

Minutes of the Town of Farmington
Regular Town Council Meeting
January 28, 2020

Present:

C. J. Thomas, Chair
Joe Capodiferro
Brian F. X. Connolly
Christopher Fagan
Edward Giannaros
Peter Mastrobattista
Gary Palumbo

Kathy Blonski, Town Manager
Paula B. Ray, Clerk

A. Call to Order

The Chair called the meeting to order at 7:00 p.m.

B. Pledge of Allegiance

Members of the audience and the Town Council recited the Pledge of Allegiance.

C. Public Comments

Michael Smith of 46 High Street told the Council he was a member of the Farmington High School Building Committee but was speaking as a member of the public and not representing the Committee. He asked the Council to consider four different things

- to use the Findings & Recommendations Presentation recorded with these minutes as Agenda Item F-1 as a guide
- to work together with the Financial Sub-committee to determine the total impact on taxpayers, costs and options
- that the competition be used for the bonding process
- not to use inflammatory language.

Patty Boye-Williams of 17 Westview Terrace was concerned that residents were afraid that a new high school would have a large impact on their taxes. She wanted the Council to make sure the residents had accurate information to base their decisions regarding the high school project before voting.

Pierre Guertin 12 Henley Commons congratulated the new Council on their election. He was very interested in hearing the financial projections. He was concerned about fitting in the high school in our current cost profile. He asked that the projection data be accompanied by the assumptions used to make the projections. He felt the development phase of the high school had been very deliberative, but the selection

phase was being rushed. He wanted input from the neighbors sought. He believed that we would have to cut back in other areas to accomplish the high school project without overburdening the taxpayers.

Erin Ross of 33 High Street told the Council she was an educational researcher and consultant. She cautioned selecting either of the renovation options, because major renovation projects tend to come in over budget and late due to unexpected expenses, so it would be fiscally irresponsible to select a renovation project. She cautioned that many people had voted no for the last renovation project due the disruptions to students caused by renovation projects. She asked the Council to research ways to get more reimbursements from the State of Connecticut.

Matt Hutvagner of 4 Deepwood Road told the Council the high school was the number one issue in town. He believed the high school project should be the first priority for the Town, and everything else could wait.

D. Consideration of Special Topics

1. Town Staff Presentation – Long-Term Financial Forecast

Joseph Swetcky, Director of Finance and Administration presented the Long-Term Financial forecast for the Town of Farmington using the handouts recorded with these minutes as Agenda Item D-1 and answered Council questions. He began by responding to some of the public comments by telling the Council the most important aspect of financing a project like the high school was flexibility.

2. Draft of the 2020-2022 Town of Farmington Strategic Plan/Town Manager Goals

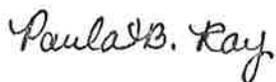
The Manager called the Council's attention to the draft of the Strategic Plan and explained the rating sheet recorded with these minutes as Agenda Item D-2. She asked the Council to contact her with any additions before the meeting on January 30, 2020.

E. Adjournment

Motion was made and seconded (Mastrobattista/Capodiferro) to adjourn the meeting at 9:00 p.m.

Adopted unanimously

Respectfully submitted,



Paula B. Ray, Clerk

Findings & Recommendations Presentation

Joint Town Council and Board of Education Meeting

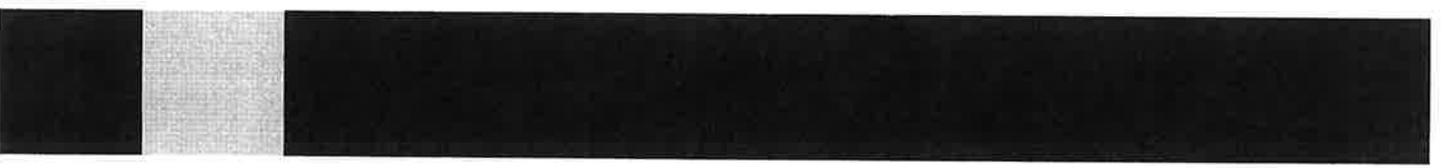
January 22, 2019





Financial

Findings & Recommendations



Financial Findings

The survey has determined that there is support for a large-scale building project

- According to the survey, 74.1% of respondents support a project that is more than the minimum requirements
- A project budget from the beginning of the process is beneficial for both marketing the project and knowing the financial impact on the residents
- The cost of the project was not determined until late in the process and the referendum occurred soon thereafter, therefore making it difficult to communicate information to the public
 - To communicate your message effectively people need to hear the message at least 7 times



Financial Recommendations

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

The Town Council should set the range of the net municipal cost of the project for the committee

- Refer to Debt Presentations dated 7-31-2018 and 9-18-2018

In the charge of the committee, The Town Council should require periodic reports from the building committee throughout the process (including financial projections)



Financial Findings

The cost of the previous project and the tax impact was perceived as too complicated and inconsistent

Financial Recommendations

The cost of the project should be communicated early and often

- According to the survey, 41% of respondents could not recall/did not know the price of the last project

The financial information needs to be presented and communicated in a clear and consistent manner

- Refer to marketing materials from successful projects in other municipalities
- Refer to best practices on municipal bonding

When issuing debt for the project, consideration should be given to various financing options such as principal skips.

- An example of a principal skip is a debt repayment option whereby the pay down of principal on a debt obligation is postponed until the second year of the repayment schedule. Interest on the debt obligation is paid in the first year of the repayment schedule but the first payment due on the amount borrowed (the principal) is delayed until the second year of the repayment schedule.
- Refer to the Debt Presentation dated 9-18-2018



Does the bonding scenario that you are using to project debt service include multiple bond offerings over the first four years of the project? In other words are you bonding for debt as our cash flows dictate a demand or are you bonding for all funds up front?

Are you modeling principal skips as was part of the recommendations from the Ad Hoc Finance and Facilities committee?

Can you please create bond financing scenarios that that include multiple issues and principal skips for us to use in our deliberations?

Town of Farmington Financial Forecast

JANUARY 28, 2020



Financial Forecast

First Forecast Prepared in 2016

Forecast was prepared in Response to a Request from Moody's Rating Analyst

Moody's had raised concern regarding amount of debt Town was taking on due to Treatment Plant Upgrade Project

Forecast in its current form was prepared for Town Council subcommittee studying financial aspects of Farmington High School Project

Forecast is a "snapshot" in time, it is updated twice a year

Capital Improvement Policy

- Goal is to contribute at least 2.5% of annual General Fund Revenues to the Capital Improvement Program;
- 20% of all CIP project costs should be financed on a pay-as-you-go basis;
- debt obligations should only be used for CIP projects that cannot be funded from current revenue sources;
- long term debt shall have a maturity of the earlier of the estimated useful life of the capital improvement or twenty years;

Debt Management Policy

Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure or to refinance existing debt;

Goal is to assure that debt obligations are issued and managed in a manner that obtains the best long-term financial advantage to the Town and its residents, while maintaining and improving the Town's bond rating and reputation in the investment community.

Debt shall not be used to finance current operations;

The Town will measure the impact of debt service requirements on a single year, five, ten and twenty-year periods.

Current Debt Position (January 15, 2020)

Current Outstanding Long-Term Debt	\$ 33,965,000
Clean Water Fund Loan	\$ 31,157,363
Total	\$ 65,122,363
Pending Debt:	
Clean Water Fund Loan #2 (February 2020)	\$12,700,000
Debt Issue of 2020 (May 2020)	\$ 4,500,000



Ten Year Debt Issuance Forecast
January 28, 2020



	<u>Amount</u>	FY19/20 Projected <u>Budget</u>	FY20/21 Projected <u>Budget</u>	FY21/22 Projected <u>Budget</u>	FY22/23 Projected <u>Budget</u>	FY23/24 Projected <u>Budget</u>
Existing Debt Service						
CWF Loan # 1	33,679,242	6,346,495	5,600,722	4,628,834	2,977,186	2,931,795
CWF Loan # 2	12,700,000	2,044,534	2,044,534	2,044,534	2,044,534	2,044,534
Issue of 2020	4,500,000	498,867	810,066	770,966	770,966	770,966
Issue of 2021	6,295,000	-	435,000	426,000	417,000	408,000
Issue of 2022	6,940,000			516,190	506,118	496,046
Issue of 2023	7,690,000				572,080	560,880
Issue of 2024	4,850,000					634,425
Issue of 2025	4,000,000					
Issue of 2026	3,750,000					
Issue of 2027	3,250,000					
Issue of 2028	3,250,000					
ESCO Lease	4,821,593	81,899	84,433	87,043	89,732	92,501
Streetlight Lease	1,000,000	152,690	152,690	152,690	152,690	152,690
Issuance Cost		175,000	125,000	250,000	250,000	200,000
Totals		9,299,485	9,252,445	8,876,257	7,780,306	8,291,837
Year over Year Change		991,450	(47,040)	(376,188)	(1,095,951)	511,531

	<u>Amount</u>	<u>FY24/25</u> <u>Projected</u> <u>Budget</u>	<u>FY25/26</u> <u>Projected</u> <u>Budget</u>	<u>FY26/27</u> <u>Projected</u> <u>Budget</u>	<u>FY27/28</u> <u>Projected</u> <u>Budget</u>	<u>FY28/29</u> <u>Projected</u> <u>Budget</u>
Existing Debt Service						
CWF Loan # 1	33,679,242	2,835,720	2,744,361	1,842,504	1,814,438	1,372,044
CWF Loan # 2	12,700,000	2,044,534	2,044,534	2,044,534	2,044,534	2,044,534
Issue of 2020	4,500,000	770,966	770,966	770,966	770,966	770,966
Issue of 2021	6,295,000	399,000	390,000	381,000	372,000	363,000
Issue of 2022	485,974	475,902	465,830	455,758	445,686	
Issue of 2023	6,940,000	549,680	538,480	527,280	516,080	504,880
Issue of 2024	7,690,000	621,929	609,433	596,936	584,440	571,944
Issue of 2025	4,850,000	401,095	393,165	385,236	377,306	369,376
Issue of 2026	4,000,000		332,000	325,400	318,800	312,200
Issue of 2027	3,750,000			312,375	306,131	299,888
Issue of 2028	3,250,000				271,375	265,931
ESCO Lease	3,250,000					272,025
Streetlight Lease	4,821,593	95,353	98,852	103,560	106,677	109,887
Issuance Cost	1,000,000	76,345				
Totals		200,000	200,000	200,000	100,000	100,000
Year over Year Change		8,480,596	8,597,693	7,955,621	8,038,505	7,802,361
		188,759	117,097	(642,072)	82,884	(236,144)

Ten Year Financial Forecast



**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST
BASED ON FY19/20 ADOPTED BUDGET**

		FY19/20 Adopted Budget	FY20/21 Projected Budget	FY21/22 Projected Budget
EXPENDITURES				
Education		67,708,605	69,753,405	71,859,958
Town		30,373,104	31,695,461	32,409,338
BOE Pensions		296,006	50,000	55,675
Debt Service		9,298,362	9,252,445	8,876,257
Capital Improvements		3,668,000	3,322,539	3,396,037
	Total	111,344,077	114,073,850	116,597,265
GRAND LIST				
Real Estate		3,200,941,250	3,222,707,651	3,241,399,355
Personal Property		233,199,367	240,195,348	247,401,208
Motor Vehicles		235,232,708	237,867,314	240,531,428
	Total	3,669,373,325	3,700,770,313	3,729,331,992
REVENUES				
Other Property Taxes		1,240,000	1,250,000	1,250,000
Licenses and Permits		645,000	655,449	666,067
Fines and Penalties		24,000	29,000	29,000
Interest		525,000	525,000	525,000
Grants		4,822,777	4,782,777	4,692,777
Service Charges		1,380,025	1,394,529	1,409,186
Other		50,000	51,500	51,500
Westwoods Contribution		335,025	325,000	325,000
Fund Balance		800,000	-	-
	Total	9,821,827	9,013,255	8,948,530
TAX & MILL RATE				
Tax Levy		\$ 102,241,250	\$ 105,768,595	\$ 108,356,735
Mill Rate		27.97	28.69	29.16
Mill Rate Change		0.78	0.72	0.48
% Change		2.88%	2.56%	1.66%
Avg Residential Assessment		\$ 226,777	\$ 226,777	\$ 226,777
Real Estate Taxes		\$ 6,342.25	\$ 6,505.39	\$ 6,613.54
Dollar Increase		177.37	163.14	108.14
Percent Increase		2.88%	2.57%	1.66%

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST
BASED ON FY19/20 ADOPTED BUDGET**

		FY22/23	FY23/24	FY24/25
		Projected	Projected	Projected
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
EXPENDITURES				
Education		74,030,128	76,265,838	78,569,067
Town		33,323,281	34,262,998	35,229,214
BOE Pensions		61,994	69,030	76,865
Debt Service		7,780,306	8,291,837	8,480,596
Capital Improvements		3,455,871	3,566,691	3,670,672
	Total	118,651,581	122,456,395	126,026,415
GRAND LIST				
Real Estate		3,260,199,471	3,311,710,623	3,330,918,544
Personal Property		254,823,245	262,467,942	270,341,980
Motor Vehicles		243,225,380	245,949,505	248,704,139
	Total	3,758,248,096	3,820,128,069	3,849,964,664
REVENUES				
Other Property Taxes		1,250,000	1,250,000	1,250,000
Licenses and Permits		676,858	687,823	698,965
Fines and Penalties		29,000	29,000	29,000
Interest		525,000	525,000	525,000
Grants		4,602,777	4,512,777	4,422,777
Service Charges		1,423,996	1,438,962	1,454,086
Other		51,500	51,500	51,500
Westwoods Contribution		325,000	320,000	320,000
Fund Balance		-	-	-
	Total	8,884,131	8,815,062	8,751,328
TAX & MILL RATE				
Tax Levy		\$ 110,475,450	\$ 114,349,333	\$ 117,983,087
Mill Rate		29.50	30.04	30.76
Mill Rate Change		0.34	0.54	0.71
% Change		1.17%	1.83%	2.38%
Avg Residential Assessment		\$ 226,777	\$ 230,632	\$ 230,632
Real Estate Taxes		\$ 6,690.97	\$ 6,929.23	\$ 7,094.02
Dollar Increase		77.44	238.26	164.79
Percent Increase		1.17%	3.56%	2.38%

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST
BASED ON FY19/20 ADOPTED BUDGET**

			FY25/26	FY26/27	FY27/28
			Projected	Projected	Projected
			<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
EXPENDITURES					
Education			80,941,852	83,386,296	85,904,563
Town			36,222,678	37,244,158	38,294,443
BOE Pensions			85,590	95,304	106,121
Debt Service			8,597,693	7,955,621	8,038,505
Capital Improvements			3,775,434	3,860,441	3,970,309
	Total		129,623,248	132,541,821	136,313,941
GRAND LIST					
Real Estate			3,350,237,872	3,369,669,252	3,389,213,333
Personal Property			278,452,240	286,805,807	295,409,981
Motor Vehicles			251,489,625	254,306,309	257,154,540
	Total		3,880,179,737	3,910,781,368	3,941,777,854
REVENUES					
Other Property Taxes			1,265,000	1,265,000	1,265,000
Licenses and Permits			710,289	721,795	733,488
Fines and Penalties			29,000	29,000	29,000
Interest			525,000	525,000	525,000
Grants			4,332,777	4,242,777	4,152,777
Service Charges			1,469,368	1,484,811	1,500,417
Other			51,500	51,500	51,500
Westwoods Contribution			320,000	320,000	320,000
Fund Balance			-	-	-
	Total		8,702,934	8,639,884	8,577,182
TAX & MILL RATE					
Tax Levy			\$ 121,628,314	\$ 124,609,937	\$ 128,444,759
Mill Rate			31.46	31.98	32.71
Mill Rate Change			0.70	0.52	0.72
% Change			2.29%	1.65%	2.27%
Avg Residential Assessment			\$ 230,632	\$ 230,632	\$ 230,632
Real Estate Taxes			\$ 7,256.25	\$ 7,375.96	\$ 7,543.17
Dollar Increase			162.23	119.71	167.21
Percent Increase			2.29%	1.65%	2.27%

**TAX AND BUDGET WORKSHEET
10 YEAR FORECAST
BASED ON FY19/20 ADOPTED BUDGET**

			FY28/29
			Projected
			<u>Budget</u>
EXPENDITURES			
Education			88,498,880
Town			39,374,346
BOE Pensions			118,166
Debt Service			7,802,361
Capital Improvements			4,073,813
	Total		139,867,566
GRAND LIST			
Real Estate			3,442,762,904
Personal Property			304,272,281
Motor Vehicles			260,034,671
	Total		4,007,069,855
REVENUES			
Other Property Taxes			1,265,000
Licenses and Permits			745,371
Fines and Penalties			29,000
Interest			525,000
Grants			4,062,777
Service Charges			1,516,186
Other			51,500
Westwoods Contribution			320,000
Fund Balance			-
	Total		8,514,834
TAX & MILL RATE			
Tax Levy		\$	132,060,732
Mill Rate			33.08
Mill Rate Change			0.37
% Change			1.14%
Avg Residential Assessment		\$	234,553
Real Estate Taxes		\$	7,758.86
Dollar Increase			215.69
Percent Increase			2.86%

Conclusion

Town finances are stable but will require tax increases to fund operations;

Town is expected to steadily add long term debt;

- Clean Water Fund Loan #2

- Fire Projects

- Road Improvements

- Elementary School Projects

Older debt is dropping off slightly faster than new debt is added;

TAX AND BUDGET WORKSHEET
10 YEAR FORECAST WITH \$100 MILLION BOND ISSUE

		FY19/20	FY20/21	FY21/22
		Adopted	Projected	Projected
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
EXPENDITURES				
Education		67,708,605	69,753,405	71,859,958
Town		30,373,104	31,695,461	32,409,338
BOE Pensions		296,006	50,000	55,675
Debt Service		9,298,362	9,252,445	8,876,257
\$100 Mil Bond Issue		-	-	1,600,000
Capital Improvements		3,668,000	3,322,539	3,396,037
	Total	111,344,077	114,073,850	118,197,265
GRAND LIST				
Real Estate		3,200,941,250	3,222,707,651	3,241,399,355
Personal Property		233,199,367	240,195,348	247,401,208
Motor Vehicles		235,232,708	237,867,314	240,531,428
	Total	3,669,373,325	3,700,770,313	3,729,331,992
REVENUES				
Other Property Taxes		1,240,000	1,250,000	1,250,000
Licenses and Permits		645,000	655,449	666,067
Fines and Penalties		24,000	29,000	29,000
Interest		525,000	525,000	525,000
Grants		4,822,777	4,782,777	4,692,777
Service Charges		1,380,025	1,394,529	1,409,186
Other		50,000	51,500	51,500
Westwoods Contribution		335,025	325,000	325,000
Fund Balance		800,000	-	-
	Total	9,821,827	9,013,255	8,948,530
TAX & MILL RATE				
Tax Levy		\$ 102,241,250	\$ 105,768,595	\$ 109,956,735
Mill Rate		27.97	28.69	29.59
Mill Rate Change		0.78	0.72	0.91
% Change		2.88%	2.56%	3.16%
Avg Residential Assessment		\$ 226,777	\$ 226,777	\$ 226,777
Real Estate Taxes		\$ 6,342.25	\$ 6,505.39	\$ 6,711.19
Dollar Increase		177.37	163.14	205.80
Percent Increase		2.88%	2.57%	3.16%

TAX AND BUDGET WORKSHEET
10 YEAR FORECAST WITH \$100 MILLION BOND ISSUE

			FY22/23	FY23/24	FY24/25
			Projected	Projected	Projected
			Budget	Budget	Budget
EXPENDITURES					
Education			74,030,128	76,265,838	78,569,067
Town			33,323,281	34,262,998	35,229,214
BOE Pensions			61,994	69,030	76,865
Debt Service			7,780,306	8,291,837	8,480,596
\$100 Mil Bond Issue			4,770,000	6,280,000	6,160,000
Capital Improvements			3,455,871	3,566,691	3,670,672
	Total		123,421,581	128,736,395	132,186,415
GRAND LIST					
Real Estate			3,260,199,471	3,311,710,623	3,330,918,544
Personal Property			254,823,245	262,467,942	270,341,980
Motor Vehicles			243,225,380	245,949,505	248,704,139
	Total		3,758,248,096	3,820,128,069	3,849,964,664
REVENUES					
Other Property Taxes			1,250,000	1,250,000	1,250,000
Licenses and Permits			676,858	687,823	698,965
Fines and Penalties			29,000	29,000	29,000
Interest			525,000	525,000	525,000
Grants			4,602,777	4,512,777	4,422,777
Service Charges			1,423,996	1,438,962	1,454,086
Other			51,500	51,500	51,500
Westwoods Contribution			325,000	320,000	320,000
Fund Balance			-	-	-
	Total		8,884,131	8,815,062	8,751,328
TAX & MILL RATE					
Tax Levy		\$	115,245,450	\$ 120,629,333	\$ 124,143,087
Mill Rate			30.78	31.69	32.37
Mill Rate Change			1.18	0.92	0.67
% Change			4.00%	2.98%	2.12%
Avg Residential Assessment		\$	226,777	\$ 230,632	\$ 230,632
Real Estate Taxes		\$	6,979.87	\$ 7,309.78	\$ 7,464.41
Dollar Increase			268.68	329.91	154.62
Percent Increase			4.00%	4.73%	2.12%

TAX AND BUDGET WORKSHEET
10 YEAR FORECAST WITH \$100 MILLION BOND ISSUE

			FY25/26	FY26/27	FY27/28
			Projected	Projected	Projected
			<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
EXPENDITURES					
Education			80,941,852	83,386,296	85,904,563
Town			36,222,678	37,244,158	38,294,443
BOE Pensions			85,590	95,304	106,121
Debt Service			8,597,693	7,955,621	8,038,505
\$100 Mil Bond Issue			7,640,000	7,490,000	7,340,000
Capital Improvements			3,775,434	3,860,441	3,970,309
	Total		137,263,248	140,031,821	143,653,941
GRAND LIST					
Real Estate			3,350,237,872	3,369,669,252	3,389,213,333
Personal Property			278,452,240	286,805,807	295,409,981
Motor Vehicles			251,489,625	254,306,309	257,154,540
	Total		3,880,179,737	3,910,781,368	3,941,777,854
REVENUES					
Other Property Taxes			1,265,000	1,265,000	1,265,000
Licenses and Permits			710,289	721,795	733,488
Fines and Penalties			29,000	29,000	29,000
Interest			525,000	525,000	525,000
Grants			4,332,777	4,242,777	4,152,777
Service Charges			1,469,368	1,484,811	1,500,417
Other			51,500	51,500	51,500
Westwoods Contribution			320,000	320,000	320,000
Fund Balance			-	-	-
	Total		8,702,934	8,639,884	8,577,182
TAX & MILL RATE					
Tax Levy		\$	129,268,314	\$ 132,099,937	\$ 135,784,759
Mill Rate			33.44	33.90	34.58
Mill Rate Change			1.07	0.47	0.67
% Change			3.32%	1.39%	1.98%
Avg Residential Assessment		\$	230,632	\$ 230,632	\$ 230,632
Real Estate Taxes		\$	7,712.05	\$ 7,819.31	\$ 7,974.22
Dollar Increase			247.64	107.26	154.91
Percent Increase			3.32%	1.39%	1.98%

TAX AND BUDGET WORKSHEET
10 YEAR FORECAST WITH \$100 MILLION BOND ISSUE

			FY28/29
			Projected
			<u>Budget</u>
EXPENDITURES			
Education			88,498,880
Town			39,374,346
BOE Pensions			118,166
Debt Service			7,802,361
\$100 Mil Bond Issue			7,190,000
Capital Improvements			4,073,813
	Total		147,057,566
GRAND LIST			
Real Estate			3,442,762,904
Personal Property			304,272,281
Motor Vehicles			260,034,671
	Total		4,007,069,855
REVENUES			
Other Property Taxes			1,265,000
Licenses and Permits			745,371
Fines and Penalties			29,000
Interest			525,000
Grants			4,062,777
Service Charges			1,516,186
Other			51,500
Westwoods Contribution			320,000
Fund Balance			-
	Total		8,514,834
TAX & MILL RATE			
Tax Levy		\$	139,250,732
Mill Rate			34.88
Mill Rate Change			0.30
% Change			0.88%
Avg Residential Assessment	\$		234,553
Real Estate Taxes	\$		8,181.28
Dollar Increase			207.06
Percent Increase			2.60%

FINAL OFFICIAL STATEMENT DATED MAY 7, 2019

NEW ISSUE: Book-Entry-Only

RATING: Moody's Investors Service: Aaa

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B "Opinion of Bond Counsel and Tax Status" herein.)



Town of Farmington, Connecticut

\$4,400,000

General Obligation Bonds, Issue of 2019

(Bank Qualified)

Dated: Date of Delivery

**Due: May 15, 2020 – 2034,
As shown below:**

The Bonds will be general obligations of the Town of Farmington, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

Interest on the Bonds will be payable on November 15, 2019 and semiannually thereafter on May 15 and November 15 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>	<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
2020	\$ 295,000	4.000%	1.360%	311153WX4	2028	\$ 295,000	2.125%	2.125%	311153XF2
2021	295,000	5.000%	1.380%	311153WY2	2029	295,000	2.250%	2.250%	311153XG0
2022	295,000	5.000%	1.400%	311153WZ9	2030	290,000	2.375%	2.375%	311153XH8
2023	295,000	5.000%	1.420%	311153XA3	2031	290,000	2.500%	2.500%	311153XJ4
2024	295,000	5.000%	1.450%	311153XB1	2032*	290,000	3.000%	2.300%	311153XK1
2025	295,000	5.000%	1.470%	311153XC9	2033*	290,000	3.000%	2.350%	311153XL9
2026*	295,000	2.000%	1.600%	311153XD7	2034*	290,000	3.000%	2.400%	311153XM7
2027*	295,000	3.000%	1.650%	311153XE5					

* Priced assuming redemption on May 15, 2025; however, any such redemption is at the option of the Town.

ROOSEVELT & CROSS, INC. AND ASSOCIATES

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about May 16, 2019.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

Capital Leases

The Town of Farmington has entered into lease agreements, as lessee, to finance the acquisition of rolling stock, golf carts, street lights and for energy conservation improvements to various Town and School buildings. The leases have varying maturities from 3 years to 16 years as follows:

<u>Date</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
04/26/12	Energy Conserv.....	2.97%	\$ 3,705,081	\$ 2,849,325	4/26/2029
08/01/14	Vacuum Truck.....	1.80%	319,371	55,222	7/10/2019
04/01/16	Golf Carts.....	4.70%	123,967	68,167	10/1/2020
10/13/17	Streetlights.....	1.86%	1,000,000	796,512	10/13/2024
Total.....			\$ 5,148,419	\$ 3,769,226	

The principal and interest on the leases is being paid from various sources including: sewer use fees, energy conservation savings and golf cart rentals.

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

Overlapping/Underlying Debt Pro Forma As of May 16, 2019

The jurisdictions with boundaries overlapping or underlying Town boundaries is based upon information received by the Town from sources specified below. This does not reflect authorized but unissued indebtedness of those jurisdictions. The Town has not assumed responsibility to verify the information below.

Overlapping Debt

The Town of Farmington has no overlapping debt.

Underlying Debt

The Farmington Woods Tax District, Lake Garda Improvement Association and Talcott Glen Tax District have the authority to issue debt, which represents underlying debt of the Town. As of May 16, 2019, these districts do not have any outstanding indebtedness.

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Town of Farmington Strategic Plan Key

Table #1-Icons

				
Timeframe	Cost	Complexity of Policy	Staff Workload	TC Workload

Table #2-Rankings

	Timeframe	Cost	Complexity of Policy	Workload (Staff/TC)
Red	Immediate	Potential High Cost	High	High
Yellow	3-12 months	Potential Medium Cost	Medium	Medium
Green	12-24 months	Potential Low Cost	Low	Low

This visual tool was created to assist the Town Council in prioritizing goals, and to provide an initial starting point for discussion.

While you review the strategic plan, you will see the following chart under each committee goal with the applicable colors filled in.

Example:

			Staff	TC
				