

# Town of Darien

## Five-Year Financial Forecast 2010-2014

### Assumptions

Note - This is a forecast. It is not the adopted budget. It is provided for financial planning purposes only.

- 1) The general rate of inflation is expected to range from 1.5% to 2.5% over the term of the forecast. This forecast utilizes a higher percentage because personnel costs are projected to increase at a higher rate. For Town expenses, a blended overall rate of 3% per year is used. For Board of Education operating and personnel expenses, the blended rate ranges from 3% to 4%. As of June 30, 2008 there were about 136 Town employees and 751 Board of Education full time employees.
- 2) Medical insurance is projected to increase for the Board of Selectmen from 7.8% to 9.5% of the total operating budget annually. The Board of Education has projected their medical and drug insurance increases will be 5.8%. Liability insurance is projected to increase 5% per year
- 3) The forecast is using an estimate for the Town's Adjusted Grand List in FY 2010, based on preliminary values from the revaluation. Growth in the grand list is estimated to be 0.9% in FY 11, declining in future years. The estimated Adjusted Grand List assumes a property tax collection rate of 98.5% for fiscal 2010 to 2014.
- 4) Sewer bonds issued will be repaid by an assessment levied on the benefiting property owners. The Sewer Operating and Sewer Assessment Funds transfer money to the General Fund each year, shown in the forecast as income item labeled Transfers-In, representing repayment of debt that was incurred by the General Fund on their behalf.
- 5) The forecast includes existing debt for School projects as well as \$3,000,000 to be bonded in 2010 at an assumed rate of 4.5% – 5.0%
- 6) The forecast reflects funding for renovation of the Police Station and Weed Beach as well as multiple drainage projects estimated at a total of \$38,000,000. It is assumed that the Town will pay rates ranging from 4.50% to 5.0% on the balance to be bonded.
- 7) General Fund Fund Balance may be adjusted from year to year to help level tax rate increases or to maintain reserves in accordance with the fund balance policy adopted by the Board of Finance. This forecast projects that the Fund Balance will decrease from \$16 million to \$10 million at the end of the five-year period.
- 8) Pension contributions are expected to increase 6% per year. This forecast projects that the Town will begin funding the non-police Other Post Employment Benefits in FY 2009 with a contribution from General Fund Fund Balance. In future years, contributions are estimated to range from \$300,000 to \$500,000.
- 9) For purposes of this forecast, projected capital expenditures are based on the Board of Selectmen capital forecast date 02/07 and Board of Education capital forecasts dated 11/07. Some projects, not identified individually, are deferred to later years in this forecast.

<b>Town of Darien, Connecticut</b> <b>Five Year Financial Forecast</b> <b>Expenditures &amp; Transfers (000's)</b>
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Expenditures & Transfers	Actual	Budget	Projections				
	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Board of Selectmen Operating	\$ 17,718	\$ 18,948	\$ 19,422	\$ 19,907	\$ 20,504	\$ 21,120	\$ 21,753
Town Energy Exp.	454	474	479	484	488	493	498
Pension & Police Retiree Medical	1,575	1,600	1,696	1,798	1,906	2,020	2,141
Town Prop & Liability Insurance	414	528	554	582	611	642	674
Town Workers' Comp	533	394	414	434	456	479	503
Town Medical (note 3)	1,614	1,759	1,917	2,090	2,278	2,483	2,706
Town Dental	120	137	147	158	170	183	197
Total Operating	<u>22,428</u>	<u>23,840</u>	<u>24,629</u>	<u>25,454</u>	<u>26,414</u>	<u>27,419</u>	<u>28,472</u>
Debt Service (note 7 thru 9)							
Existing:							
Town	123	726	172	166	161	154	147
Schools	9,167	9,750	9,725	9,432	9,260	8,960	8,619
Sewers	691	686	671	685	574	558	602
New:							
Heights Road			115	479	467	456	444
Police Station			225	1,118	1,644	1,604	1,564
DHS			62	242	235	229	223
Tokeneke			-	60	59	57	56
Weed Beach			-	45	322	427	415
35 Leroy Purchase			-	70	293	286	279
Drainage			107	1,085	1,058	1,032	1,005
Issuance Cost	-	2	100	100	100	100	100
Total Debt Service	<u>9,981</u>	<u>11,164</u>	<u>11,177</u>	<u>13,482</u>	<u>14,173</u>	<u>13,863</u>	<u>13,454</u>
<b>Total Board of Selectmen</b>	<u>32,409</u>	<u>35,004</u>	<u>35,806</u>	<u>38,936</u>	<u>40,587</u>	<u>41,282</u>	<u>41,926</u>
			2.3%	8.7%	4.2%	1.7%	1.6%
Board of Education							
Operating	55,040	58,016	59,699	62,146	64,694	67,347	69,367
Prop & Liab Insurance	176	165	166	171	175	177	180
Workers Comp	256	229	236	241	248	255	263
Pension	609	666	687	707	725	746	769
Medical & Dental	6,246	7,301	7,726	8,172	8,644	9,142	9,508
Receipts	178						
Added Pupils			133	(68)	51	(134)	(33)
<b>Total Board of Education</b>	<u>62,505</u>	<u>66,377</u>	<u>68,647</u>	<u>71,369</u>	<u>74,537</u>	<u>77,533</u>	<u>80,054</u>
			3.4%	4.0%	4.4%	4.0%	3.3%
Other Post Employment Benefits	-	-	300	400	500	500	500
Transfers to RFCNRE /Other Capital	5,799	2,870	1,450	1,800	2,400	4,000	5,780
Transfers to Animal Control	57	55	57	59	61	63	65
<b>TOTAL EXPENDITURES</b>	<u>\$100,770</u>	<u>\$104,306</u>	<u>\$106,260</u>	<u>\$ 112,564</u>	<u>\$ 118,085</u>	<u>\$ 123,378</u>	<u>\$ 128,326</u>
			1.9%	5.9%	4.9%	4.5%	4.0%

Town of Darien, Connecticut Five Year Financial Forecast Revenues & Transfers (000's)
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Revenues & Transfers In	Actual	Budget	Projections				
	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Licenses & Permits	3,488	2,616	2,000	2,500	2,500	2,600	2,600
Intergovernmental	2,533	2,401	2,000	1,950	1,875	1,775	1,650
Charges for Services	1,100	840	848	865	883	900	918
Fines & Forfeits	19	18	19	19	20	20	20
Investment Income	1,555	750	345	480	770	940	1,100
Miscellaneous	536	217	219	221	224	226	228
Transfers In	1,668	1,285	886	671	671	685	574
Appropriated Fund Balance		1,100	945	950	1,000	1,100	1,100
<b>Total Revenue &amp; Transfers In</b>	<b>10,899</b>	<b>9,227</b>	<b>7,263</b>	<b>7,657</b>	<b>7,942</b>	<b>8,246</b>	<b>8,190</b>
Prior Years' Property Taxes	536	291	300	300	300	300	300
Interest and Lien Fees	347	230	250	275	275	275	275
Supplemental Taxes	36	400	400	400	400	400	400
Telecommunications Property Tax	121	121	123	123	123	123	123
<b>Total Supplemental Taxes</b>	<b>1,040</b>	<b>1,042</b>	<b>1,073</b>	<b>1,098</b>	<b>1,098</b>	<b>1,098</b>	<b>1,098</b>
<b>Total Income Before Current Property Taxes</b>	<b>11,939</b>	<b>10,269</b>	<b>8,336</b>	<b>8,755</b>	<b>9,040</b>	<b>9,344</b>	<b>9,288</b>
<b>Current Property Taxes</b>	<b>89,493</b>	<b>94,037</b>	<b>97,925</b>	<b>103,809</b>	<b>109,044</b>	<b>114,034</b>	<b>119,037</b>
<b>TOTAL INCOME</b>	<b>\$ 101,432</b>	<b>\$ 104,306</b>	<b>\$ 106,260</b>	<b>\$ 112,564</b>	<b>\$ 118,085</b>	<b>\$ 123,378</b>	<b>\$ 128,326</b>

Adjusted Grand List (note 3)	6,367,959	6,465,005	see below for post revaluation estimated Grand List and mill rate					
<b>Mill Rate</b>	13.87	14.55						
<b>% Increase</b>		<b>4.90%</b>						
Post Revaluation Estimated Adjusted Grand List (note 3)			8,649,161	8,727,245	8,797,270	8,859,023	8,921,210	5 Year Avg Inc.
<b>Estimated Mill Rate</b>			11.32	11.89	12.40	12.87	13.34	n/a
<b>% Increase</b>			<b>4.00%</b>	<b>5.06%</b>	<b>4.21%</b>	<b>3.85%</b>	<b>3.66%</b>	<b>4.15%</b>
Outstanding Bonded Debt as of 06/30	97,940	90,827	110,156	116,739	107,346	97,991	88,639	

Town of Darien, Connecticut Five Year Financial Forecast Board of Selectmen and Board of Education Capital Projects Schedule (000's)
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	<b>Budget Fiscal 2009</b>	<b>Fiscal 2010</b>	<b>Fiscal 2011</b>	<b>Fiscal 2012</b>	<b>Fiscal 2013</b>	<b>Fiscal 2014</b>	<b>Total</b>
Per Selectmen's Six Year Projection	2,154	2,747	2,113	2,319	2,085	2,032	13,450
Per Board of Ed Projection	1,043	1,080	899	1,506	797	277	5,602
(Deferred)/Reinstated Projects (note 9)		(2,152)	(1,166)	(1,376)	1,169	3,525	-
Total Capital Projects	<u>3,197</u>	<u>1,675</u>	<u>1,846</u>	<u>2,449</u>	<u>4,051</u>	<u>5,834</u>	<u>19,052</u>
Capital Costs Applied for Funding:							
Reserve Fund for Capital Exps.	3,197	1,675	1,846	2,449	4,051	5,834	19,052
Total	<u>3,197</u>	<u>1,675</u>	<u>1,846</u>	<u>2,449</u>	<u>4,051</u>	<u>5,834</u>	<u>19,052</u>

<p>Town of Darien, Connecticut  Five Year Financial Forecast  Capital &amp; Non-Recurring Expenditure Fund  (000's)</p>
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	Actual Fiscal 2008	Budget Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Beginning							
Available Capital Balance	181	181	181	-	-	-	-
Capital Added (A)	2,870	4,598	1,450	1,800	2,400	4,000	5,780
Other Transfer		-					
Interest Income	45	45	30	32	35	37	40
Inter Governmental	-	-					
Bond Proceeds	-	-					
Miscellaneous	282	42	14	14	14	14	14
Ending							
Available Capital Balance	3,378	4,866	1,675	1,846	2,449	4,051	5,834
Appropriations	(3,197)	(4,685)	(1,675)	(1,846)	(2,449)	(4,051)	(5,834)
Undesignated Balance	181	181	-	-	-	-	-

(A) Transfer from the General Fund.