

Town of Darien

Five-Year Financial Forecast 2016-2020

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 be approximately 2.2% over the term of the forecast. Personnel costs are projected to increase at a similar rate after current contracts expire. As of June 30, 2014 there were about 140 Town employees and 790 Board of Education full time employees.
2. Medical insurance rates are projected to increase for the Board of Selectmen from 8% to 10% over the period covered by this forecast. Liability insurance costs are projected to increase 10% in the next year but then increase at a lesser rate over the remainder of the five years.
3. The Grand List is projected to have modest growth over the period covered by this forecast. The estimated Adjusted Grand List assumes a property tax collection rate of 98.9%.
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 reflects \$10.5 million in bonding for the anticipated elementary school expansion projects and drainage projects. The forecast assumes these bonds will be 20 year bonds with level principal payments, issued at a rate of 3.85-4.35%.
6. 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 \$15 million at the end of the five-year period.
7. Post-retirement benefit plan contributions are expected to increase 6.7% per year.
8. For purposes of this forecast, projected capital expenditures are based on the Board of Selectmen capital forecast date 02/14 and Board of Education capital forecasts dated 02/14. Some projects, not identified individually, are deferred to later years in this forecast.

Exhibit B

Town of Darien, Connecticut
Five Year Financial Forecast
Expenditures & Transfers (000's)

Expenditures & Transfers	Actual	Budget	Projections				
	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Board of Selectmen Operating	\$ 22,801	\$ 24,323	\$ 24,895	\$ 25,480	\$ 26,078	\$ 26,691	\$ 27,318
Town Energy Exp.	611	518	518	544	571	600	630
Pension & Police Retiree Medical	2,135	2,143	2,287	2,440	2,603	2,778	2,964
Town Prop & Liability Insurance	368	419	461	484	508	534	560
Town Workers' Comp	511	627	721	775	814	846	880
Town Medical & Dental (note 2)	2,617	2,956	3,192	3,448	3,724	4,059	4,465
Total Operating	29,043	30,986	32,074	33,170	34,298	35,507	36,817
% increase		6.7%	3.5%	3.4%	3.4%	3.5%	3.7%
Debt Service (notes 4-6)							
Existing:							
Schools	8,473	7,411	7,025	7,673	7,111	6,385	5,715
Town	1,664	3,366	3,554	2,990	2,920	2,950	2,884
Sewers	685	707	686	801	819	700	705
New:							
new debt 1					443	807	788
new debt 2					29	131	128
Total Debt Service	10,822	11,484	11,265	11,464	11,322	10,973	10,220
% increase		6.1%	-1.9%	1.8%	-1.2%	-3.1%	-6.9%
Total Board of Selectmen	39,865	42,470	43,339	44,634	45,620	46,480	47,037
% increase		6.5%	2.0%	3.0%	2.2%	1.9%	1.2%
Board of Education	83,695	88,136	91,875	95,976	100,277	104,919	109,816
Total Board of Education	83,695	88,136	91,875	95,976	100,277	104,919	109,816
% increase		5.3%	4.2%	4.5%	4.5%	4.6%	4.7%
Transfers to RFCNRE /Other Capital	2,666	2,488	2,300	2,500	2,700	2,900	3,200
TOTAL EXPENDITURES	\$ 126,226	\$133,094	\$ 137,514	\$ 143,110	\$ 148,597	\$ 154,299	\$ 160,053
		5.4%	3.3%	4.1%	3.8%	3.8%	3.7%
Estimated Outstanding Bonded Debt as of 06/30	86,913 13/14	77,430 14/15	68,711 15/16	64,432 16/17	60,666 17/18	51,624 18/19	42,997 19/20

Exhibit C

Town of Darien, Connecticut
 Five Year Financial Forecast
 Revenues & Transfers
 (000's)

Revenues & Transfers In	Actual	Budget	Projections				
	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Licenses & Permits	3,698	3,408	3,400	3,434	3,468	3,503	3,538
Intergovernmental	2,810	2,544	2,340	2,340	2,340	2,340	2,340
Charges for Services	1,599	1,563	1,594	1,626	1,675	1,725	1,777
Fines & Forfeits	23	24	24	24	25	25	26
Investment Income	129	100	100	110	125	150	175
Miscellaneous	423	352	356	359	363	366	370
Transfers In	638	639	686	801	819	700	705
Appropriated Fund Balance		1,100	500	400	-	-	-
Total Revenue & Transfers In	9,320	9,730	9,000	9,094	8,815	8,809	8,931
Prior Years' Property Taxes	522	600	600	618	637	656	675
Interest and Lien Fees	524	400	400	412	424	437	450
Supplemental Taxes	-	450	450	464	477	492	506
Telecommunications Property Tax	58	70	70	70	72	74	76
Total Supplemental Taxes	1,104	1,520	1,520	1,564	1,610	1,659	1,708
Total Income Before Current Property Taxes	10,424	11,250	10,520	10,658	10,425	10,468	10,639
Current Property Taxes	115,534	121,844	126,994	132,453	138,172	143,831	149,414
TOTAL INCOME	\$ 125,958	\$ 133,094	\$ 137,514	\$ 143,110	\$ 148,597	\$ 154,299	\$ 160,053
Adjusted Grand List (note 3)	8,754,928	8,120,895	8,202,416	8,284,753	8,367,913	8,451,906	8,536,740
Mill Rate	13.17	15.01	15.48	15.99	16.51	17.02	17.50
% Increase			3.15%	3.26%	3.28%	3.06%	2.85%
Available General Fund Fund Balance as % of Revenues	17,454	16,482	15,982	15,582	15,582	15,582	15,582
		13.1%	12.0%	11.3%	10.9%	10.5%	10.1%

Exhibit D

Town of Darien, Connecticut
 Five Year Financial Forecast
 Board of Selectmen and Board of Education
 Capital Projects Schedule
 (000's)

	Budget Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Total
Per Selectmen's Six Year Projection	1,714	5,321	3,814	2,198	2,161	3,600	18,808
Per Board of Ed Projection	797	2,249	1,073	554	1,485	540	6,698
(Deferred)/Reinstated Projects		(5,248)	(2,364)	(28)	(721)	(914)	(9,275)
Total Capital Projects	2,511	2,322	2,523	2,724	2,925	3,226	16,231
 Capital Costs Applied for Funding:							
Reserve Fund for Capital Exps.	2,511	2,322	2,523	2,724	2,925	3,226	16,231
Total	2,511	2,322	2,523	2,724	2,925	3,226	16,231

Note: for FY 16 - the BOE estimate is from FY 15 budget and includes the FY 15 projects that did not get put forward by the BOE for FY 15. The Selectmen's estimate is from the Selectmen's 6 year plan.

Exhibit E

Town of Darien, Connecticut Five Year Financial Forecast Capital & Non-Recurring Expenditure Fund (000's)
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	Budget Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Beginning Available Capital Balance	-	-	-	-	-	-
Capital Added (A)	2,488	2,300	2,500	2,700	2,900	3,200
Other Transfer	-					
Interest Income	1	2	3	4	5	6
Inter Governmental	-					
Bond Proceeds	-					
Miscellaneous	22	20	20	20	20	20
Ending Available Capital Balance	2,511	2,322	2,523	2,724	2,925	3,226
Appropriations	(2,511)	(2,322)	(2,523)	(2,724)	(2,925)	(3,226)
Undesignated Balance	-	-	-	-	-	-

(A) Transfer from the General Fund.