of the Track Team, and

WHEREAS, Daniel Rock is an exceptional scholar, as he was a recipient of the "All-Academic Team Award" and the "NCCC Scholar Athlete Award" and,

WHEREAS, as a result of Daniel Rock's work, the lives of the people of Farmington will be enriched and enhanced.

NOW, THEREFORE, BE IT RESOLVED, that on behalf of the Farmington Town Council, we hereby extend to Daniel Rock our best wishes and we hereby proclaim January 10, 2018 as Daniel Rock Day in Farmington, Connecticut.

Dated at Farmington, Connecticut this 9th day of January 2018.

Nancy W. Nickerson
Chair, Farmington Town Council

D. Public Hearing

There was no public hearing held.

E. New Items

There were no new items added to the Agenda.

F. Public Comments

Mr. Gerald Haviland of 6 Carrington Lane congratulated the Council on their election. He asked the new Council to continue the tradition of Farmington Councils of doing the Town's business and not politics. He believed the residents expected excellence from their government. He spoke about that democracy depends on educated citizens, and it was the Town's obligation to provide an excellent education for its students. He felt the Town made a mistake defeating the High School at referendum. He talked about since the 1970's the Town had put architectural lipstick on the building resulting in a poorly designed and inadequate building. He told the Council the High School was dump in 1973 and was still a dump today. He asked the Council to address the needs at the High School.

Steve Langlois of 14 Blue Ridge Drive told the Council his house was on the proposed Blighted Building List. He asked the Council to give him some more time to address the needs at his house, because of demands at work he hasn't been able to keep up with the work at 14 Blue Ridge Drive.

Mike Demicco Representative for the 21st District congratulated the Eagle Scouts and the new Town Council. He told the Council that he knew it would be a lot of work, but very rewarding to from his experiences serving on the Town Council. He told the Council he would work with them to co-ordinate in a positive way the Town's relationship with the State Legislature.

G. Reading of Minutes

1. December 12, 2017 Regular Town Council Meeting

Motion was made and seconded (Charette/Giannaros) to approve the minutes of the December 12, 2017 Regular Town Council Meeting.

Adopted unanimously

H. Reading of Communications and Written Appeals

There were no communications or written appeals.

I. Report of Committees

1. UCONN Committee(s)

The Chair reported the Committee meets quarterly and the next meeting would be in 2 months.

2. Land Acquisition Committee

3. Green Efforts Committee

4. Joint Town of Farmington/City of Hartford Committee

5. Bicycle Advisory Committee

6. Farmington Gateway Committee

There were no reports for Agenda Items I-2 through I-6.

J. Report of the Council Chair and Liaisons

1. Chair Report

The Chair congratulated the new Council. She told them she looked forward to working with them all and if they had any question to please call her.

2. Board of Education Liaison Report

Mr. Landry reported the Board of Education had met the night before and Chris Fagan was elected Chair and Christine Arnold as Vice-Chair. He wished the new members of the Board of Education well.

3. Unionville Village Improvement Association Liaison Report

4. Town Plan and Zoning Liaison Report

5. Water Pollution Control Authority Report

6. Economic Development Commission Liaison Report

7. Human Relations Commission Report

8. Chamber of Commerce Report

9. Other Liaison Reports

There were no reports for Agenda Items J-3 through J-9.

K. Report of Town Manager

The Manager told the Council she had left at their places information about their Town email addresses and contact information for the Town's IT person as well as for each other.

2018 Town Council Budget Schedule

Nutmeg TV Air Dates

The Manager called the Council's attention to the schedules in their packets for the upcoming budget meetings and Nutmeg TV airing of meetings.

State Legislators' Invitation

The Manager asked for consensus to invite the State of Connecticut legislators to the next meeting for a budget update. It was the Council's consensus to invite them.

Town Council Photo Shoot

The Manager reminded the Council the photo shoot was at 6:30 pm on January 23, 2018 in the Council Chambers.

Community and Recreational Services Update

The Manager pointed out the various activities reviewed in the Town Manager's report that had taken place during the last two months.

Upcoming Town Council Meetings

The Manager reviewed the topics of the next four Town Council meetings.

Special Town Council Meeting

- Tentatively scheduled for week of January 15

- Topic- Review of Town's Strategic Plan

January 23, 2018

- Topic – Presentation from Town Manager's Direct Reports
- Topic- Presentation from Town's Financial Advisor

February 13, 2018

- Regular Town Council Meeting

February 27, 2018

- Topic – Capital Budget Presentation

Road Master Program

The Manager reported eight employees of the Public Works Department had completed the Connecticut Road Master Program and congratulated them on the accomplishment.

State Grants Update

Mr. Joseph Swetcky, Director of Finance and Administration reviewed the hand out recorded with these minutes as Agenda Item K-1 outlining what has been received and what is anticipated for State of Connecticut grants.

Motion was made and seconded (Charette/Giannaros) to accept the report of the Town Manager.

Adopted unanimously

L. Appointments.

1. Corporation Counsel

Motion was made and seconded (Charette/Giannaros) that Halloran & Sage be appointed as Corporation Counsel for the period January 2018 through January 2020.

Adopted unanimously

2. Assistant Corporation Counsel

Motion was made and seconded (Charette/Giannaros) that Duncan Forsyth be appointed as Assistant Corporation Counsel of the period January 2018 through January 2020.

Adopted unanimously

3. Bond Counsel

Motion was made and seconded (Charette/Giannaros) that Day Pitney, LLP be appointed as Bond Counsel for the period January 2018 through January 2020.

Adopted unanimously

4. Labor Counsel

Motion was made and seconded (Charette/Giannaros) that Metzger, Lazarek and Plumb be appointed as Labor Counsel for the period January 2018 through January 2020.

Adopted unanimously

5. Land Use/Environmental Counsel

Motion was made and seconded (Charette/Giannaros) that Halloran & Sage LLP be appointed as Land Use/Environmental Counsel for the period January 2018 through January 2020.

Adopted unanimously

6. Treasurer

Motion was made and seconded (Charette/Giannaros) that Joseph Swetcky be appointed as Treasurer from January 2018 until January 2020 and that compensation for Treasurer be set at \$3,500 per year.

Adopted unanimously

7. Deputy Treasurer

Motion was made and seconded (Charette/Giannaros) that Julie Albert be appointed as Deputy Treasurer from January 2018 until January 2020.

Adopted unanimously

8. Depositories for Town Funds

Motion was made and seconded (Charette/Giannaros) that the following banks and investment pools be designated as Depositories for Town Funds:

- Bank of America
- TD Bank N.A.
- Farmington Bank
- Santander Bank
- Key Bank
- United Bank
- U.S. Bank & Trust, N.A.
- Webster Bank
- Simsbury Bank
- JP Morgan Chase Bank, N.A.
- Wells Fargo Bank, N.A. Institutional Retirement and Trust
- State of Connecticut Short Term Investment Fund (STIF)
- Northern Capital Securities Corporation

Adopted unanimously

9. Town Council Liaisons/Committees

Motion was made and seconded (Charette/Giannaros) that the following be appointed as members of, or liaisons to, the following entities or committees:

Committee	2018-2020
Bicycle Advisory Committee	Cyr
Board of Education	Kintner
C.R.C.O.G Policy Board	Nickerson; Eagen
C.R.C.O.G Transportation Board	Russ Arnold
Chamber of Commerce	Landry
Conservation and Inland Wetlands	Boye-Williams
Economic Development	Giannaros
Farmington Gateway (review charge)	
Farmington Valley Health District	Eagen
Green Efforts Committee	Boye-Williams
Historic District Commission	Charette
Housing Authority	Kintner
Human Relations Commission	Kintner
Land Acquisition	Boye-Williams* Chair/ Cianci
Library Board	Giannaros
Retirement Board	Landry
Stephen A. Flis Scholarship	Cianci/Landry
Town Plan & Zoning	Charette
UConn- Communication	Landry/Nickerson
Unionville Historic District	Giannaros
Unionville Village Improvement Association	Boye-Williams
Water Pollution Control Authority	Cianci

Adopted unanimously

- 10. Building Code Board of Appeals (Hammerberg) (D)
 - 11. Inland Wetlands Commission **Alternate** (Markuszka) (R)
 - 12. Farmington Historic District Commission **Alternate**
- There were no appointments made for Agenda Items L-10 through L-12.

13. Green Efforts Commission

Motion was made and seconded (Charette/Giannaros) that John Tucker be appointed to the Green Efforts Commission beginning immediately for an indefinite term.

Adopted unanimously

- 14. North Central Regional Mental Health Board (Wienke) (R)
- 15. North Central Regional Mental Health Board (Parady) (U)
- 16. Plainville Area Cable TV Advisory Council (R)
- 17. Plainville Area Cable TV Advisory (Hall) (R)

There was no appointments made for Agenda Items N-15 through N-17.

*Correction per the 2-13-18 Town Council Meeting.

18. Retirement Board

Motion was made and seconded (Charette/Giannaros) that Joshua Allen be appointed to the Retirement Board for a two-year term beginning immediately and ending January, 2020.

Adopted unanimously

19. Retirement Board (Brochu)

20. Retirement Board (Clark)

21. Retirement Board (Cunningham)

There were no appointments made for Agenda Items L-19 through L-21.

22. Retirement Board

Motion was made and seconded (Charette/Giannaros) that Steve Egan be appointed to the Retirement Board for a two-year term beginning immediately and ending January, 2020.

Adopted unanimously

23. Retirement Board (Ingvertsen)

24. Retirement Board (Leary)

25. Retirement Board (Miller)

There were no appointments made for Agenda Items L-23 through L-25.

26. Retirement Board

Motion was made and seconded Town of Farmington Town of Farmington that Geoff Porter be appointed to the Retirement Board for a two-year term beginning immediately and ending January, 2020.

Adopted unanimously

27. Retirement Board (Valenti)

28. Tourism Central Regional District (Bernier) (R)

There was no action taken on Agenda Items L-27 or L-28.

M. Old Business

There was no old business conducted.

N. New Business

1. To consider and take action on the 2018 Blighted Building List

Motion was made and seconded (Charette/Giannaros) to consider and take action on the following 2018 Blighted Building list:

14 Blueridge Drive
23 Lakeview Drive
15 Walnut Street

Motion was made and seconded (Charette/Giannaros) to postpone the motion until the February 13, 2018 Town Council Meeting.

Adopted unanimously

2. To set a Special Town Council Meeting

Motion was made and seconded (Charette/Giannaros) to set a Special Town Council Meeting on January 18, 2018 at 7:00 PM in the Farmington Town Hall Council Chambers.

Adopted unanimously

3. To review and approve the Capital Improvement Policy

Motion was made and seconded (Charette/Giannaros) to approve the motion recorded with these minutes as Agenda Item N-3.

Motion was made and seconded (Boye-Williams/Giannaros) to amend the Capital Improvement Policy to require the Town Manager to prepare a 7-year Capital Improvement Program such that the Town Manager shall submit a 7-year Capital Improvement Program to the Town Council for review and approval during the established annual budget schedule, beginning in 2019 for fiscal year 2019-2020 and every year thereafter.

Approved unanimously

Approved as amended unanimously

4. To review and approve the Debt Management Policy

Motion was made and seconded (Charette/Giannaros) to approve the motion recorded with these minutes as Agenda Item N-4.

Adopted unanimously

5. To review and approve the Reserve Policy

Motion was made and seconded (Charette/Giannaros) to approve the motion recorded with these minutes as Agenda Item N-5.

Adopted unanimously

6. To review and approve the Employee Health Self-Insurance Fund Reserve Policy

Motion was made and seconded (Charette/Giannaros) to approve the motion recorded with these minutes as Agenda Item N-6.

Adopted unanimously

7. To Appoint Funeral Directors, Selected by the Town Clerk, as Sub-Registrars for the Town of Farmington until January 3, 2022

Motion was made and seconded (Charette/Giannaros) that the following funeral directors, selected by the Town Clerk, be appointed Sub-Registrars for the Town of Farmington until January 3, 2022:

Morton L. Weinstein
Weinstein Mortuary, Hartford, CT

Francis R. Ahern, Jr.
Ahern Funeral Home, Unionville, CT

Richard G. Koza
Sheehan, Hillborn and Breen, West Hartford, CT

Adopted unanimously

8. To approve Property Tax refunds

Motion was made and seconded (Charette/Giannaros) to approve the following Property Tax Refunds:

NAME	REASON	AMOUNT
1)Cab East LLC	Assessor's adjustment	\$255.05
2)Aaron Hoberman	Assessor's adjustment	\$614.22
3)Honda Lease Trust	Assessor's adjustment	\$588.65
4)Johnson & Johnson Fin	Assessor's adjustment	\$224.91
5)USB Leasing LT	Assessor's adjustment	\$70.67
6)Vault Trust	Assessor's adjustment	\$1,023.38
	TOTAL:	\$2,776.88

Adopted unanimously

O. Executive Session

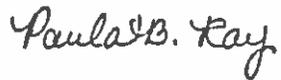
There was no Executive Session held.

P. Adjournment

Motion was made and seconded (Charette/Giannaros) to adjourn the meeting at 8:33 p.m.

Adopted unanimously

Respectfully submitted,



Paula B. Ray, Clerk

Chapter A205

RULES OF PROCEDURE

- | | |
|---|-------------------------------|
| § A205-1. Meetings; agenda. | § A205.5. New items. |
| § A205-2. Robert's Rules of Order to prevail. | § A205-6. Charter references. |
| § A205-3. Procedure at Council meetings. | § A205-7. Acting Chair. |
| § A205-4. Order of business, second Tuesday | § A205-8. Code of conduct. |
| § A205-4.1 Order of business, fourth Tuesday | |

[HISTORY: Adopted by the Town Council of the Town of Farmington 7-1-1991, as amended through 1-8-2002. Subsequent amendments noted where applicable.]

GENERAL REFERENCES

Code of Ethics - See Ch. 24.

§ A205-1. Meetings; agenda.

- A. Regular Council meetings shall be held on the second and fourth Tuesday of each month.
- B. Each meeting shall start at 7:00 p.m.
- C. The Council agenda with supporting material shall be delivered to Council members the Thursday preceding each meeting. The deadline for regular items to included in the agenda shall be 4:30 p.m. on the Tuesday prior to the regular meeting.
- D. Additional special Council meetings may be called by the Chair. Any Council member may request that a special Council meeting be called. In the event the Chair declines to call a special Council meeting, three members of the Council may call a special Council meeting.
- E. Agendas for all Council meetings shall be prepared by the Town Manager in consultation with the Chair.

§ A205-2. Robert's Rules of Order to prevail.

The proceedings of the Council shall be conducted in accordance with Robert's Rules of Order.

§ A205-3. Procedure at Council meetings.

- A. Each member shall be provided with an agenda in advance of each meeting.
- B. Voting.
 - (1) All votes shall be "aye" or "nay," and the vote of each member shall be recorded. In cases where there are no "nays" or "ayes," the Clerk shall record the vote as unanimous, unless a member

who did not cast an audible vote requests that his or her vote be recorded otherwise. The Clerk shall have ample time to record the vote before moving on to the next agenda item.

- (2) All members present shall vote on each question, except when a member has, or believes he or she has, a conflict of interest. In such circumstance, the member shall comply with the Code of Ethics, Chapter 24 of the Farmington Code.
- (3) A motion to limit or extend limits of debate, a motion for the previous question (i.e., to “call the question”) or a motion to suspend, alter or amend these rules of procedure shall require a two-thirds vote of the members present, but not fewer than four affirmative votes.
- (4) Public comments may be limited to five minutes per speaker at the discretion of the Chair.

§ A205-4. Order of business.

The order of business of the regular Council meeting held on the second Tuesday of each month shall be as follows:

- A. Call to order.
- B. Pledge of Allegiance.
- C. Presentations and recognitions.
- D. Public hearing.
- E. New items.
- F. Public comments.
- G. Reading of minutes.
- H. Reading of communications and written appeals.
- I. Report of Council Chair and liaisons.
- J. Report of committees.
- K. Report of Town Manager.
- L. Appointments.
- M. Old business.
- N. New business.
- O. Executive session (by 2/3 vote).
- P. Adjournment.

§ A205-4.1. Order of business fourth Tuesday.

The order of business of the regular Council meeting held on the fourth Tuesday of each month shall be as follows:

- A. Call to order.
- B. Pledge of Allegiance.
- C. Public comments.
- D. Consideration of special topics.
- E. New Business (if needed)
- F. Adjournment.

§ A205-5. New items.

By a two-thirds affirmative vote of the full Council membership, any item received after the deadline and which is considered to either be an emergency or a matter of sufficient import to warrant special consideration may be introduced and, if added to the agenda, may be considered a part of the agenda at a regular meeting. If new items are presented to the Council, whether from the public or from the Council, their addition to the agenda shall be considered before the public comment portion of the meeting in order to give the public the opportunity to comment on those agenda items.

§ A205-6. Charter references.

The following sections of the Town Charter are referred to or quoted for the procedure guidance of the Council:

- A. Section C3-2: "The Chair of the Council shall preside over all meetings of the Council. A vacancy in the office of the Chair of the Council, from whatever cause arising, shall be filled by appointment by the Council for the unexpired balance of the term, in accordance with C2-3 above. The Council at its first meeting shall appoint from among its members an Acting Chair who shall have all powers, duties and responsibilities of the Chair of the Council in the Chair's absence or incapacity."
- B. Section C3-4: "The presence of four members shall constitute a quorum, but no ordinance, resolution or vote except a vote to adjourn or fix the time and place of its next meeting or to fill a vacancy in an elective office after a sixty-day impasse has occurred, shall be adopted by fewer than four affirmative votes."

§ A205-7. Acting Chair.

The Council shall elect an Acting Chair at its first meeting in January, following a municipal election, in accordance with Section C3-2 of the Farmington Town Charter.

§ A205-8. Code of conduct.

It is the obligation and responsibility of a Council member not to interfere with or intervene in the implementation by the Town Manager or other Town official of the policy or decision adopted by the Council and not divulge to anyone any aspect of matters considered and discussed in executive session. Each Council member shall act in complete accordance with the provisions and tenor of this section, and

should any Council member fail to so act, such failure shall subject such member to censure, reprimand or such other action deemed appropriate by the Council.

01-01-2014

**TOWN OF FARMINGTON, CT
FY2017/2018
GENERAL FUND REVENUE FORECAST**

<u>ACCOUNT DESCRIPTION</u>	<u>2016-2017 ACTUAL</u>	<u>2017-2018 ADOPTED</u>	<u>6 MONTH ACTUAL</u>	<u>ESTIMATED 12 MONTHS</u>	<u>VARIANCE</u>
STATE AND FEDERAL GRANTS					
PILOT: STATE-OWNED PROPERTY	3,134,814	2,526,231	1,927,869	1,927,869	(598,362)
PILOT: COLLEGES & HOSPITALS	29,691	19,650	13,856	13,856	(5,794)
VETERAN'S EXEMPTION	5,816	5,985	5,204	5,204	(781)
ELDERLY CIRCUIT BREAKER	127,805	131,512	-	-	(131,512)
ELDERLY TAX FREEZE	851	875	897	897	22
PEQUOT/MOHEGAN FUND GRANT	29,796	30,223	-	29,796	(427)
PILOT: TELECOMM EQUIP	110,429	105,915	-	105,915	-
REVENUE SHARING-PROJECTS	545,804	-	-	545,804	545,804
REVENUE SHARING-SALES TAX	335,287	482,637	-	-	(482,637)
MUNICIPAL STABILIZATION GRANT	-	-	824,325	824,325	824,325
SOCIAL SERVICE GRANTS	10,981	8,500	-	8,500	-
POLICE GRANTS	95,499	78,000	49,846	99,693	21,693
TOWN AID ROADS	373,438	373,438	186,908	373,815	377
EQUALIZED COST SHARING	1,036,574	-	231,746	887,257	887,257
SPECIAL EDUCATION	-	382,416	-	-	(382,416)
TOTAL	5,836,785	4,145,382	3,240,650	4,822,930	677,548

MOTION:

Agenda Item N-3

To review and approve the attached Capital Improvement Policy.

TOWN OF FARMINGTON, CT CAPITAL IMPROVEMENT POLICY

I. PURPOSE

The purpose of the Capital Improvement Policy is to provide a framework for the planning, scheduling and financing of capital improvement projects in a manner that is consistent with the Town's Debt Management Policy

II. DEFINITIONS

Capital improvement projects are defined as infrastructure or equipment acquisitions or construction that results in a capitalized asset with a value of at least \$25,000 and a useful life of at least five years.

Pay-as-you-go financing is defined as financing that is derived from revenue sources other than debt issuance. Revenue sources could include: appropriations from the operating budget, grants, and fund balance appropriations.

III. POLICY STATEMENTS

1. The Town will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements. The Town's objective will be to contribute to the Capital Improvement Program, at least 2.5% of the annual General Fund revenues allocated to the operating budget.
2. A minimum of 20% of all capital improvement project costs contain in the five-year plan should be financed on a pay-as-you-go basis.
3. The Town will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
4. Any long-term debt that is issued for to finance a capital project shall have a maximum maturity of the earlier of: (1) the estimated useful life of the capital improvement being financed; or, (2) twenty years.

IV. RESPONSIBILITY FOR POLICY

1. Annually, a five-year capital improvements program will be developed by the Town Manager that analyzes all anticipated capital expenditures by year and identifies associated funding sources.
2. The Town Manager will coordinate the development of the capital improvement program with the development of the annual operating budget.

3. The Town Manager will submit the five-year capital improvements program to the Town Council for review and approval in accordance with the timeline established in the annual budget schedule.
4. A prior year capital project status report shall be presented to the Town Council for information purposes when the proposed capital improvement program is reviewed.
5. The Town Council will review, modify and adopt the five-year capital improvements program as part of the annual budget review process. The first year of the adopted five-year capital improvements program will be the Capital Budget for the next ensuing fiscal year and funds shall be included in the annual operating budget to finance these projects as indicated. The projects shown in years two through five, although only for planning purposes, shall be scheduled to be consistent with the infrastructure needs of the Town and the Town's ability to pay.
6. Appropriations made in prior years for which expenditures have not been incurred nor projects started will be reevaluated and incorporated into appropriations for the new fiscal year.
7. The Town will maintain a capital project monitoring committee composed of town staff. The committee will meet monthly to review progress on all outstanding projects as well as to revise spending projections.
8. If new project appropriation needs are identified at any time during the fiscal year, the funding sources will be identified and a request for mid-year adjustments will be submitted to the Town Council for approval. The Town Council may increase the appropriation for a given capital project provided a corresponding appropriation decrease is made to another capital project, so as not to alter the overall appropriation to the Capital Projects fund.
9. Each year a closing resolution will be submitted to the Town Council to obtain formal authorization to close completed capital projects.
10. The Town will maintain a schedule of all fixed assets with values of at least \$25,000. In addition, the Town will maintain a listing of capital infrastructure that will be used to develop maintenance and replacement schedules for all assets through the capital improvement program.

This policy shall be reviewed on a biennial basis during the month of January in each even numbered year.

Approved by the Town Council:	December 13, 2005
Approved by the Town Council:	January 9, 2007
Approved by the Town Council:	January 12, 2010
Amended by the Town Council	January 11, 2011
To change from Odd to Even years / Per	Town Manager's Report
Approved by the Town Council:	January 10, 2012
Approved by the Town Council:	January 14, 2014
Approved by the Town Council:	January 12, 2016

MOTION:

Agenda Item N-4

To review and approve the attached Debt Management Policy.

**TOWN OF FARMINGTON, CT
DEBT MANAGEMENT POLICY**

I. PURPOSE

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the Town of Farmington.

Debt obligations, which include general obligation bonds, special assessment bonds, revenue bonds, bond anticipation notes, lease/purchase agreements and any other debt obligations permitted to be issued under Connecticut law, shall only be issued to purchase capital assets that cannot be acquired with current revenues.

II. POLICY STATEMENT

Under the requirements of Federal and state laws and Town Charter provisions, ordinances and resolutions, the Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. It is the Town's goal to assure that such debt obligations are issued and managed in such a manner as to obtain the best long-term financial advantage to the Town and its residents, while making every effort to maintain and improve the Town's bond ratings and reputation in the investment community.

III. RESPONSIBILITY FOR POLICY

The Director of Finance shall be responsible for issuing and managing the Town's debt program. In carrying out this policy, the Director shall:

1. at least annually consider the need for debt financing based upon the progress on the Capital Improvement Program;
2. at least annually review the Town's adherence to this policy statement and compare the debt ratios established in this policy with where the Town actually is;
3. at least annually review the Town's authorized but unissued debt to determine if any authorizations are no longer needed;
4. at least annually determine if there are any opportunities for refinancing current debt;
5. review every three years the services provided by the Town's financial advisor, bond counsel, paying agents and other debt financing service providers.

The Chief Financial Officer shall report his/her findings to the Town Manager and Town Council in January of each year, prior to the Town Council's review of the Capital Improvement Program.

IV. GENERAL DEBT GOVERNING POLICIES

The Town hereby establishes the following policies concerning the issuance and management of debt:

- A. The Town shall not issue debt obligations or use debt proceeds to finance current operations of the Town.
- B. The Town will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
- C. The Town will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty-year periods. This analysis will consider debt service maturities and payment patterns as well as the Town's commitment to a pay as you go budgetary allocation.

V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Purposes of Issuance – the Town shall only issue debt obligations for acquiring, constructing or renovating Town owned fixed assets or for refinancing existing debt obligations.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of the earlier of: (1) the estimated useful life of the Capital Improvement being financed; or, (2) twenty years; or, (3) in the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced.
- C. Direct Debt Per Capita – The Town shall adhere to a debt management strategy that achieves the goal of maintaining Direct Debt Per Capita at or below the median for Connecticut municipalities rated Aa1 by Moody's or AA+ by Standard & Poor's. Direct Debt Per Capita shall not exceed 110% of said median. The Direct Debt Per Capita shall be calculated by dividing the Town's direct debt by the most current population.
- D. Direct Debt as a Percent of Estimated Full Assessed Value – The Town shall adhere to a debt management strategy that achieves the goal of maintaining the ratio of Direct Debt to Full Assessed Value of properties within Town at or below the median for Connecticut municipalities rated AAA by Standard & Poor's. Said ratio shall not exceed 110% of said

median. The ratio of Direct Debt to Estimated Full Assessed Value shall be calculated by dividing the Town's Direct Debt by the estimated full-assessed value of all taxable properties within the Town.

- E. Average Maturity of General Obligation Bonds – the Town shall have at least 70% of outstanding general obligation bonds mature in less than ten (10) years.
- F. Debt Service Levels – The Town shall adhere to a debt management strategy that achieves the goal of limiting annual general fund debt service to 10% of the total General Fund budget.
- G. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.
- H. The Town shall not exceed fifty percent (50%) of its statutory debt limitation.
- I. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.

This policy shall be reviewed on a biennial basis during the month of January in each even numbered year.

Approved by the Town Council:	October 11, 2005
Approved by the Town Council:	February 13, 2007
Approved by the Town Council:	January 12, 2010
Amended by the Town Council	January 11, 2011
To change from Odd to Even years / Per Town Manager's Report	
Approved by the Town Council:	January 10, 2012
Approved by the Town Council:	January 14, 2014
Approved by the Town Council:	January 12, 2016

MOTION:

Agenda Item N-5

To review and approve the attached Reserve Policy.

TOWN OF FARMINGTON, CT RESERVE POLICY

I. PURPOSE

The purpose of this policy is to 1) preserve the credit worthiness of the Town for borrowing monies at favorable interest rates; 2) provide working capital to meet cash flow needs during the year and 3) attempt to stabilize fluctuations from year to year in property taxes paid by town taxpayers.

II. POLICY STATEMENT

Fund Balance is an important indicator of a community's financial position. An adequate fund balance must be maintained to allow the Town to continue to meet its obligations in the event of an economic downturn and/or unexpected emergency. Therefore, the Town of Farmington shall maintain an unreserved/undesignated general fund balance as of June 30 of each year equal to a minimum of ~~8%~~ 10% of the ensuing fiscal year's operating revenue, with a targeted maximum of ~~12%~~ 15% of the ensuing fiscal year's operating revenue.

III. RESPONSIBILITY FOR POLICY

As part of the annual budget preparation process, the Director of Finance will estimate the surplus or deficit for the current year and prepare a projection of the year-end unreserved/undesignated general fund balance. Any anticipated balance in excess of the targeted maximum unreserved/undesignated fund balance may be budgeted to reduce the ensuing year's property tax levy or fund one-time capital projects.

Appropriation of any amount of the unreserved/undesignated general fund balance, which would result in fund balance falling below the target minimum of ~~8%~~ 10%, for the sole purpose of reducing the ensuing year's property tax levy, may only be made upon a 2/3 majority vote of the Town Council.

Subject to the provisions of Article X of the Town Charter (Town Meetings), the Town Council, by a 2/3 vote, can declare a fiscal emergency and withdraw any amount of general fund balance for resolving the emergency. The Town Council must restore any such appropriation of Fund Balance within a three-year period.

IV. OTHER FUNDS

In addition to maintaining adequate reserves to fund general fund obligations, the Town shall maintain reserve levels in other funds as follows:

The WPCA Fund will maintain reserves to meet three primary objectives. First, an Operating Reserve will be funded to ensure sufficient funding for operations. This reserve will be maintained at a level sufficient to fund 90 days of budgeted operating expenditures. Second, an adequate reserve will be maintained to ensure repairs to and replacement of infrastructure. Finally, a Working Capital reserve will be funded to provide sufficient cash for sewer capital improvements and to avoid large fluctuations in rate changes.

This policy shall be reviewed on a biennial basis during the month of January in each even numbered year.

Approved by the Town Council:	October 11, 2005
Amended and Approved by the Town Council:	January 8, 2008
Amended and Approved by the Town Council:	January 12, 2010
Amended and Approved by the Town Council:	January 10, 2012
Approved by the Town Council:	January 14, 2014
Approved by the Town Council:	January 12, 2016

CREDIT OPINION

15 November 2017

New Issue

Rate this Research >>

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Farmington (Town of), CT

New Issue - Moody's assigns Aaa to Farmington, CT's GO Bonds; Outlook stable

Summary Rating Rationale

Moody's Investors Service has assigned a Aaa rating to the Town of Farmington, Connecticut's \$2.7 million General Obligation Bonds, Issue of 2017. Concurrently, Moody's affirms the Aaa rating on approximately \$33.5 million of outstanding GO debt.

The Aaa rating reflects the town's sizeable and affluent tax base, its stable operating profile despite its below average reserve levels, and its manageable long-term liabilities.

Credit Strengths

- » Stable historic operating performance
- » Formalized fund balance policy
- » High resident wealth and income levels
- » Manageable long-term fixed costs
- » Property taxes represent a significant component of operating revenues with strong collection rates

Credit Challenges

- » Below average reserve levels for the rating category

Rating Outlook

The stable outlook reflects the town's consistently balanced operating performance supporting the town's below average reserve position. The stable outlook further reflects the town's robust tax base and above average wealth and income indicator levels.

Factors that Could Lead to an Upgrade

- » Not applicable

Factors that Could Lead to a Downgrade

- » Decline in reserve levels
- » Increased debt levels
- » Contraction of tax base and/or weakening of wealth and/or income indicators

Key Indicators

Exhibit 1

Farmington (Town of) CT Economy/Tax Base	2012	2013	2014	2015	2016
Total Full Value (\$000)	\$ 5,016,473	\$ 5,313,947	\$ 5,286,801	\$ 5,214,499	\$ 5,115,010
Full Value Per Capita	\$ 198,053	\$ 208,972	\$ 207,204	\$ 203,986	\$ 200,094
Median Family Income (% of US Median)	171.2%	177.8%	181.5%	181.8%	181.8%
Finances					
Operating Revenue (\$000)	\$ 93,722	\$ 97,225	\$ 99,969	\$ 100,846	\$ 104,543
Fund Balance as a % of Revenues	8.8%	9.4%	9.7%	11.0%	11.0%
Cash Balance as a % of Revenues	9.3%	10.4%	12.1%	15.8%	17.8%
Debt/Pensions					
Net Direct Debt (\$000)	\$ 56,453	\$ 50,529	\$ 44,250	\$ 43,711	\$ 74,427
Net Direct Debt / Operating Revenues (x)	0.6x	0.5x	0.4x	0.4x	0.7x
Net Direct Debt / Full Value (%)	1.1%	1.0%	0.8%	0.8%	1.5%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.5x	0.6x	0.6x	0.7x	0.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	1.0%	1.2%	1.2%	1.3%	1.3%

Post-sale Farmington will have \$81.6M in direct debt for 1.6% of FV
Source: Moody's Investors Service; audited financial statements

Recent Developments

On October 31 the state adopted a biennial budget for fiscal years 2018 and 2019. The passage of the budget came after nearly four months of impasse which reflected significant disagreement over the amount and the allocation of funding provided by the state to local governments. The budget adopted for 2018 and 2019 reduces total funding of local governments by 1.4% from funding provided in the prior budget. Funding of local governments will, however, be revisited in negotiation of future state budgets and resilience to reductions in state funding will be a consideration in our assessment of Connecticut local government credits. The newly adopted budget reduces total funding to Farmington to \$5.3 million in 2018, down from \$5.5 million in 2017. Fiscal 2019 funding Farmington is \$5.2 million.

In June 2017 a voter referendum that would have authorized \$130 million in debt issuance for a new high school failed. The town would have absorbed approximately \$100 million of this amount with the state reimbursing the balance.

Detailed Rating Considerations

Economy and Tax Base: Sizeable Tax Base with Strong Wealth and Income Indicators

Farmington's sizeable \$5.1 billion Equalized Net Grand List (ENGL) will remain stable with moderate growth over the medium term. The ENGL, which approximates full value, has declined modestly in each of the last three fiscal years after a nearly 6% gain in fiscal 2013. Following a revaluation in 2012 (effective starting in fiscal 2014), which captured the housing market downturn, the net taxable grand list or assessed value declined 7.2%. In each of the four years since then assessed value has increased modestly, with growth ranging from 0.6% to 1.2%.

Management reports a number of residential and commercial projects in various stages of development. Due to recent zoning regulation changes, management expects future development for office space near the University of Connecticut (UConn) Health Center facility. UConn Health Center is the town's largest employer with approximately 5,189 employees.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

Wealth and income levels are strong with per capita and median family incomes representing 181% and 182% of the nation, respectively. While these levels are generally in line with the national medians for Aaa rated cities, they are weaker than the medians for similarly rated Connecticut municipalities which have median MFI and PCI levels exceeding 200% of the US. Housing values in the town are also strong as evidenced by a robust equalized value per capita of approximately \$200,000 (225% and 149% of the US and state medians, respectively). The town's unemployment rate (3.4% in August 2017) remains below those of the state (4.6%) and the nation (4.5%).

Financial Operations and Reserves: Strong Operating Profile Underpins Stable Finances; Reserves Remain Below State and National Medians

Farmington's financial position will likely remain stable given the town's history of conservative budgeting and maintenance of satisfactory reserve levels guided by a formal fund balance policy. Reserve levels have trended up gradually over the past few years, with the available General Fund balance (unassigned, assigned, and committed) averaging 9.8% of revenues since 2011. The town has a formal policy to maintain unassigned General Fund balance between 8% and 12% of revenues. The town's stable operating performance is a key credit strength as reserves are below average compared to similarly rated state and US municipalities and declines in reserves would put downward pressure on the rating.

Fiscal 2016 results were positive with the town achieving an operating surplus just over \$400,000. Drivers of the surplus included favorable property tax variances (\$399,000; current and delinquent) and lower than anticipated town and education spending (\$505,000). The available General Fund balance at fiscal year end was \$11.3 million or 10.8% of revenues, below average for the rating category. Stable financial performance and the high percentage of revenues derived from predictable property taxes (85.3%) are a credit strength that somewhat mitigate the lower than typical reserves.

The fiscal 2017 adopted budget reflected growth of 3.1% over the revised fiscal 2016 budget and included a 2.7% increase in the mill rate and no appropriation of fund balance. About three-quarters of the increase in spending is attributable to growth in education costs. Although audited 2017 information is not available, management projects a \$1 million operating surplus and growth to reserves, which would bring available fund balance to approximately 12% of operating revenues.

The fiscal 2018 budget reflects a 2.1% increase in spending over the adopted fiscal 2017 budget and includes a 3.5% increase in the mill rate and no appropriation of reserves. The town's budget reflects state aid cuts detailed in the Governor's proposed budget from earlier in the calendar year and therefore the town assumed a \$1.7 million reduction in state aid. The recently adopted state budget reflects a \$277 thousand reduction in 2018 aid for the town.

Favorably, Farmington is not heavily reliant on economically sensitive or state revenues, as property taxes represent the largest component (85.3% in fiscal 2016) and collections are very strong at greater than 99.5% annually over the last decade. State aid, including aid for education, comprised 12.6% of 2016 revenues. The largest expenditure is education (64.5% of 2016 operating expenditures), followed by public safety (9.2%), and debt service (6.2%).

LIQUIDITY

The town's net cash position at the close of fiscal 2016 was \$18.6 million, or 17.8% of General Fund revenues.

Debt and Pensions: Slightly Elevated Debt; Below Average Pension Burden

The direct debt burden (post-sale) of 1.6% of equalized full value is slightly above average compared to other Aaa rated towns nationwide and in Connecticut. The five year capital improvement plan contains a very manageable \$17 million of debt financing. The town has a policy to allocate a minimum of 2.5% of General Fund revenues to capital projects. The 2017 pay-go capital expenditures accounted for 2.9% of expenditures.

Total fixed costs for fiscal 2016, including retiree health care payments, required pension contributions, and debt service, represented a manageable 10.5% of expenditures.

DEBT STRUCTURE

All of the debt is fixed rate with 87.2% amortizing over the next decade.

DEBT-RELATED DERIVATIVES

The town is not party to any debt-related derivatives.

PENSIONS AND OPEB

The town's pension liability is currently manageable. The town maintains a single-employer defined benefit pension plan for substantially all town employees, with the exception of teachers and certain school administrators who are covered under the state plan. The town fully funds its actuarially determined contribution, which was \$3.1 million in fiscal 2016, or a manageable 2.9% of General Fund expenditures. Teachers participate in the state teachers' pension plan however the town has no obligation to contribute.

The 2016 adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is \$66.8 million (3 year average), or a below average 0.6 times General Fund revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the town's reported liability information, but to improve comparability with other rated entities.

The town funds other post employment benefits (OPEB) on a pay-as-you-go basis which cost \$1.1 million (1.1% of expenditures) in fiscal 2016, representing 33% of the town's ARC. The total unfunded liability is \$38.8 million as of July 1, 2015, the most recent valuation report.

Management and Governance

Management practices are strong as evidenced by conservative budgeting, long-term capital planning, and adherence to formal financial and debt policies.

Connecticut Cities have an Institutional Framework score of Aa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. Connecticut cities' major revenue source, property taxes, is not subject to any caps. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. Connecticut has public sector unions and additional constraints, which limit the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Legal Security

The town's bonds are general obligations of the town.

Use of Proceeds

The bond proceeds will be used funds for road improvements, the acquisition of open space and for the purchase of fire engine equipment.

Obligor Profile

Farmington is a residential suburb located in Hartford County. Its estimated population is 25,563 residents.

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

Ratings

Exhibit 2

Farmington (Town of) CT

Issue	Rating
General Obligation Bonds, Issue of 2017	Aaa
Rating Type	Underlying LT
Sale Amount	\$2,700,000
Expected Sale Date	11/28/2017
Rating Description	General Obligation

Source: Moody's Investors Service

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