

REPRESENTATIVE TOWN MEETING  
STATE OF THE TOWN MEETING  
DECEMBER 12, 2011

RECEIVED  
DEC 14 2011  
TOWN CLERK'S OFFICE  
DARIEN CT.

CALL TO ORDER

The Representative Town Meeting State of the Town Meeting was called to order at 8:05 p.m. by Donna Rajczewski, Town Clerk.

Upon Roll Call, the following members were present:

From District I, there were 8 members present, 5 absent.  
From District II, there were 14 members present, 1 absent.  
From District III, there were 13 members present, 5 absent.  
From District IV, there were 10 members present, 5 absent.  
From District V, there were 15 members present, 1 absent.  
From District VI, there were 16 members present, 0 absent.

The absentees from District I were: Imbimbo, Saksena, Schneider, Schwarz, Valentino.  
The absentee from District II was: Marston.  
The absentees from District III were: Brode, Coyne, Ferretti, LeHan, Maroney.  
The absentees from District IV were: Fiore, Hardison, Morrison, Peters, S. Schoonmaker.  
The absentee from District V was: Davis.

The Moderator, Karen A. Armour, assumed the Chair.

ACCEPTANCE OF THE AGENDA

\*\* THE AGENDA WAS ACCEPTED BY UNIVERSAL CONSENT.

APPROVAL OF THE MINUTES OF THE NOVEMBER 14, 2011 ANNUAL MEETING

\*\* THE MINUTES WERE APPROVED BY UNIVERSAL CONSENT.

ANNOUNCEMENTS

There were no announcements.

STATE OF THE TOWN REPORTS

CHAIR, PLANNING & ZONING COMMISSION

Fred Conze read the report of the Planning & Zoning Commission and made a PowerPoint presentation (attached).

**CHAIR, BOARD OF EDUCATION**

Elizabeth Hagerty-Ross read the written report of the Board of Education (attached).

**CHAIR, BOARD OF FINANCE**

Liz Mao read the written report of the Board of Finance and gave a PowerPoint presentation (attached).

**FIRST SELECTMAN**

Jayne Stevenson read the written report of the Board of Selectmen and made a PowerPoint presentation (attached).

The Moderator adjourned the meeting at 9 p.m.

Respectfully submitted,

Cheryl Telesco  
Telesco Secretarial Services

**STATE OF THE TOWN ADDRESS**  
**FRED CONZE, CHAIR**  
**DARIEN PLANNING AND ZONING COMMISSION**  
**DECEMBER 12, 2011**

SL #1 Good evening Madame Moderator, Members of the RTM, other elected and appointed officials, and the residents of Darien.

Rather than give you the typical "State of the Town" address full of statistics I thought I would take this opportunity to give you a slightly modified version of a presentation I gave not too long ago to the Senior Men's organization. In this address I focused on the mission of Planning & Zoning from a slightly different prospective, demographic trends impacting this mission, what I refer to as the tax shift opportunities before us, current projects in the works, and finally, risks and issues

SL #2 Let us start with our mission. The 2006 Town Plan for Conservation and Development identifies a number of basic policy priorities including the following: (1) maintain Darien as a primarily low-density residential community, (2) continue to encourage vibrant commercial areas, and (3) continue monitoring Special Use Permits to minimize impact on surrounding single family neighborhoods. For sure, we are a regulatory body empowered with the administration and enforcement of our zoning regulations. I ask you, however, to reverse the telescope and view the Planning & Zoning Commission from a different perspective. In effect, as elected officials the Commission is an organization tasked with managing as fiduciary a diverse portfolio of real estate assets on behalf of 6,500 investors - representing the 6,500 home and property owners in Darien. This includes all of us, from the Selectmen and elected officials to individual homeowner residents and commercial property owners. As an elected board we have a fiduciary responsibility to preserve the residential character of Darien as stated in our Town Plan of Conservation and Development, and where appropriate, enhance the value of our mutual investment. As the slide suggests, we must balance our needs and resources to not only preserve the architecture and geometry of Darien but, where appropriate, to value enhance our community. While we have been addressing our community's need and state mandates for affordable housing, this is not our only housing priority. We also have need for step down market rate housing for empty nesters and/or professionals.

The real estate markets, however, have not been kind to us, but better than most. According to Zillow, we have the second highest median housing value in our metro area behind Greenwich, but the highest 10 year annualized increase in median value: 3.7% - , including Greenwich. This is not a good number. Set against the backdrop of our economic climate, however, I believe most real estate professionals will acknowledge that Darien is highly competitive in the residential real estate market and will significantly benefit from any economic up tick.

SL #3

What accounts for our competitiveness as a community? Simply, Darien is fully developed with a finite supply of housing. As demand for housing increases, so does its impact on values. Look, for example, at the 80% increase in school enrollment from 1990 to 2010. This did not occur because residents decided to have more babies, but rather that we are a community of choice for young families looking for good schools, beaches, a good commute, a vibrant commercial base and a Whole Foods. As they say “a rising tide lifts all boats.”

As the Town’s demographics evolve so does its commercial base and need for products and services. Redevelopment becomes the natural consequence of this evolution as the value of commercial property begins to exceed the value of the business or businesses occupying it.

SL #4

Commercial redevelopment has a direct impact on us as investors as a stimulus to demand. The next slide illustrates the approximate 10:1 ratio of the residential tax base to our commercial base. Consider the property tax analysis of three recently developed commercial properties: The Brooks Brothers/ Darien Rowayton Bank property, Whole Foods, and 1020 Post Road. Whereas these properties contributed \$72,534 to our property tax revenues in 2003, they now contribute \$378,300, - more than four times the 2003 amount. Surely, this “Tax Shift” will continue as the portfolio of our Town’s commercial property is redeveloped. The residential valuation, and we as property owners, are direct beneficiaries of a growing commercial valuation. Hopefully, the redevelopment we anticipate and attempt to stimulate will be further additive to the demand side of the supply/demand equation.

SL #5

Let us turn our attention to what’s in the works or recently completed:

SL #6

- The third upgrading of the YMCA since the early 1990’s;
- 333 West Avenue: eight new homes in a cluster configuration that maximizes open space while keeping scale to the surrounding neighborhood;
- Garden Homes: an office building converted to 35 apartments under the affordable housing statute 830(g);
- The new Mini of Fairfield dealership; a 10,000 sq. ft. facility at 154 Post Road;

SL #7

SL #8

SL #9

sl #10

- 17 Old Kings Highway South; a 19,000 sq. ft office building;

Now let us look at our intermediate and longer term projects:

sl #11

- 745 Post Road – a mixed use project approved under our “Inclusionary Zoning” regulation with 6,100 sq. ft of office and 8 residential units: One of the residential units will be affordable, or, in lieu of same the Town will receive a \$350,000 fee to allocate to the development of additional affordable housing off site;

sl #12

- 1292 Post Road – a 4,400 sq ft. office retail building on the site of the former Stolfi building at the bottom of exit 11;

sl #13

- The Allen O’Neill redevelopment – a strategic element in our affordable housing initiative in which we have increased the density from the existing 53 units to 106 (this project will be underway within the next six months);

sl #14

- The redevelopment of the former Convalescent Center into a 66 unit Assisted Living, Memory Care facility. The redevelopment of this facility is currently underway;

sl #15

- the 62 unit senior targeted market rate townhouse project on the former Proccacini property – initial construction is expected to begin within the next several months;

sl #16

- and, finally, way down the road: the redevelopment of the twenty acre Noroton Heights property bounded by West Avenue, Heights Road, Hollow Tree Ridge Road and Noroton Avenue under the newly approved multiuse overlay zone. We anticipate this project will include a number of affordable housing units consistent with our Inclusionary Zoning regulation.

sl #17

sl #18

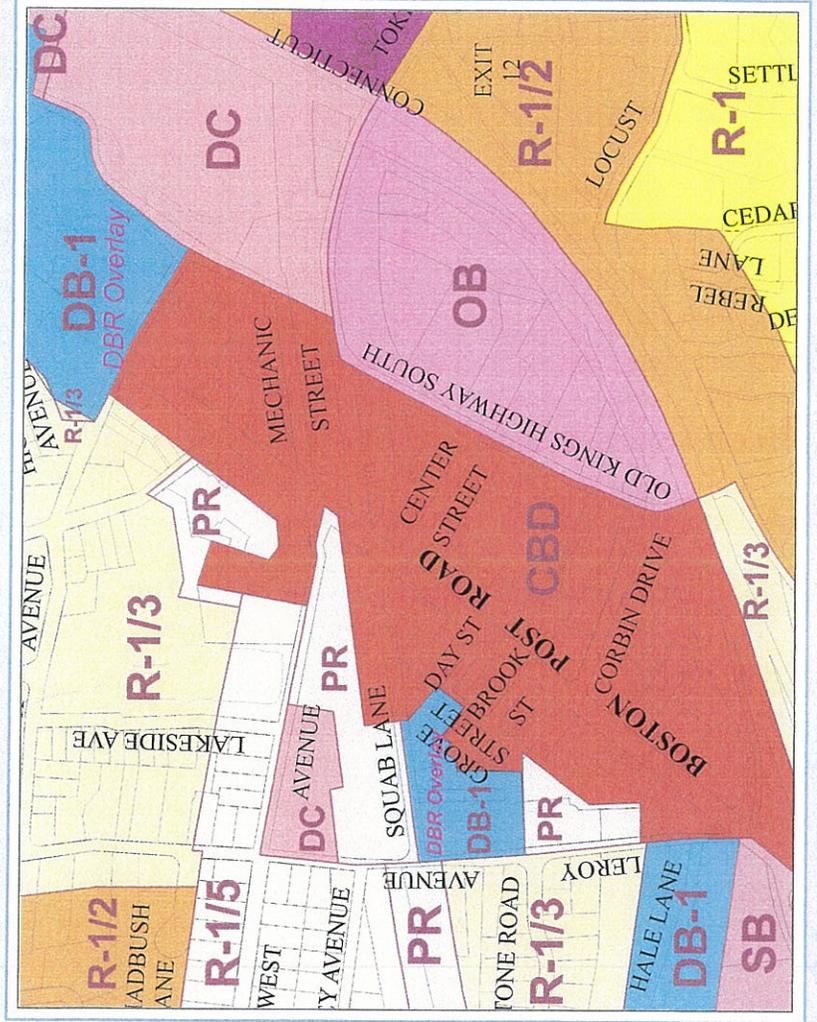
In summary, the redevelopment of our commercial portfolio represents a major opportunity to further stimulate demand, and, thus, support for our real estate values. As a note of caution, however, we must be mindful of the potential effect of “municipal compaction” or the overburdening of our infrastructure. As a Commission we recognize that all of the aforementioned activities do, however, come with the risk of controversy. Ultimately, we will be guided by our Town Plan of Conservation and Development and its stated objective of preserving residential character of Darien. Thank you and good evening.

sl #19

# Planning & Zoning

## MISSION, FUTURES

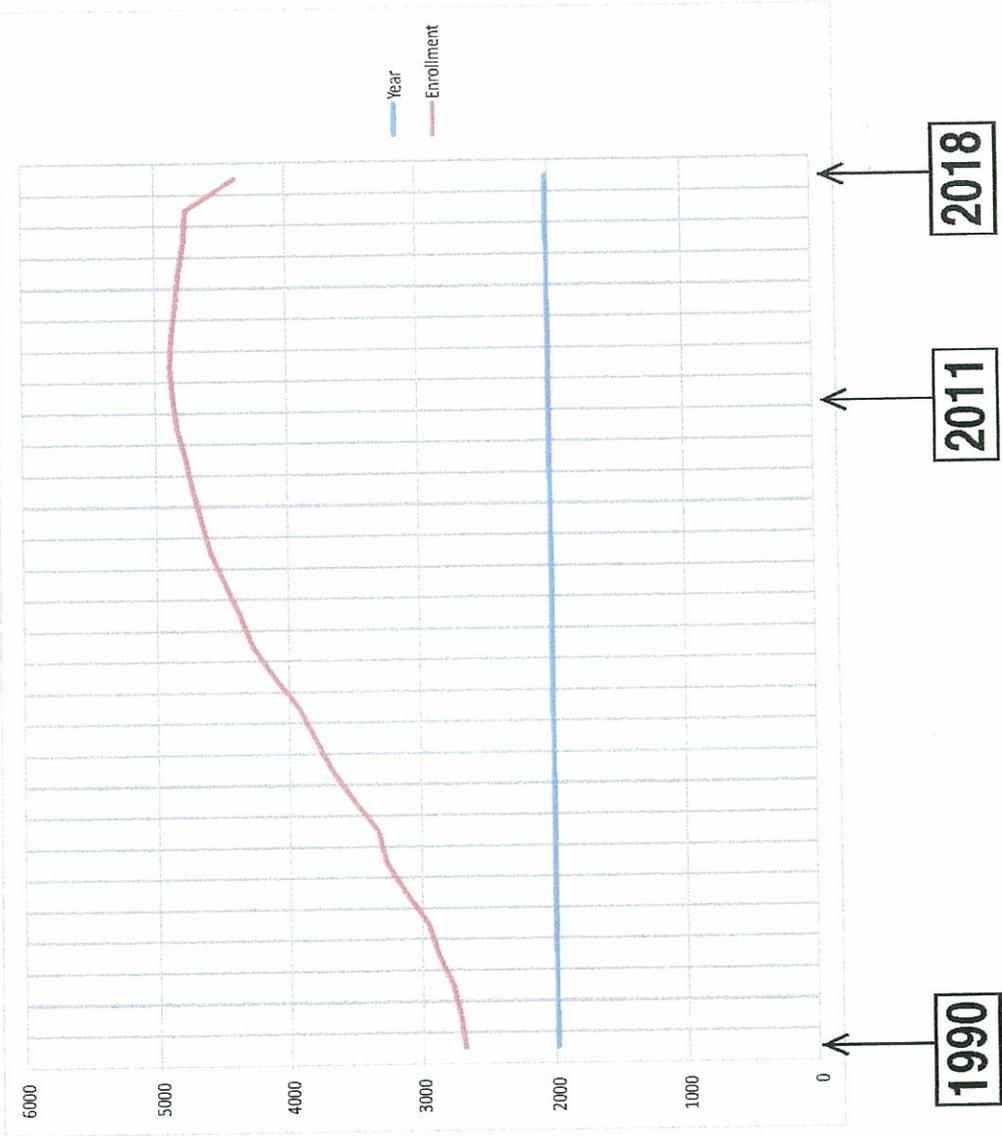
## RISKS & ISSUES



## Mission

- **Preservation of Town Architecture**
  - Asset Management: 6,500 Shareholders
  - Regulatory
  - Planning -
    - Needs vs. Finite Resources
- **Value Added Redevelopment**

### Darien Enrollment Historical/Projected



<u>Year</u>	<u>Enrollment</u>
1990	2681
1991	2713
1992	2768
1993	2878
1994	2957
1995	3125
1996	3269
1997	3327
1998	3512
1999	3676
2000	3799
2001	3927
2002	4116
2003	4284
2004	4378
2005	4486
2006	4598
2007	4665
2008	4727
2009	4778
2010	4841
2011	4871
2012	4893
2013	4879
2014	4847
2015	4823
2016	4782
2017	4767
2018	4393

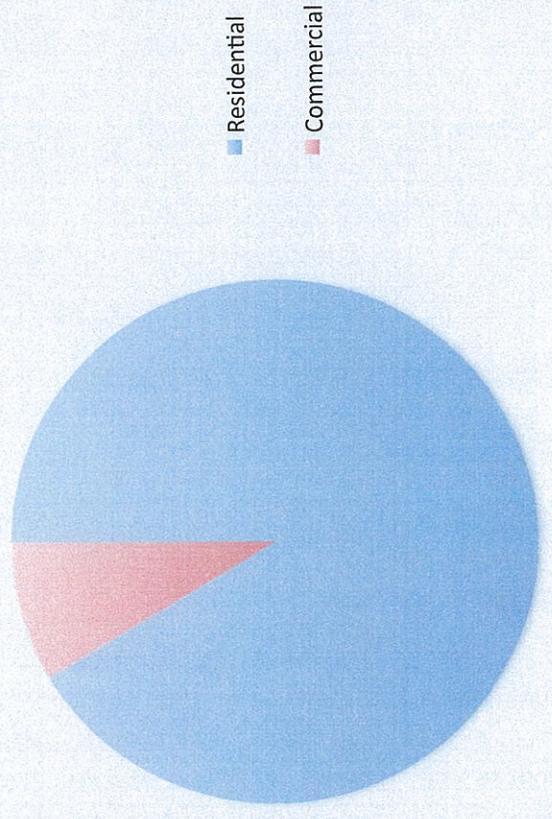
# Assessed Value

Residential

\$7,553,526,000

Commercial

\$711,520,000



45

# Property Tax Analysis

PROPERTY	TENANT	2003		2008		% INCREASE
		PROP TAX	PROP TAX	\$ INCREASE	% INCREASE	
987 POST ROAD	BROOKS BROTHERS	19,034	134,560	115,525	607%	
	DAR/ROW BANK					
150 LEDGE RD	WHOLE FOODS	43,400	139,600	96,200	221%	
1020 POST ROAD	TEN TWENTY POST	10,100	104,140	94,040	940%	
<b>Total</b>		<b>72,534</b>	<b>378,300</b>	<b>305,756</b>	<b>422%</b>	

**Note:** This analysis excludes personal property taxes generated from new tenants

#6

# Darien YMCA



#7

# 333 West Avenue



# Garden Homes



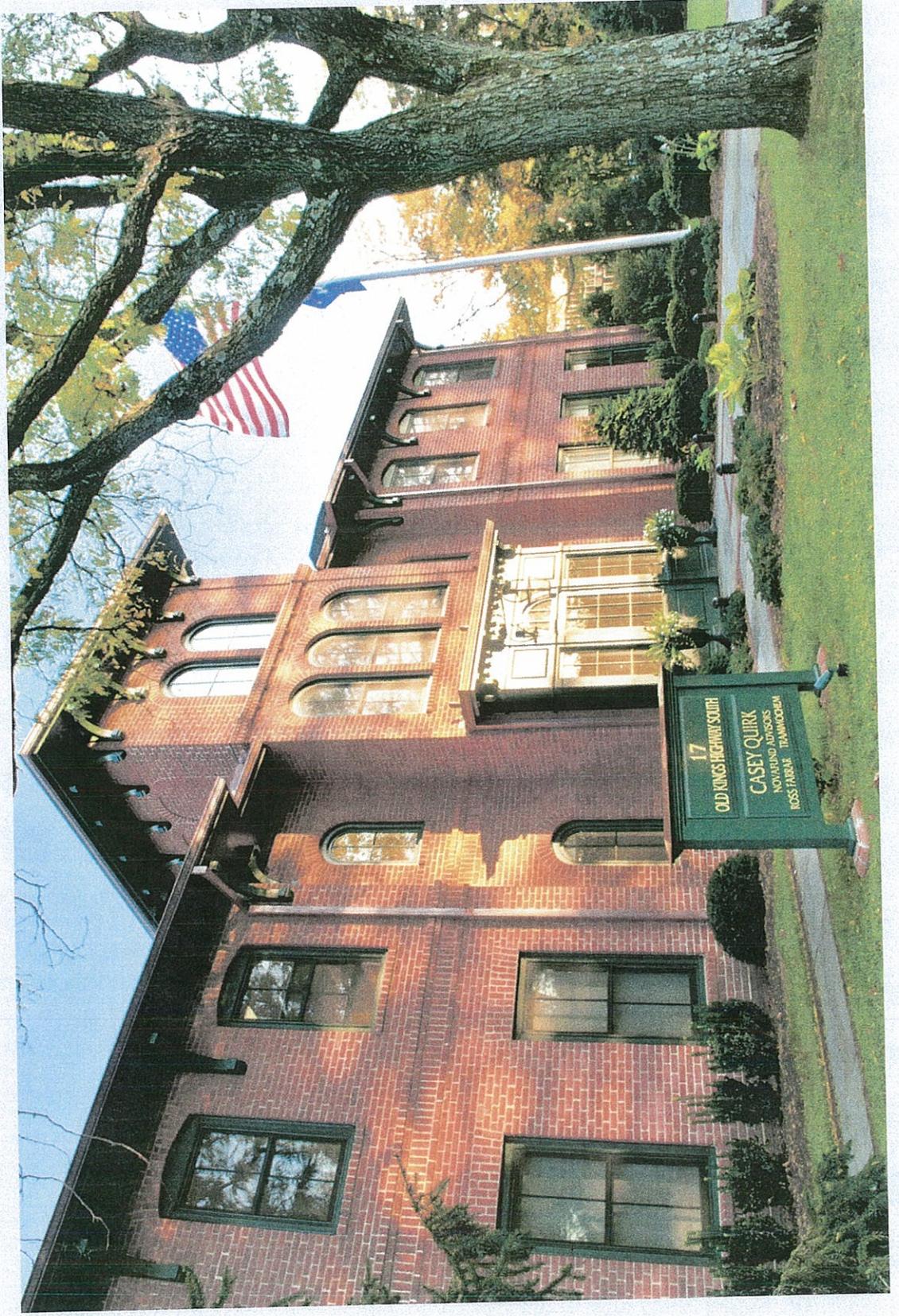
28

480

# Mini of Fairfield



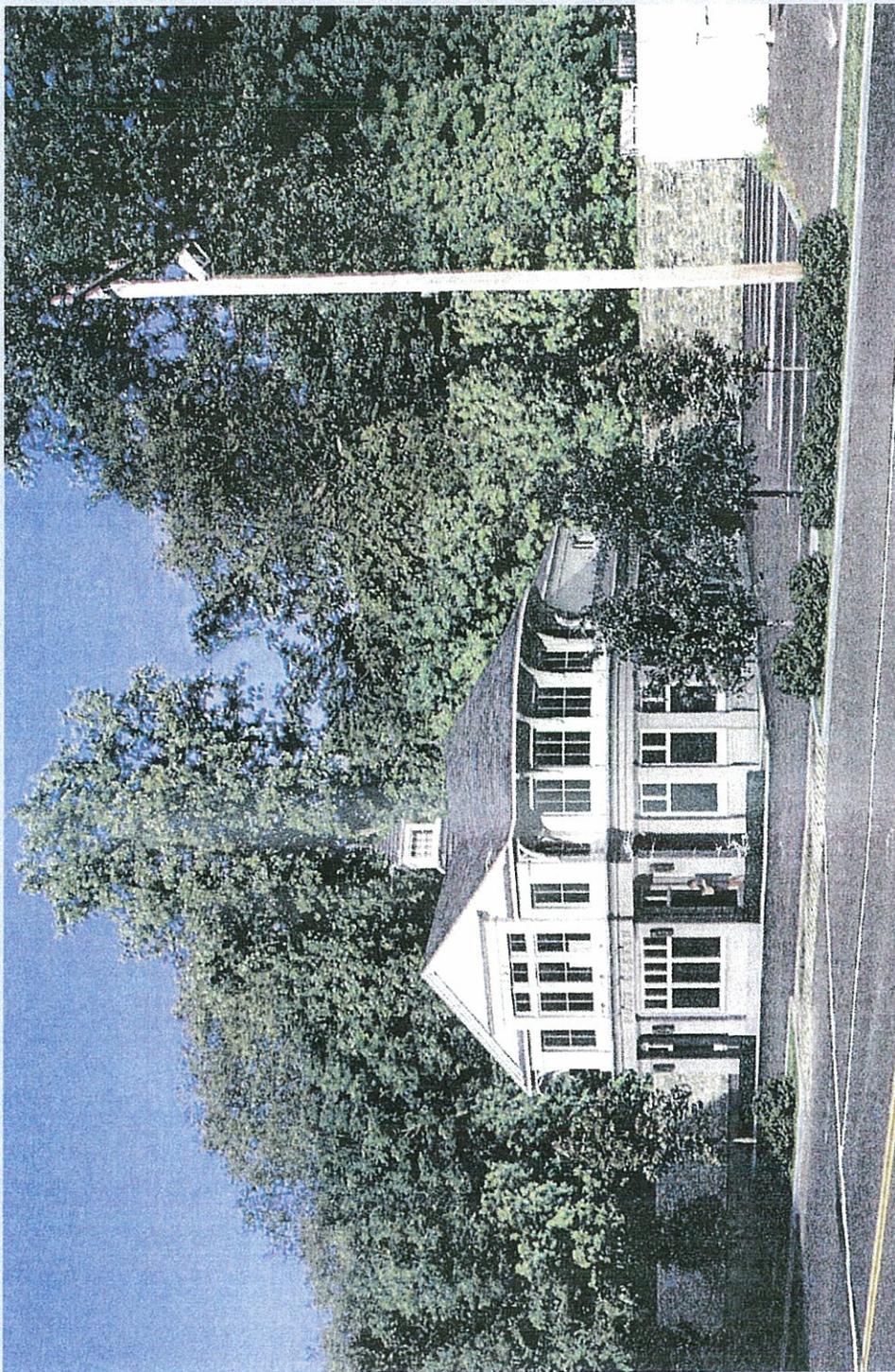
# 17 Old Kings Highway South



# 745 Post Road

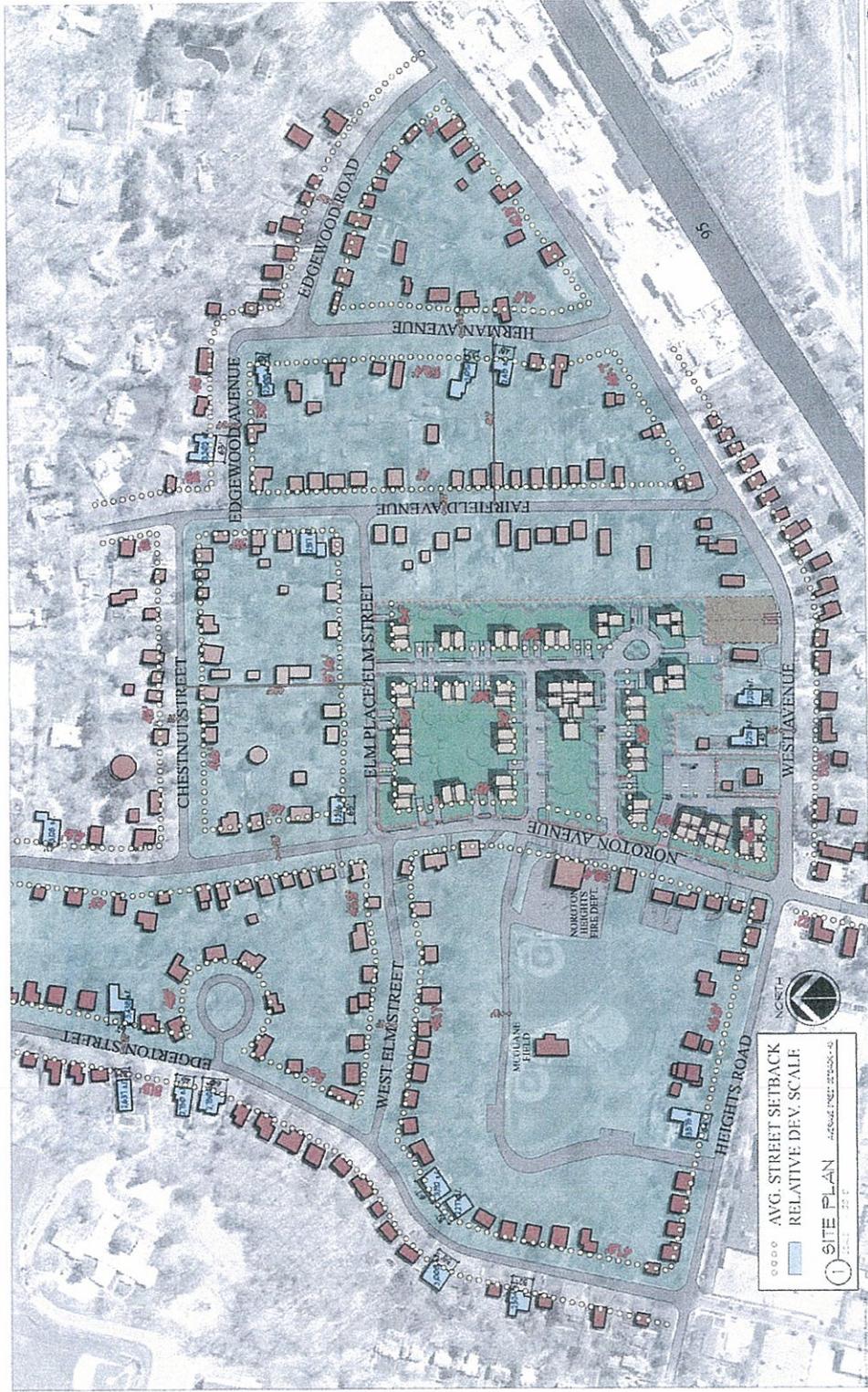


1292 Post Road



#12

# Allen O'Neill



Crosskey Architects  
 One Union Place • Hartford, CT 06103

Redevelopment - Allen O'Neill Homes - Darien Housing Authority

6/21/11

Incorporated in  
 635 Farmington Avenue  
 Hartford, CT 06105

Darien Housing Authority  
 2 Fenwick Road  
 Darien, CT 06830

#14

# Allen O'Neill



Elevations  
Scale: 1/4" = 1'-0"

 **Crosskey Architects**  
One Pine Place • Hartford, CT 06103

Redevelopment - Allen O'Neill Homes - Darien Housing Authority

Imaginers LLC  
635 Farmington Avenue  
Hartford, CT 06105



Darien Housing Authority  
2 Renshaw Road  
Darien, CT 06820

# Convalescent Center



# Former Proccacini Property

## SITE PLAN

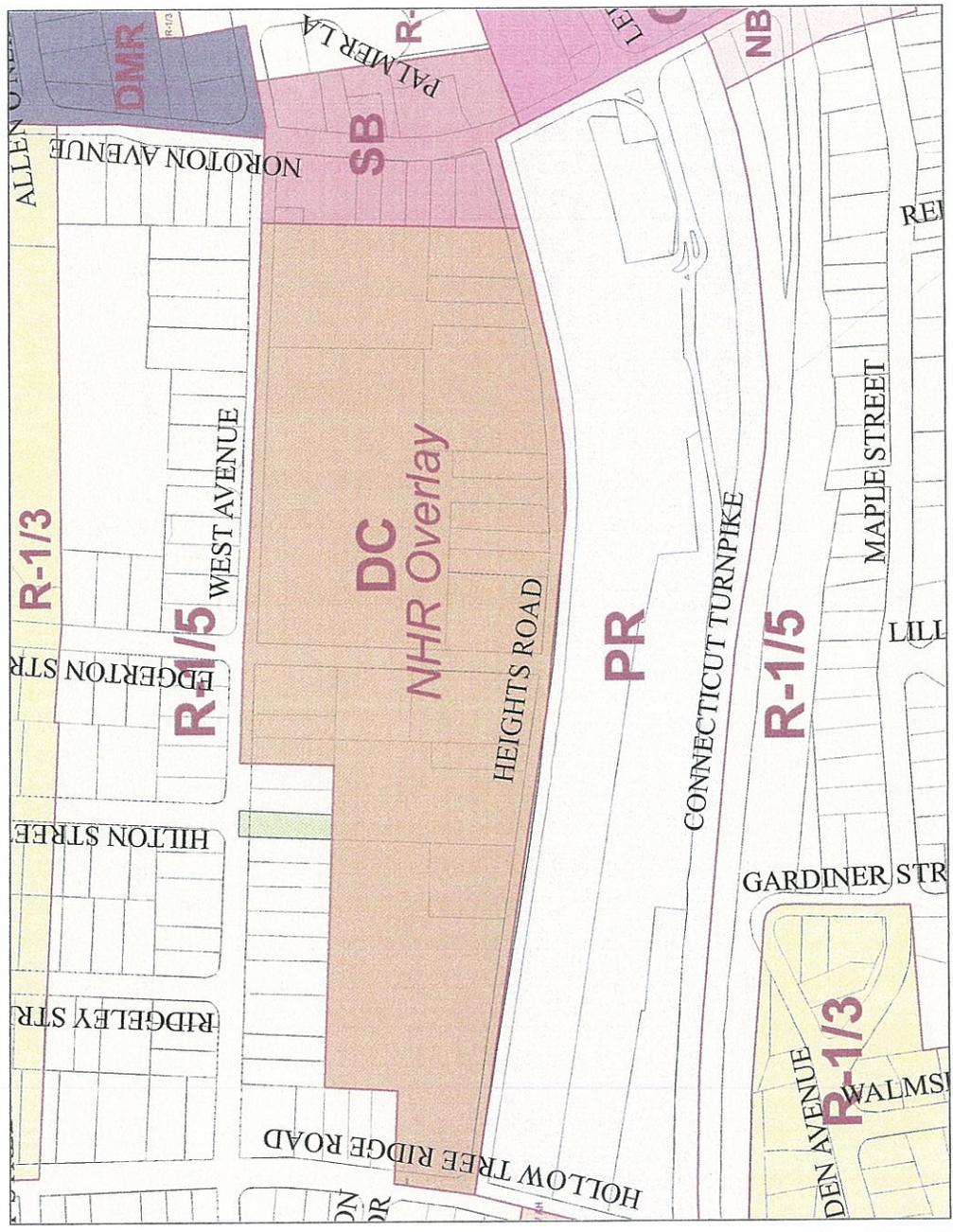
- 16 acres • 62 luxury two-story townhomes • Approximately 3,000 square feet • Main-level living • Attached two-car garages • Clubhouse with outdoor pool and fitness facility • Age-targeted



CEDAR LANE

#17

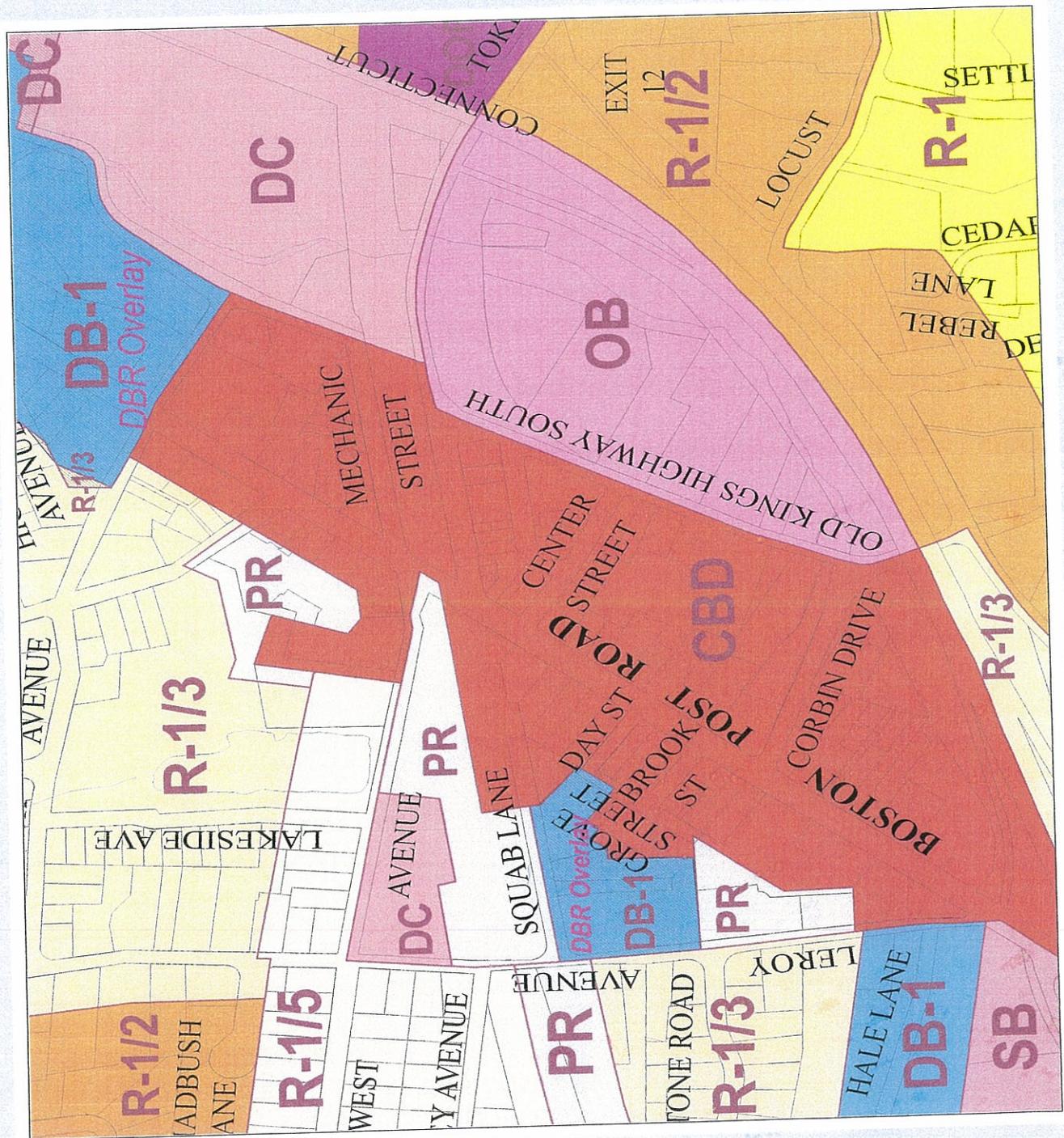
# Noroton Heights Overlay



## Risks & Issues

- Town Architecture (Residential)
- Municipal Compaction
  - Infrastructure (Utilities, Traffic)
  - Schools
- Litigation

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## **2011 State of the Town - Board of Education Report**

Good Evening, Madame Moderator, members of the RTM, fellow elected officials and interested citizens, on behalf of my colleagues on the Darien Board of Education, it is my pleasure to report to you that the current state of the Darien Public School system is excellent, and that our schools remain among the top public school systems in Connecticut.

Before we discuss the achievements of 2011, I would like to give you an update on our enrollment statistics.

### **Enrollment**

The official October 1, 2011 district enrollment, including the ELP Pre-Kindergarten program, was 4,817 students, representing a decrease of 24 students. This is the first drop in enrollment since 1988.

- Elementary enrollment growth appears to have peaked in 2008-2009. Our total enrollment this year is 2,336, which is a decline of 20 students. The number of classroom sections has declined by one section to 111. Growth continues to occur at our Early Learning Pre-school, which is located at Hindley and Tokeneke. We have seen an increase of 8 students from last year. We anticipate that elementary enrollment will continue to decline slightly, and our sections are projected to level off for the next few years, but it is noteworthy that the largest class in the district is second grade with 423 students.
- The middle school population decreased by 3 students this year, bringing our total number of students to 1,155. Middlesex has been consistent with its enrollment over the last three years. We are anticipating a slight decrease in students next year.
- We saw a small decrease of 9 students at the high school, bringing enrollment to 1,326. DHS enrollment is anticipated to increase at least through 2013-14, when we are projecting a population of 1,369.

For 2012-13, we are currently projecting 4,819 students, or an increase of 2 students. For now, we are projecting the Darien High School and our total enrollment to peak in 2013-2014. We will continue to monitor our projections as we move through this budget cycle. As we go forward, it is important to note that Darien is a very desirable small town whose residents place a high value on education and its reputation continues to draw young families who wish to take advantage of its fine educational system.

### **Accomplishments**

Much was accomplished in 2011 both by students and by administrators.

### **Student Achievements**

- In standardized testing, at all grades and in all tests, with some exceptions, our students favorably compare with our District Reference Group. (DRG)
- The Connecticut Academic Performance tests (CAPTs) are administered in the spring to all 10<sup>th</sup> graders. This year particular attention was paid to improving these scores and our students, teachers and administrators met the challenge. In Math, Reading and Writing the scores have either met or exceeded the DRG average. In science, the 2011 scores increased markedly over the 2010 scores indicating that strategies implemented have been successful. Scores for Special Education student subgroups improved in reading, math, and science.
- Enrollment in the advanced placement courses continue to increase. 569 tests were taken with 81% earning a high score of 4 or 5. Our percentage of students earning 5 reached an all-time high of 50%.
- Darien High School was acknowledged as one of 367 public school districts in the nation by the College Board on its 2nd Annual Advanced Placement Honor Roll for simultaneously increasing access to AP coursework while maintaining the percentage of students earning scores of 3 or higher on AP exams.

- Particularly noteworthy performances turned in by our seniors in the Critical Reading, Critical Math, and Critical Writing portions of the SAT I are evidence of the caliber of achievement for Darien's students. Darien students continue to do well on the SATs, achieving the highest composite score of 1,810, which outperformed all of our DRG A cohorts. The number of Darien students choosing to take the ACT has increased since 2005 and student scores on this test have consistently improved and are well above the state average.
- 321 students graduated from Darien High School last June, with 93.1% of them planning to attend four-year colleges after high school. Over 2500 applications were submitted to over 400 different colleges.
- 22 members of the Class of 2012-won national recognition in the National Merit Scholarship program, 19 as Commended Scholars and 3 as National Merit Semi-Finalists.
- The US-China Exchange program celebrated its 10<sup>-year</sup> anniversary in October. A delegation of students and teachers will again represent Darien in China in the spring.
- On the athletic fields, Darien High School continues to be successful. In the school year ending June 2011, DHS fielded 63 athletic teams in 21 different sports. Nearly 84.5% of the student body participated in at least one sport. In those 21 sports, DHS teams won 5 State titles, 10 FCIAC titles, and 12 FCIAC Divisional Championships, as well as a state championship in club rugby. In addition, 3 of our Darien coaches were selected as Coach of the Year. Truly an extraordinary effort by our student athletes and coaches.
- Many of our students attained state and national recognition for excellent performance in the 2011 National language examinations. Our students have participated in a multitude of Art shows around the state. Recognition for work in ceramics, visual arts, and graphic design were attained. The DHS Connecticut Challenge team was a state finalist in this year's Academic Quiz bowl. Our Music program from the elementary school to the High School has had a very successful year, not only in participation, but also in award winning performances.

## **District Achievements**

The 2010-2011 school years saw the learner centered instruction goals and objectives set by Superintendent, Dr. Falcone take hold throughout the school district. Professional Learning Communities have been implemented at each level, and have proved, even at this early stage to be very successful. The High School has been very busy getting ready for the NEASC Accreditation visit scheduled for this spring.

Other areas of accomplishment for the District include:

- Major curriculum revisions were completed and approved by the Board of Education. A sampling includes English – Grade 8, Mandarin Chinese IV, Spanish III & V, and Website Design. Curriculum Updates were approved in Probability and Statistics, English – Grade 10 and Biology.
- Our Facilities remain in very good shape thanks to the hard work of our new facilities director Mr. Michael Lynch and his maintenance/custodial crew. We continue to be proactive but prudent in planning our capital projects, making preventive maintenance a high priority within the school system. There was a successful replacement of the Middlesex Gym floor this summer and solar panels have been installed on both the High School and Ox Ridge roofs.
- At your January meeting, we will present to the RTM for ratification the contract negotiated with the Darien Education Association at what we believe are competitive terms for the three years beginning July 1, 2012. The highlights to the contract are a ½-step increase and a freeze on the General Wage increase in the first year of the contract. The salary increases, including step costs, work out to 1.25% in the first year, 2.0% in the second year, and 3.4% for the third year. By comparison, the expiring contract had salary increases of 4.2% in the final year of the contract.
- 2010-2011 was again another fiscally challenging year for the Darien Board of Education. The continued effect of the slow economy and reduced funding from the State of Connecticut for Special Education Excess Cost

made it necessary to request additional funding in the amount of \$475,000 from the Board of Finance and the RTM. After deferring much needed materials, the Board of Education was able to return \$96,276 to the town at year-end. The Board of Education appreciates the efforts of our elected officials and all the citizens in understanding the fiscal needs of the district needed to adequately staff our schools, and provide safe, clean, and modern facilities for our students and staff.

### **Looking Ahead**

Mrs. Mao will give you an overview of where we stand overall. Specifically for the Board of Education, we are projecting a current budget deficit of roughly \$250,000. The Board of Ed generally encumbers the majority of our costs by the time school opens, since they are driven by enrollment, distribution, the number of teachers required, and the various labor contracts in place, so we have a good estimate by then where our budget stands.

The one area of concern again is Special Education, and it is the major driver behind the current deficit. Special Education costs are very difficult to project from one year to the next, as they are an aggregation of costs from legally mandated Individualized Education Program (IEPs). During the past year, our Administration and staff have begun to implement changes in the delivery of our Special Education programming that have created operating efficiencies. Our Administration has done a very good job of utilizing the resources that we already have in place which have helped to control our costs. Unfortunately, this year we have seen an increase in the Special Education population of almost 60 additional students that were not in our original budget projections for the current school year. These students have been placed in Special Education between January 2010 and today. We have been able to absorb the higher student population because of the efficiencies that have been put in place. The combination of these two factors has caused our Excess Cost submission to the State of Connecticut to be lower than we had budgeted. This combined with an anticipated reduction in the percentage the state will reimburse us is a major factor in creating this deficit. We will work

hard at reducing this deficit, while continuing to provide the solid, high quality educational services the Town has come to expect in the most efficient way possible.

Finally, there are a number of people I would like to thank both on behalf of the Board and personally.

Mrs. Kimberley Westcott recently completed nine years of service on the Darien Board of Education, two as Chairman, and we would like to thank her for her dedication and commitment to excellence. She led our Board with thoughtfulness, and with a sense of grace and professionalism. We wish her the best in her future endeavors.

The Board also extends our deep appreciation to our Superintendent Dr. Stephen Falcone and all of the employees of the Darien School System, for their outstanding work this year. Their professionalism and dedication are the foundation of our success as a District.

Our thanks also to the many volunteers, parents and donors that contribute so much to our efforts, and especially to the Board of Finance, the RTM and the Town as a whole for your generous support.

Personally, I would like to thank my fellow Board members. Vice Chair, Clara Sartori, Secretary, Heather Shea, Amy Bell, Michael Harman, Susie Perticone, Jim Plutte, George Reilly, and Morgan Whittier. It is a privilege and a pleasure to work with this group of volunteers, and it is an honor to be your Chairman. I am very proud to be a member of this dedicated Board.

Overall, 2011 was another excellent year for the Darien School System, and we look forward with positive anticipation to 2012.

On behalf of the Darien Board of Education, I wish you and your families a joyous holiday season, and a healthy and prosperous New Year.

Elizabeth A. Hagerty-Ross  
Chairman  
Darien Board of Education  
RTM State of the Town Meeting  
December 12, 2011

**STATE OF THE TOWN ADDRESS  
ELIZABETH SMITH MAO, CHAIRMAN  
BOARD OF FINANCE  
DECEMBER 12, 2011**

**Madam Moderator, Members of the RTM, Town Officials, Fellow Citizens  
and Taxpayers**

Good evening! As the Chairman of the Board of Finance, I have the honor of addressing the RTM each year in early December. This is my second appearance before you in this role, and tonight I am pleased to report that the State of Darien's Finances are healthy and strong.

**FISCAL YEAR 2011**

I am mindful of your wish that I focus on the outlook for the future, but it is necessary that I set the stage for that by very briefly recapping where we ended up in Fiscal Year 2011, as those results impact directly on some plans we might undertake this year, Fiscal year 2012.

Darien ended Fiscal Year 2011 with a surplus of about \$700 thousand dollars. **This surplus was generated even though the Board of Education requested and received full funding of their deficit of \$377,463.25.** \*

A big plus was \$495 thousand dollars in fees over budget to the Town Clerk, a reflection of much stronger real estate sales than we had forecast. Property tax collections and intergovernmental revenue were also higher than budget. On the expense side, driven mainly by the General Overhead budget, expenditures were under budget by \$439 thousand dollars. The management of our town appears to be under tight control with excellent results.

The current year looks to be on track too, although we anticipate that the Board of Education will once again exceed its budgeted expenditures because of the additional students and higher expenses associated with Special Education.

\*FY 2011 BOE budget was increased by \$475,000. They ended the year returning \$97,536.75, so their overrun over the original budget was \$377,463.25.

Let's now look at where we see ourselves heading. As required, we have put together a Five Year Financial Forecast, which will be available on the Town Website. Because of the uncertainty over the referendum regarding the shuffle, which is scheduled for tomorrow, this forecast is necessarily a draft. I have included data for the proposed shuffle, so that you can see the full picture should the project pass. There are several important things to say about this forecast:

**First, this is not a budget!** Rather, this *forecast* was prepared by taking the data provided to us by the Board of Education and rolling it into the worksheets. In the view of the Board of Finance committee who worked on this, the Board of Education was aggressive in forecasting increased expenses, and conservative in forecasting expected revenues. During the budget season starting in January, we will have the opportunity to carefully look at the Budget. Historically, we have been able to trim it.

**Second**, the Town's budget projections have similarly not been scrubbed at all.

**Third**, we developed the forecast using straight line principal and interest payments over 20 years for all new debt, using 2.5 percent interest rates for bonds issued in 2012 and 3 percent for those issued in 2013. The Board of Finance has financial tools at its disposal to structure the debt in different ways, perhaps with shorter horizons, and therefore possibly reducing debt costs.

Therefore, please look at these projections as if they were a worst case scenario, and recognizing that the forecast is just that, and not a budget.

Let's take a quick look at the first slide...

#### Slide 1 –FY 2012 and FY 2013 Comparison

This slide shows the outlook for this current year and for next with the budget growing year over year by a possible 6.9 percent to \$123.055 million dollars, which after adjustments to the Grand List, might result in a projected mill rate of 13.00, or an increase of 6.5 percent. Key drivers are an increase in the Town's operating budget of almost 2.0 percent, the Board of Education's forecasted increase of 5.7 percent to over \$80 million dollars, and an increase in debt service of \$1.3 million, or a 12.8 percent increase. By far the lion's share of the debt service increase is attributable to the second half of the bonding for the Police Station renovation, which is projected to cost \$579 thousand. This is on top of the \$531 thousand dollars we are already paying for it this year. If the shuffle were to be approved in the referendum, the debt service of

\$263 thousand dollars for next year would represent 2 percent of the **total debt service** budget of \$11.396 million dollars.

#### Slide 2 FY 2013 Projected Budget

This pie chart shows the projections for next year broken out in slices depicting operating costs and debt service for both the Town and the Board of Education.

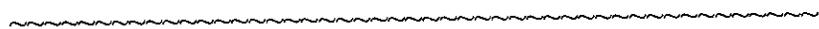
As you see, 65 percent of the town's budget is for Board of Education operations, and with another 8 percent-- the orange slice-- for servicing Board of Education debt. The remaining 27 percent is divided up into the Town's operations, shown in blue, and in the yellow and purple slices, 2 percent to service non-BOE debt. The turquoise slice, or 2 percent, is slotted in for capital projects.

#### Slide 3 –Five Year Budget Comparison 2013-2017

These bar graphs illustrate the numbers in the five year forecast. I won't repeat the numbers as they are in the handouts. However, I wanted to show you visually how inexorable the rise in Board of Education spending is projected to be. Despite the negotiation of contracts providing for much lower raises going forward, we are still seeing big rises in personnel costs because the BOE projects adding people, despite a flattening of student enrollment. This will call for careful scrutiny and a vigorous discussion by the Board of Education, the Board of Finance and by you, the RTM.

#### Slide 4—Debt Projection

My final slide depicts the different slices of debt service attributable to existing debt, in royal Blue, the police station, in Red, sewers and Weed Beach, in Green and Purple, respectively, and finally, the possible debt service for the shuffle, in Turquoise. As you can see, Darien peaks in its debt service payments in Fiscal year 2014, and then declines in the years following. This chart does reflect the addition of about \$3 million per year in new capital spending.



Turning back to the big picture, I am not going to try and predict overall economic growth or whether the State of Connecticut can tackle its budget problems. However, I do see Darien continuing to reduce its dependence on cost sharing grants from the state. This is reflected in the numbers you have before you. The unfunded mandates, particularly in Special Education, will continue to throw a monkey wrench into the best budgets. We will have to remain flexible and deal with it.

It is possible that the European Debt crisis could affect the United States' growth in 2012. We will be following the news attentively. However, I do not think that anything will affect Darien's Triple A (AAA) debt ratings rating, and I see us locking in interest rate payments which may turn out to be the lowest in our generation.

Thank you for your attention tonight. I am reminded daily what a privilege it is to live here in Darien and I thank you all for your hard work making our local government so responsive to our citizens.

I especially would like to thank the Selectmen, and my fellow members of the Board of Finance, including Martha Banks, Co-Chair, Jon Zagrodzky, Clerk, Lori Bora, Joe Duwan, Gwen Mogenson, and our newest member, Jamie McLaughlin.

Thank you.

# Town of Darien

## Five-Year Financial Forecast 2013-2017

### 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. Personnel costs are projected to increase at a similar rate after current contracts expire. As of June 30, 2011 there were about 140 Town employees and 785 Board of Education full time employees.
- 2) Medical insurance rates are projected to increase for the Board of Selectmen from 6% to 10% over the period covered by this forecast. Liability insurance costs are projected to increase 4% to 5% per year
- 3) The Grand List is projected to have minimal growth in FY 13. It is estimated to begin increasing again slightly in future years. 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 continued funding for renovation of the Police Station, Weed Beach 35 Leroy and the Mather Center estimated at a total of \$17.5 million over the period covered by this forecast. The forecast assumes these bonds will be 20 year bonds with level principal payments, issued at 2.5% to 3.0%.
- 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 \$13.5 million at the end of the five-year period.
- 7) Pension contributions are expected to increase 8% per year.
- 8) For purposes of this forecast, projected capital expenditures are based on the Board of Selectmen capital forecast date 02/11 and Board of Education capital forecasts dated 11/11. 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)

**DRAFT**

Expenditures & Transfers	Actual		Budget		Projections				
	10/11	11/11	11/12	12/12	12/13	13/14	14/15	15/16	16/17
Board of Selectmen Operating	\$ 20,877	\$ 21,349	\$ 21,723	\$ 22,130	\$ 22,573	\$ 23,052	\$ 23,571		
Town Energy Exp.	472	534	496	521	547	574	603		
Pension & Police Retiree Medical	1,905	2,094	2,262	2,442	2,638	2,822	2,992		
Town Prop & Liability Insurance	322	338	352	369	388	407	427		
Town Workers' Comp	431	444	462	485	509	535	561		
Town Medical & Dental (note 2)	2,374	2,451	2,598	2,806	3,030	3,303	3,633		
Total Operating	26,381	27,210	27,891	28,753	29,684	30,693	31,788		
Debt Service (notes 4-6)									
Existing:									
Town	190	176	531	1,376	1,579	1,691	1,150		
Schools	8,628	9,341	9,235	9,171	8,872	8,493	8,078		
Sewers	578	578	575	737	724	682	768		
New:									
Police Station			579	570	560	550	541		
Sewers			30	93	91	89	87		
Weed Beach			113	111	109	107	105		
Sr Ctr/BOE			263	538	529	519	509		
Issuance Cost			70	70	70	70	70		
Total Debt Service	9,396	10,095	11,396	12,666	12,534	12,201	11,308		
<b>Total Board of Selectmen</b>	<b>35,777</b>	<b>37,305</b>	<b>39,287</b>	<b>41,419</b>	<b>42,218</b>	<b>42,894</b>	<b>43,096</b>		
			5.3%	5.4%	1.9%	1.6%	0.5%		
Board of Education									
Personnel	52,414	54,886	56,120	57,523	59,249	61,026	63,162		
Operations	8,063	8,087	8,691	9,256	9,857	10,498	11,180		
Equipment	224	345	365	365	365	365	365		
Fixed Costs	16,037	17,419	18,944	20,243	21,642	23,147	24,770		
Revenue Offset	(4,847)	(4,423)	(3,469)	(3,223)	(3,228)	(3,233)	(3,237)		
<b>Total Board of Education</b>	<b>71,891</b>	<b>76,314</b>	<b>80,651</b>	<b>84,164</b>	<b>87,885</b>	<b>91,803</b>	<b>96,240</b>		
			5.7%	4.4%	4.4%	4.5%	4.8%		
Transfers to RFCNRE /Other Capital	2,260	1,406	3,046	3,067	1,436	1,661	1,441		
Transfer to Special Education	-	-	-	-	-	-	-		
Transfers to Animal Control	70	69	70	72	73	75	76		
<b>TOTAL EXPENDITURES</b>	<b>\$109,998</b>	<b>\$115,094</b>	<b>\$123,055</b>	<b>\$128,722</b>	<b>\$131,612</b>	<b>\$136,433</b>	<b>\$140,853</b>		
			6.9%	4.6%	2.2%	3.7%	3.2%		

Exhibit C

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

**DRAFT**

Revenues & Transfers In	Actual	Budget		Projections				
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	
Licenses & Permits	2,763	2,395	2,700	2,727	2,754	2,782	2,810	
Intergovernmental	2,651	2,361	2,000	1,800	1,700	1,600	1,500	
Charges for Services	1,391	1,530	1,561	1,592	1,640	1,689	1,739	
Fines & Forfeits	29	25	22	22	22	22	22	
Investment Income	218	240	240	250	275	325	375	
Miscellaneous	420	296	299	302	305	308	311	
Transfers In	899	639	575	767	817	773	857	
Appropriated Fund Balance		1,100	1,800	-	-	-	-	
<b>Total Revenue &amp; Transfers In</b>	<b>8,371</b>	<b>8,586</b>	<b>9,197</b>	<b>7,460</b>	<b>7,513</b>	<b>7,499</b>	<b>7,614</b>	
Prior Years' Property Taxes	475	400	450	464	477	492	506	
Interest and Lien Fees	344	250	258	265	273	281	290	
Supplemental Taxes	-	311	320	330	340	350	361	
Telecommunications Property Tax	60	70	72	74	76	79	81	
<b>Total Supplemental Taxes</b>	<b>879</b>	<b>1,031</b>	<b>1,100</b>	<b>1,133</b>	<b>1,167</b>	<b>1,202</b>	<b>1,238</b>	
<b>Total Income Before Current Property Taxes</b>	<b>9,250</b>	<b>9,617</b>	<b>10,296</b>	<b>8,593</b>	<b>8,680</b>	<b>8,701</b>	<b>8,852</b>	
<b>Current Property Taxes</b>	<b>101,314</b>	<b>105,495</b>	<b>112,758</b>	<b>120,129</b>	<b>122,933</b>	<b>127,733</b>	<b>132,001</b>	
<b>TOTAL INCOME \$</b>	<b>110,564</b>	<b>\$ 115,112</b>	<b>\$ 123,055</b>	<b>\$ 128,722</b>	<b>\$ 131,612</b>	<b>\$ 136,433</b>	<b>\$ 140,853</b>	
Adjusted Grand List (note 3)	8,564,397	8,650,654	8,676,645	8,711,429	8,763,854	8,816,593	8,869,649	
<b>Mill Rate</b>	11.74	12.20	13.00	13.79	14.03	14.49	14.88	
<b>% Increase</b>			6.52%	6.11%	1.72%	3.28%	2.72%	
Available General Fund Fund Balance	17,212	16,800	13,500	13,500	13,500	13,500	13,500	
Outstanding Bonded Debt as of 06/30	92,150	97,730	93,343	84,070	74,606	65,101	56,115	
		15.2%	11.7%	11.0%	10.5%	10.3%	9.9%	

Exhibit D

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

DRAFT

	Budget Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Total
Per Selectmen's Six Year Projection	1,255	2,677	2,263	1,959	1,891	1,882	11,927
Per Board of Ed Projection	175	1,442	1,822	496	790	580	1,204
(Deferred)/Reinstated Projects		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)
<b>Total Capital Projects</b>	<b>1,430</b>	<b>3,119</b>	<b>3,085</b>	<b>1,455</b>	<b>1,681</b>	<b>1,462</b>	<b>8,131</b>
<b>Capital Costs Applied for Funding:</b>							
Reserve Fund for Capital Exps.	1,430	3,119	3,085	1,455	1,681	1,462	12,232
<b>Total</b>	<b>1,430</b>	<b>3,119</b>	<b>3,085</b>	<b>1,455</b>	<b>1,681</b>	<b>1,462</b>	<b>12,232</b>

Exhibit E

Town of Darien, Connecticut  
Five Year Financial Forecast  
Capital & Non-Recurring Expenditure Fund  
(000's)

DRAFT

	Actual Fiscal 2011	Budget Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Beginning Available Capital Balance	-	50	56	-	-	-	-
Capital Added (A)	2,260	1,406	3,046	3,067	1,436	1,661	1,441
Other Transfer	-	-	-	-	-	-	-
Interest Income	1	15	2	3	4	5	6
Inter Governmental	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-
Miscellaneous	22	15	15	15	15	15	15
Ending Available Capital Balance	2,283	1,486	3,119	3,085	1,455	1,681	1,462
Appropriations	(2,233)	(1,430)	(3,119)	(3,085)	(1,455)	(1,681)	(1,462)
Undesignated Balance	50	56	-	-	-	-	-

(A) Transfer from the General Fund.

State of the Town Address  
Jayme Stevenson – First Selectman  
12/12/11

Good Evening Madame Moderator, Fellow Elected Officials, RTM Members and everyone watching from home on Channel 79.

Congratulations to all newly elected officials, RTM members and board and commission volunteers – you're the back bone of our representative government and we're truly grateful for your service to our town.

It's my honor and privilege to be here this evening speaking to you as Darien's 43<sup>rd</sup> First Selectman. Today we debate \$100 million dollar budgets, infrastructure improvements, transportation woes and quality of life issues – imagine John Bell's challenge in 1820 of managing Darien's newly granted independence from Stamford!

Thank you for granting me the opportunity to lead our town through an uncertain time. Perhaps it's the magic of the season, but I do have great hope that our country, our state and our community will begin to feel the signs of renewed optimism in our economy if we reduce wasteful spending and continue to support prudent investments in education and town services.

Government has expanded to respond to a wide diversity of concerns but our fundamental goals are to **protect our citizens and educate our children**. Our community demands high levels of service for our tax dollars and as a result, our children and our property values benefit from an outstanding public school system, first rate protective service from our police, 3 volunteer fire departments and Post 53 emergency medical service.

Our public works and parks and recreation departments do an outstanding job of keeping our roads, sidewalks, train platforms, beaches and parks safe and clean even through the challenges of more than our fair share of unprecedented storms.

The Board of Selectmen operate under 2 overriding principals – **support policies that limit tax burdens to only what is necessary to deliver the level of municipal service our tax payers desire** and, as Fred mentioned, **protect our property values**.

Highlights of our year have included keeping the Board of Selectmen's budget nearly flat from 2010, significant progress on the Weed Beach and Darien Police Department building projects, the return of community fireworks, natural gas lines installed to Town Hall, outstanding emergency service and public works response to historic storm events, town support of the redevelopment of Allen O'Neill, the addition of \$600,000 in savings to our reserves and moving the Mather Community and Senior Center plan **successfully** through all town boards.

The slide you see behind me is a visual representation of how your tax dollars are spent. Liz and Betsy have done a great job of detailing our financial and educational landscapes. I would like to make special note, however, how pleased we are that our Moody's Aaa rating was reaffirmed this week. A true testament to years of conservative budgeting, prudent cash management and sound investing on the part of our Board of Finance, Finance Department and town Treasurer.

We're on the eve of a new budget cycle so I thought it would be interesting for you to see all the services that are supported by the Selectmen's budget. For fiscal year 2011, the Board of Selectmen's operating budget is \$27.2 million or 24% of the overall \$115 million town budget. While the Selectmen's budget carries all town debt service, only \$176,000 of the \$10 million annual debt service is attributed to Selectmen capital projects. The balance is for school capital projects and sewer system improvements.

Less than one quarter of the town budget funds road and sidewalk maintenance, library services, fire and protective services, social service programs, snow removal, the town dump, recreation and youth services, public health initiatives, elections, record keeping, building and land use permits and inspections, disaster preparedness, town beautification, tax assessment and collection, information and personnel management and communication systems, to name just a few.

The Selectmen's budget supports the **non-educational needs of our 20,000 residents**. We maintain 81 miles town roads, 27 miles of sidewalks, 2 public beaches, 12 public parks, 84 miles of sanitary sewers and 15 sewer pump stations. Some believe that our beaches are our Darien's greatest asset – my money is on a well maintained sewer system!

The wide variety of services you see here are provided to you by 71 town hall employees, 58 police personnel and library staff along with hundreds of volunteers on the RTM, boards, commissions, in our fire departments and at Post 53.

I thought I would share some high lights of town services tonight.

#### (Finance Department)

Our finance department and town treasurer continue to manage and invest our tax dollars to standards that have, for 20 years, enabled us to earn the Government Financial Officers Association Comprehensive Annual Financial Report Award of excellence as well as maintain the highest rating possible on our creditworthiness.

#### (Tax Assessor)

Darien maintains a Grand List valued in excess of \$8.8 billion dollars. Included on our grand list are 6,400 residential properties, 300 commercial properties and approximately 240 vacant land parcels. Our last 5-year grand list update was completed in 2008. The next revaluation is scheduled for October 1, 2013. Our tax assessor updates values of over 400 properties each year that have undergone permitted renovation. There are over 1,100 businesses that file with our assessor each year. Interesting to know, and somewhat gratifying after all the storms, is that CL&P is our largest personal property tax payer. The assessor's department has instituted a quality assurance program to improve customer service and quality of data.

Worthy of note are the 160 citizens who receive tax relief or qualify for tax deferral as a senior or disabled citizen. I would like to strongly encourage anyone over the age of 65 who is suffering financial hardship and who are income eligible, to contact the tax assessor's office to apply for state and local tax relief programs. Information on these programs can also be found on the **town web site**.

#### (Parks and Recreation)

Our Parks and Recreation Department continues to provide a very high level of service to our community. Along with their work on the Weed Beach building project, they issued 7000 beach permits, supported the significant growth of our Senior Program, maintained our 209 acres of parks, beaches and playing fields and continued to respond to increasing demand for recreational services and amenities.

#### (Health)

Our health department continues their diligence with food establishment inspections. Inspection ratings are now available to the public online. With the support of the Darien Police department and the DEA, the health department sponsored 2 very successful prescription drug collections. Several flu clinics were offered both at Town Hall and the Senior Center and a mobile cancer screening is planned for March. We've maintained our designation as a Heart Safe community. Water quality monitoring at our beaches is an ongoing effort of the department and this year we enjoyed consistently good water quality.

#### (Public Works)

Our department of public works did an outstanding job of clearing roads of storm debris after the big storms. They provided support to the State's now-complete Noroton Heights rail station improvements and completed repairs to the Darien Station floor and restrooms. 2 drainage improvement projects recommended by the Noroton River Watershed Study are currently in design and an engineering survey of Rt. 106 from Leeds Lane to Barringer Road, that will be used to inform future discussions about a new sidewalk in that area, has been completed. 2.8 miles of roadways have been resurfaced and new sidewalks have been

installed on Noroton Avenue, Leroy Avenue, Christie Hill Road and the Post Road. Work has been completed on the Goodwives River Road Sewer Project. The Swap Shop continues to be a mecca for reusable items saving the town nearly \$20,000 in refuse removal. Leaves have been picked up and preparations for the winter season are underway.

### (Social Services)

The Department of Social Services continues their important mission of providing information and services to meet the needs of all Darien residents. This year, 62 Darien children received backpacks, school supplies and sneakers to help them start the school year in the best possible way. Last year our social services department partnered with The Community Fund, the youth commission, The Depot, The Darien High School, the Darien Dog Group and many others to provide holiday meals and gifts to nearly 100 needy families. It's anticipated that the number of holiday meals provided this year will double.

120 households applied for energy assistance last year. The need for assistance increased this year yet federal funding has been cut in half. Increased requests for food assistance prompted our social services department to open the Household Goods Closet to provide expensive household necessities like laundry soap and personal care products so that our residents can have more of their income available to buy food. I want to thank the Depot's Cops and Kids program for filling the closet through their recent home goods drive.

As you leave tonight's gathering, please consider taking a Gingerbread Man from the Social Services "Giving Tree" in the Town Hall lobby. Your gifts of socks, gloves, hats, toys, gift cards, books and money can make a meaningful difference in the lives of many of our neighbors this holiday season. There is only one week of "giving" left before the holiday – we need your help.

As we look to the new year, I'll be asking town employees and the Board of Selectmen to identify efficiencies of service delivery, opportunities to improve infrastructure and support ideas that may result in long term cost savings. We will continue to offer our support for downtown business development and efforts to boost our commercial tax base.

Our 4-year moratorium from CT Statute 8-30g affords us the opportunity to develop a prudent plan to build affordable housing that suits the needs of our residents while preserving the small, New England-style character of our town. I pledge to continue Dave Campbell's efforts in Hartford to modify 8-30g so that it becomes a more useful housing development tool for communities like ours.

The outcome of tomorrow's referendum vote on the proposed Mather Community and Senior Center will determine the need for further capital investment in the current Senior Center and the use of the vacant building at 35 Leroy Ave. I'm hopeful that 12 years of study have finally resulted in a plan that supports our Seniors, creates efficiencies, engages the Community and preserves valuable town assets.

I want to thank everyone who has contributed time and energy to this project and who has participated in the public debate. No matter what the outcome, we can all feel confident that the project has been fully vetted and the community's voice will be heard.

I wish you all a peaceful holiday season and a happy, healthy New Year. My door is always open and I hope you'll share your ideas and concerns with me. Together, we can make Darien the best it can be.

Thank you.