

**MINUTES
REPRESENTATIVE TOW MEETING
MAY 9, 2016**

RECEIVED
MAY 12 2016
TOWN CLERK'S OFFICE
DARIEN CT.

The Regular Annual Budget Meeting of the Representative Town Meeting was called to order at 8:07 p.m. by Donna Rajczewski, Town Clerk.

Upon Roll Call, the following members were present:

From District I, there were 9 members present, 7 absent.
From District II, there were 10 members present, 3 absent.
From District III, there were 11 members present, 4 absent.
From District IV, there were 12 members present, 3 absent.
From District V, there were 17 members present, 0 absent.
From District VI, there were 16 members present, 1 absent.

The absentees from District I were: Buchesky, Dweck, Hayes, Lee, Pattelli, Schneider, Von Stuelpnagel.
The absentees from District II were: Doherty, McNally, Sartori.
The absentees from District III were: Coyle, Coyle Downs, Hageney, Hegarty.
The absentees from District IV were: Haidinger, Millar, Montanaro,
The absentee from District VI was: Poli.

The Moderator, Sarah Seelye, Assumed the Chair.

ACCEPTANCE OF THE AGENDA

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

APPROVAL OF THE MINUTES OF THE APRIL 18, 2016 MEETING

**** THE MINUTES WERE ACCEPTED BY UNIVERSAL CONSENT.**

ANNOUNCEMENTS

The Moderator welcomed all of the elected officials present, including First Selectman Jayme Stevenson, members of the Board of Selectmen, Finance Director Jennifer Charneski, Michael Harman, Chairman of the Board of Education, members of the Board of Education and parents.

The Moderator said they are missing Eugene Coyle of District III, who is at a rehab facility in Stamford after his hospitalization.

The Moderator explained the procedure to be followed for discussion and vote on the budget.

APPROPRIATION OF \$30,000,000 FOR REFUNDING OF CERTAIN OF THE TOWN'S BONDS AND AUTHORIZING ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION

**** JACK DAVIS, DISTRICT III, CHAIRMAN OF THE FINANCE AND BUDGET COMMITTEE, MOVED:**

WHEREAS, the Town of Darien is desirous of taking advantage of favorable interest rates and refinancing existing bond obligations;

NOW, THEREFORE, BE IT RESOLVED that the Representative Town Meeting of the Town of Darien authorizes the authorization, issuance and sale of Town of Darien General Obligation Refunding Bonds in the amount of Thirty Million and 00/100 Dollars (\$30,000,000) as more particularly set out in the resolution attached hereto and made part hereof.

RESOLUTION APPROPRIATING THIRTY MILLION DOLLARS (\$30,000,000) TO REFUND CERTAIN OF THE TOWN'S OUTSTANDING BONDS AND AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION

RESOLVED:

Section 1. The sum of THIRTY MILLION DOLLARS (\$30,000,000) is appropriated to fund the redemption and the payment, in whole or in part, as determined by the First Selectman, the Town Treasurer, the Board of Finance or any Town official designated by the Board of Finance and the Finance Director of the Town of Darien (the "Town"), of the outstanding principal, accrued interest and any call premium on all or any portion of any issue of the Town's General Obligation Bonds including, but not limited to, the Town's General Obligation Bonds issued in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 (the "Prior Bonds"), together with the costs of issuance including, but not limited to, any applicable consultants' fees, legal fees, trustee and escrow agent fees, investment fees, verification fees, underwriters' fees and other financing or transactional costs and other expenses related to the payment or redemption of such bonds for the purposes of refunding them.

Section 2. The Town is hereby authorized to issue its refunding bonds, in an amount not to exceed THIRTY MILLION DOLLARS (\$30,000,000) (the "Refunding Bonds"), to fund the appropriation authorized by Section 1 of this resolution, provided that the issuance of such Refunding Bonds achieves present value debt service savings for the Town. The Refunding Bonds shall be issued pursuant to Section 7-370c of the Connecticut General Statutes, as amended, and any other provision of law thereto enabling. The Refunding Bonds shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

Section 3. The First Selectman and the Town Treasurer shall sign the Refunding Bonds by either manual or facsimile signatures and the law firm designated as bond counsel is authorized to approve the legality of the Refunding Bonds.

Section 4. The First Selectman, the Town Treasurer, the Board of Finance or any Town official designated by the Board of Finance and the Finance Director, or any three of them, are authorized to determine which of the Prior Bonds are to be redeemed and the amount, date, interest rates and interest mode, maturities, redemption provisions, form and other details of the Refunding Bonds; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the Refunding Bonds and escrow agent with respect to the refunding escrow or escrows to be funded with proceeds of the Refunding Bonds; to provide for the keeping of a record of the Refunding Bonds; to sell the Refunding Bonds at public or private sale; to deliver the Refunding Bonds; and to perform all other acts which are necessary or appropriate to issue the Refunding Bonds.

Section 5. The First Selectman and the Town Treasurer are authorized to call irrevocably for redemption such of the maturities of the Prior Bonds, as they shall determine to refund from the proceeds of the Refunding Bonds and other moneys as they may determine to make available for this purpose and to defease such Prior Bonds by executing and delivering an escrow agreement in such form and upon such terms as they shall approve, such approval to be conclusively evidenced by their execution thereof.

Section 6. The First Selectman, the Town Treasurer and the Finance Director, or any two of them, are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the Refunding Bonds authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

Section 7. The First Selectman, the Town Treasurer and the Finance Director, or any one of them, are authorized to make representations and enter into written agreements for the benefit of holders of the Refunding Bonds to provide secondary market disclosure information, which agreements may include such terms as she or he deems advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such Refunding Bonds.

Section 8. The First Selectman and the Town Treasurer are authorized to take all other action which is necessary or desirable to enable the Town to effectuate the refunding of all or a portion of the Prior Bonds and to issue Refunding Bonds authorized hereby for such purposes, including, but not limited to, the entrance into agreements on behalf of the Town with underwriters, trustees, escrow agents and others to facilitate the issuance of the Refunding Bonds, the escrow of the proceeds thereof and investment earnings thereon and the payment of the Prior Bonds in whole or in part.

Section 9. Any authorized but unissued portions of previous refunding authorizations are rescinded.

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

Jack Davis read the report of the Finance & Budget Committee (attached).

**** ITEM 16-11 CARRIED ON A RISING TALLY VOTE OF 71 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

16-12

CONSIDERATION AND ACTION ON THE JULY 1, 2016 TO JUNE 30, 2017 BUDGET RECOMMENDED BY THE BOARD OF FINANCE

**** JACK DAVIS, DISTRICT III, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

BE IT HEREBY RESOLVED, that the Representative Town Meeting of the Town of Darien hereby adopts the following appropriations for the July 1, 2016 to June 30, 2017 budget;

A. An appropriation in the General Fund to the Selectmen's Operating Budget of \$46,748,692;

**** THE MOTION (16-12A) WAS SECONDED FROM THE FLOOR.**

Jack Davis read the report of the Finance & Budget Committee (attached).

Mark Adiletta, District V, Chairman of the Public Works Committee, read that committee's report (attached).

Mac Patrick, District V, Chairman of the Public Health & Safety Committee, read the committee report (attached).

Adele Conniff, District III, Chairman of the Parks & Recreation Committee, read the committee report (attached).

Joanne Hennessy, District V, Chairman of the Planning, Zoning & Housing Committee, said that this committee met and supports the budget, particularly the monies for the Senior Planner position.

First Selectman Jayme Stevenson read the report of the Board of Selectmen (attached).

Frank Huck, Vice-Chairman of the Board of Finance, read the report of the Board of Finance (attached).

**** ITEM 16-12A CARRIED ON A RISING TALLY VOTE OF 71 IN FAVOR, 4 OPPOSED, 0 ABSTENTIONS.**

**** DENNIS MARONEY, DISTRICT III, CHAIRMAN OF THE EDUCATION COMMITTEE, MOVED:**

B. An appropriation in the General Fund to the Education Operating Budget of \$93,847,816;

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

Dennis Maroney read the report of the Education Committee (attached).

Jack Davis, District III, Chairman of the Finance & Budget Committee, read the Committee report (attached).

Michael Harman, Chairman of the Board of Education, read the statement of the Board of Education (attached).

**** ITEM 16-12B CARRIED ON A RISING TALLY VOTE OF 68 IN FAVOR, 5 OPPOSED, 0 ABSTENTIONS.**

**** THE MODERATOR MOVED ITEM 16-12C.**

C. That the above appropriations, totaling \$140,596,508 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2016 and ending June 30, 2017 as shown by the budget this day approved.

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

**** ITEM 16-12C CARRIED UNANIMOUSLY BY VOICE VOTE.**

**** JACK DAVIS, DISTRICT III, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

D. Appropriations for other funds are hereby made below for the 2016-2017 fiscal year as shown by the budget this day approved;

1. From the Reserve Fund for Capital and Non-Recurring Expenditures	\$ 5,180,227
2. From the Sewer Operating Fund	\$ 3,558,988
3. From the Sewer Assessment Fund	\$ 550,000
4. From the Sewer Capital Fund	\$ 186,400
5. From the Parking Lot Administration Fund	\$ 757,867
6. From the Parking Lot Capital Fund	\$ 185,000

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

**** ITEM 16-12D CARRIED ON A RISING TALLY VOTE OF 67 IN FAVOR, 4 OPPOSED, 0 ABSTENTIONS.**

**** JACK DAVIS, DISTRICT III, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

E. That a tax of 15.80 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$8,446,673,225 on property as of October 1, 2015 payable in two equal semi-annual installments, the first installment to become due and payable on July 1, 2016 and the second installment to become due and payable on January 1, 2017, provided however that:

1. Any taxpayer may pay both of said installments on July 1, 2016;
2. The personal property tax on motor vehicles in said Town shall become due and payable in one single installment on July 1, 2016.
3. Any property tax in any amount not in excess of one hundred (\$100) dollars shall become due and payable in one single installment on July 1, 2016.

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

**** MR. DAVIS MOVED TO AMEND TO REFLECT A MILL RATE OF 15.77 (16-12E1).**

**** THE MOTION TO AMEND WAS SECONDED FROM THE FLOOR.**

James Cameron, District IV, said he was proud of this organization. They have done a great job tonight. He asked the reason for the reduction. Jack Davis said it is because of actual taxes raised. The Governor cannot change it. The ECS account can be reduced. Should other funds be approved and the Town actually receives it, the money can be added back. This reduction reduces the tax increase to 2.74%. This is because of the uncertainty of grant money.

**** ITEM 16-12E1 CARRIED ON A RISING TALLY VOTE OF 64 IN FAVOR, 8 OPPOSED, 0 ABSTENTIONS.**

**** ITEM 16-12E, AS AMENDED, CARRIED ON A RISING TALLY VOTE OF 66 IN FAVOR, 6 OPPOSED, 0 ABSTENTIONS.**

**** JACK DAVIS, DISTRICT III, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

F. That the Town of Darien, acting through its Board of Selectmen, and subject to the approval of said Town at the Annual Budget Meeting of the Representative Town Meeting to be held May 9, 2016, be authorized to borrow on the note or notes of the Town the sum of five million (\$5,000,000) dollars or so much thereof as may be necessary for the general expenses of the Town pending the collection of either or both of said semi-annual installments of taxes on or prior to June 30, 2017.

**** THE MOTION WAS SECONDED FROM THE FLOOR.**

**** ITEM 16-12F CARRIED UNANIMOUSLY BY VOICE VOTE.**

**** ON A MOTION MADE AND SECONDED FROM THE FLOOR, IT WAS UNANIMOUSLY VOTED TO ADJOURN AT 9:45 P.M.**

Respectfully submitted,
Cheryl Telesco Blois
Telesco Secretarial Services

APPENDIX

<u>DISTRICT I</u>	<u>(16-11)</u>	<u>(16-12A)</u>	<u>(16-12B)</u>	<u>(16-12D)</u>	Amendment <u>(16-12E1)</u>	As amended <u>(16-12E)</u>
Barsanti	yes	yes	yes	yes	yes	yes
Buchesky	absent	absent	absent	absent	absent	absent
Bumgardner	absent	yes	yes	yes	yes	yes
Butler	yes	yes	yes	yes	yes	yes
Conologue	yes	yes	yes	yes	yes	yes
Conze	yes	yes	yes	absent	absent	absent
Dweck	absent	absent	absent	absent	absent	absent
Ezbiansky	yes	yes	yes	yes	yes	yes
Hayes, B.	absent	absent	absent	absent	absent	absent
Keane	yes	yes	no	yes	no	no
Kelly, C.	yes	yes	yes	yes	yes	yes
Lee	absent	absent	absent	absent	absent	absent
Pattelli	absent	absent	absent	absent	absent	absent
Schneider	absent	absent	absent	absent	absent	absent
van der Kieft	yes	yes	yes	yes	yes	yes
von Stuelpnagel	absent	absent	absent	absent	absent	absent
 <u>DISTRICT II</u>						
Agnew	yes	yes	absent	absent	absent	absent
Bacon	yes	yes	yes	yes	yes	yes
Boulier	yes	yes	yes	yes	yes	yes
Doherty	absent	absent	absent	absent	absent	absent
Finn	yes	yes	yes	yes	yes	yes
Howe	yes	yes	yes	yes	yes	yes
McNally	absent	absent	absent	absent	absent	absent
Miller	yes	yes	yes	yes	yes	yes
Sartori	absent	absent	absent	absent	absent	absent
Sawitsky	yes	yes	yes	yes	yes	yes
Seelye		DOES NOT VOTE				
Thorne, B.	yes	yes	yes	yes	yes	yes
Wheeler	yes	yes	yes	yes	yes	yes
 <u>DISTRICT III</u>						
Anderson	yes	no	no	no	no	no
Cardone	yes	yes	yes	yes	yes	yes
Conniff	yes	yes	yes	yes	yes	yes
Coyle	absent	absent	absent	absent	absent	absent
Coyle Downs	absent	absent	absent	absent	absent	absent
Jack Davis	yes	yes	yes	yes	yes	yes
Hageney	absent	absent	absent	absent	absent	absent
Hegarty	absent	absent	absent	absent	absent	absent
Hite	yes	yes	yes	yes	yes	yes
Jordan	yes	yes	yes	yes	yes	yes
Maroney	yes	yes	yes	yes	yes	yes
Moore	yes	yes	yes	yes	yes	yes
Morton	yes	yes	yes	yes	yes	yes
Washecka	yes	yes	yes	yes	yes	yes
Yarnell	yes	yes	yes	yes	yes	yes

<u>DISTRICT IV</u>	<u>(16-11)</u>	<u>(16-12A)</u>	<u>(16-12B)</u>	<u>(16-12D)</u>	<u>Amendment (16-12E1)</u>	<u>As amended (16-12E)</u>
Banks	yes	no	no	no	no	no
Cameron	yes	yes	yes	yes	no	yes
Joan Davis	yes	yes	yes	yes	yes	yes
Domittner	yes	yes	yes	yes	yes	yes
Fiore	yes	yes	yes	yes	yes	yes
Haidinger	absent	absent	absent	absent	absent	absent
Hardison	yes	no	yes	no	no	no
P. Hawkins	yes	yes	yes	yes	yes	yes
Kemp	yes	yes	yes	yes	yes	yes
Miceli	yes	yes	yes	yes	yes	yes
Millar	absent	absent	absent	absent	absent	absent
Montanaro	absent	absent	absent	absent	absent	absent
Morrison	yes	yes	yes	yes	yes	yes
Peters	yes	yes	absent	absent	absent	absent
Rayhill	yes	yes	yes	yes	yes	yes
Savage	yes	yes	yes	yes	yes	yes
<u>DISTRICT V</u>						
Adiletta	yes	yes	no	yes	yes	yes
Bates	yes	yes	yes	yes	yes	yes
Bayne, C.	yes	yes	yes	yes	yes	yes
Bayne, D.	yes	yes	yes	yes	yes	yes
Boulton	yes	yes	yes	yes	yes	yes
Duffy	yes	no	no	no	no	no
Fead	yes	yes	yes	yes	yes	yes
Fiveson	yes	yes	yes	yes	yes	yes
Haueisen	yes	yes	yes	yes	yes	yes
Hayes, M.	yes	yes	yes	yes	yes	yes
Hennessy	yes	yes	yes	yes	yes	yes
Lublin	yes	yes	yes	yes	yes	yes
McLachlin	absent	yes	yes	yes	yes	yes
Mosher	yes	yes	yes	yes	yes	yes
Patrick	yes	yes	yes	yes	yes	yes
Russell	yes	yes	yes	yes	yes	yes
Sparkman	yes	yes	yes	yes	yes	yes
<u>DISTRICT VI</u>						
Adelman	yes	yes	yes	yes	no	yes
Baldwin	yes	yes	yes	yes	yes	yes
Cantavero	absent	yes	yes	yes	yes	yes
Cherico	yes	yes	yes	yes	yes	yes
Grogan	yes	yes	yes	yes	yes	yes
Ted Hawkins	yes	yes	yes	yes	yes	yes
Kwun	yes	yes	yes	yes	yes	yes
Lauritzen	yes	yes	yes	yes	no	no
Luz	yes	yes	yes	yes	yes	yes
McDermott	yes	yes	yes	yes	yes	yes
Natale	yes	yes	yes	yes	yes	yes
Plehaty	yes	yes	yes	yes	yes	yes
Poli	absent	absent	absent	absent	absent	absent
Ritchie	absent	yes	yes	yes	yes	yes
Swenson	yes	yes	yes	yes	yes	yes
Van Loan	yes	yes	yes	yes	yes	yes
Whitehead	yes	yes	yes	yes	yes	yes

Reports to RTM, May 9, 2016

(16-11) RTM RESOLUTION APPROPRIATING THIRTY MILLION DOLLARS (\$30,000,000) TO REFUND CERTAIN OF THE TOWN'S OUTSTANDING BONDS AND AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION

I am Jack Davis, District 3 and Chair of the RTM Finance and Budget Committee.

I move RTM Resolution (16-11) Appropriating Thirty Million Dollars (\$30,000,000) To Refund Certain of the Town's Outstanding Bonds and Authorizing the Issuance of Refunding Bonds to Finance Such Appropriation.

If there are no objections, I propose to waive the reading of the Resolution.

This resolution gives the Board of Finance the ability to issue up to \$30 million to refinance certain of the Town's existing bond obligations without having to come before the RTM. The Resolution specifically stipulates that in order to issue the bonds the transaction must achieve "present value debt service savings for the Town".

The history behind this resolution was that a number of years ago there was an opportunity to refinance some of the town's debt and by the time a Special RTM meeting was convened, the window for favorable refinancing had closed.

The RTM has approved similar resolutions in each of the past years and the BOF has acted under the resolution to strategically take advantage of low interest rates to save the Town substantial interest charges.

It is important to note that this resolution does not impact the requirement for the RTM to approve any new issuances of debt to fund new capital projects and passage of this resolution rescinds "any authorized but unissued portions of previous refunding authorizations."

At its regular meeting on Monday, May 2nd with 10 of 14 members present the F&B committee voted unanimously to recommend that the full RTM approve this resolutions.

Thank you.

Jack Davis
Chair, Finance & Budget Committee

Reports to RTM, May 9, 2016

May 9, 2016

(16-12) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY, 1 2015 TO JUNE 30, 2016 BUDGET

I am Jack Davis, District 3 and Chair of the Finance and Budget Committee.

I move "Section A" of RTM Resolution (16-12) Authorizing and Approving the July 1, 2016 to June 30, 2017 Budget.

If there are no objections, I propose to waive the reading of the Resolution.

The F&B committee met many times during the past 5 months at both regular and special meetings dedicated primarily to discussing and taking action on this budget; its component parts and the resulting resolutions that are before us tonight. These meetings were in addition to the countless meetings that members of the committee attended during the budget cycle as well as individual meetings with various town employees and the Board of Education Finance subcommittee. Our committee is divided into two subcommittees – the Board of Education Budget subcommittee is chaired by Deb Ritchie and the Board of Selectman Budget subcommittee is chaired by Robert Cardone. Lisa Yarnell served as the committee's Clerk and we greatly appreciate her work.

This year F&B initiated a new budget process, assigning F&B members to Board of Finance members whereby the RTM actively participated with the Board of Finance's deep dives into the budgets and their meetings with town officials. This process facilitated open conversations throughout the budget process resulting in significant F&B input to and collaboration with the Board of Finance prior to their April 7th budget vote. Two specific results of this initiative and collaboration were the deferral of the needed Darien High School cafeteria extension to allow the BOE to return later this year with more refined cost estimates, there is \$100M in the budget for this analysis, and a cut of \$130M from the 35 Leroy roof capital project as the installation of the asphalt roof alternative was selected instead of installing a slate roof.

I would like to take this time to thank the Board of Education, Board of Selectman, Board of Finance and the many town staff for their significant work

Reports to RTM, May 9, 2016

over the past the months working to put together this year's budget and attending many of our meetings. Virtually all of our elected officials are volunteers and they each dedicate significant time and effort to the budget process. A special thanks to Kate Buch, Town Administrator and Jennifer Charneski, Finance Director; Michael Feeney, BOE Director of Finance and Operations, Michael Lynch, BOE Director of Facilities and Dr Brenner, our new Superintendent. We would also like to thank Shelly Skoglund and Jill McCammon and the numerous parents that attended, participated and provided perspectives during this budget.

To say the least, this is a unique budget year. There are several significant off-budget cycle initiatives or appropriations that are not included in this budget. These initiatives may have either direct or indirect impact, due to timing of bonding packages, on the Town's Fund Balances. They include:

- The Public Works garage
- The DHS cafeteria extension
- The purchase of Darien street lights from Eversource
- In-town EMT services that was approved by the BOS to move forward. Expect an appropriation funding request during the 2016/17 fiscal year
- The appropriation of funds for the Shuffle overages

If the above was not enough, subsequent to the BOF budget approval on April 7th, the Governor proposed elimination an additional \$1.3mm of state grants to our Town. Those included:

- Total elimination of Darien's Educational Cost Sharing grant for \$1.1mm or \$1.6mm total reduction from the prior year
- 85% of the town's allocation of municipal revenue sharing account - part of a real estate tax relief reform initiative that includes a small portion of sales tax generated in Darien and part of the real estate conveyance tax, and
- Reductions in other smaller grants.

The Board of Finance was able to reopen its budget proceeding and made prudent financial modifications to the previously approved budget. Those changes reflected the proposed grants reductions and reducing the BOS and BOE capital requests relative to their overall budget percentage and increasing the mill rate to 15.80. It is that modified budget before us tonight.

For those of you who have been following the developments in Hartford, you are aware that the Governor and majority party have reached a consensus budget.

Reports to RTM, May 9, 2016

In that budget, it appears that Darien will have some portion of its ECS and MRSA reinstated. The special legislative session, however, is not scheduled until Thursday, May 12th and we have no guarantee that the ECS amount is guaranteed. This fiscal year, Darien experienced 15% cut to its ECS grant reducing the amount from \$1.616mm to \$1.372mm. The ECS grant is given in three tranches with the largest payment - 50% in April. As the State of Connecticut is far from out of the woods in resolving its financial problems and future deficits, an amount in the state budget, even if passed, is no guarantee that Darien will receive that state budgeted amount.

In summary, our town remains in good financial shape even as we are entering a "brave new world" or "new reality" going forward. In the future, based upon the continuing financial challenges facing the State of Connecticut, our town should expect little to no state funding going forward. To address this "new reality" thoughtful, collaborative discussions will begin this summer on potential future budget structural changes for our town.

The budget that is before us tonight represents a lower increase in our taxes than the one adopted last year. The Town of Darien's credit rating remains at 'Aaa' from Moody's, our town continues to deliver great services; continues to invest in the town's infrastructure and is constantly recognized for the high quality of education that it delivers. We are further benefited from the many volunteer organizations and their members.

That said, our budget continues to rise year after year as a result of increased wages and healthcare costs for our town's employee; and the need to reinvest in our infrastructure to deliver the services that our residents enjoy.

The budget proposed by the Board of Finance this year is:

- \$140.6mm, up \$3.6mm (or 2.6%) over last year's \$137.0mm. This year's increase is lower in percentage than last year's but not lower in dollars.
- In order to fund this year's budget proposed taxation will be \$131.3mm, up 4.0% versus the prior year. The \$9.3mm difference between the \$140.6mm that we spend and the \$131.3mm collected in taxes, is from a combination of sources including a **[\$1.1mm]** drawn down in our cash balances and the remaining balance of \$8.2mm, down \$1.5mm or 15.8% from revenues including state grants, licenses, permits, fines, charges for services, investment income and a host of other non-property tax sources.
- Finally, our town's grand list growth from \$8.3bn to \$8.4bn, or 1.1%, results in a mill rate increase of 2.93%.

Reports to RTM, May 9, 2016

To recap:

Budget is up 2.6%

Revenues are down 15.8%

Including state grants down

Taxes are up 4.0%

Grand List is up 1.1%

... Results in a proposed Mil Rate that is up 2.93%

Contained in the resolution before you tonight are 6 different items - A through F - the two most important items are: A – Town's Operating Budget and B - Education Operating Budget.

The remaining items (C, D, E & F) are more mathematical or administrative as they simply sum up other parts of the budget or generate the necessary mill rate to raise taxes that will be sufficient to fund what we will spend or allow us to borrow short term debt in there is a timing difference between the Town's spending and receipt of tax revenues.

The past few years, the RTM voted on the items in this resolution separately; we will do the same this year and as such I will deliver the F&B report on each item and then return the floor to the moderator for other committee reports, elected official comments, and discussion and questions.

Thank you.

Item A – The Town’s Operating Budget

The Town’s Operating Budget is \$46.7mm, up 1.0% compared to the restated 2015/16 budget.

By way of background, this portion of the budget is comprised of four primary parts:

1. Town Services – Includes public safety, human services, parks & recreation, public works and general government. This is the portion of the budget that the Board of Selectman and the town administrator are responsible for managing. This portion of the budget is \$26.9mm, up \$59m (or 0.2%) from last year. For the second year, the Town had favorable pension and police retiree medical benefits of greater than \$600m that should not be anticipated during the 2017/18 budget year. In addition, the Town benefited from moving employees to the HSA as the Town finalized its union contracts. The largest single increase was in Protective & Emergency Services for \$378m with patrol accounting for \$260m of that increase – most of which was the result of finalizing the union contract. There were some staff additions this year –

- One FTE for P&Z to handle current workload demands in addition to significant incremental volume from proposed new initiatives. The increase in fees adopted by the RTM this year will partially offset this hire
- One FTE in the tax assessors office is the conversion of two P/T into one full time position and is expected to save between \$200-300m during our next revaluation
- One FTE in Parks and Rec where incremental revenue is expected in the next two years from new town programs to offset as well as enhance our community experience
- And the conversion of two p/t positions into a full time position in Human Services. The new FT employee was already participating in the pension plan based upon hours worked resulting in minor incremental costs.

2. Library Operating Budget - The Library, although privately owned, the Town pays for its operating budget. The Library’s proposed budget is \$3.583mm, up \$77m (or 2.2%) from last year. The drivers of this increase are:

- Initial raises to employee salaries to bring in line with market standards and corresponding benefits for \$127.8M or 4.8%
- Offset by reductions in operating accounts of \$19.9M or a decrease of 3.1%
- Reduction of pension funding of \$30.7M or 15.9%

Reports to RTM, May 9, 2016

3. Debt Service - This debt service, which include that attributable to Town's capital current and past projects as well as the Board of Education's current and past capital projects is \$11.546mm, up \$247m (or 2.18%) from last year. The current debt service allocation is 67% for Board of Education projects, 26% for Town projects and 7% for Sewer projects (which is paid specifically by user fees).

As of July 1, 2016, the Town will have approximately [\$71.8mm] of outstanding debt, down from [\$77.5mm] the prior year. Based on our current debt amortization schedules, we expect to repay approximately \$9.4mm of debt in the coming year. Within this budget, there is no issuance of new debt. That being said, as previously mentioned, new bonding resolutions should be anticipated next fiscal year to cover the Public Works garage; the DHS cafeteria extension and possibly other smaller capital projects. Barring any significant new capital projects, our Town's current debt amortization schedule expects significant decreases in our Town's total debt over the next few years.

4. Capital Projects - These are the capital projects that are being paid for by levying taxes or spending cash reserves and do not include any off budget capital items previously mentioned. Capital project appropriations are \$5.2mm total. After taking into account state grants of \$497m, the total capital projects are \$4.682mm net; up \$57m (or 1.22%) from last year. This \$4.683mm is broken down between Town projects and Education projects.

Town projects of \$2.667mm or up \$106m or 4.13% and include capital for fire department apparatus replacement (\$400m), sidewalk rehabilitation (\$200m) and new sidewalk installation (\$210m), PW equipment reserve (\$170m), and 3 police vehicle replacements (\$120m). Another item now in capital is repaving our roads for \$845m offset by two state grants – Locip for \$113m and Town road aid for \$337m – resulting in a net of \$495m. Two notes here regarding the move of paving roads to capital accounts – the prior year Town capital budgets lines have been adjusted to reflect this accounting change and while this amount is now in capital, we view it as an annual expense that should not be included in a bond issuance.

Board of Education capital projects of \$2.016mm, down \$49m or 2.38% and include new turf for the stadium field (\$500m), installation of a new asphalt roof at 35 Leroy (\$370m); the last school emergency generator (\$165m) and moving

Reports to RTM, May 9, 2016

the main office and nurses station at Hindley school to provide better security and safety (\$220m).

In summary the Town's Operating Budget is as follows:

- Total - \$46.749mm, up 1.0%
- Town Services & Public Safety - \$26.937mm, up 0.2%
- Debt Service (including Town and Education) - \$11.5mm, up 2.18%
- Library Operating Budget - \$3.583mm, up 2.2%
- Capital Projects (including Town and Education) - \$57m, up 1.22%

At our meeting on Monday, May 2nd the F&B Committee voted to approve the Selectman's budget with 8 voting in favor and 2 opposed.

Common themes among those voting **for** the budget were, the BOS held down costs although they benefited from favorable pension cost and growth in the grand list. Cuts to operating budgets at this time did not make sense but rather the Town needs to initiate thoughtful evaluations of revenue in relationship to costs, efficiencies and potential structural budget process changes based on the "new reality" of Darien receiving state funding/grants in the future. In addition, coverage of off budget cycle expenses like paramedics and possible demands on the town's fund balances during the next fiscal year should be taken into account.

little or no

Common themes among those voting **against** the budget were, although the BOS overall did well holding down costs:

- While in favor of the original April 7th budget, to cover the proposed loss of State grants, operating budgets should have been cut in addition to capital to the entire proposed shortfall
- Expense growth continue to grow greater than inflation
- The drawdown of funds \$1.1mm from the Fund Balances; the incremental revenue associated with Grand List growth, approximately \$900m and favorable pension and retiree costs provide artificial coverage to expense growth

never

**** Return Floor to Moderator ****

Good evening.

My name is *Mark Adiletta* and I am Chair of the Public Works Committee to the RTM.

At the Regular Session of the PWC held May 2nd, with all 11 members present, the PWC considered and voted UNANIMOSLY to recommend approval to the full RTM the Public Works related items of 16-12.

Background:

Each year the PWC breaks down in various subgroups, each of which focuses on a particular operating area, special project or initiative related to Public Works. These subgroups report as needed to the PWC w/r/t each focus area. This background proves useful as the budget process winds its way through the BOS, F&B and BOF and provides a solid base of knowledge heading into the Budget vote. Finally, before deliberating on this item Public Works Director Ed Gentile joined our session May 2nd to provide an overview of the PW operating and capital budgets and answer remaining questions from the committee.

On the Operating side of the Budget it was noted most line-items were flat with several ongoing operating efficiency and process improvements initiatives continuing. The results of these are starting to be realized as reflected in a [4%] drop in electricity usage and a huge drop in man hours spent physically unclogging the sewer pumps as the new variable speed pumps have come on line.

From
Hos
minutes

On the Capital side of the budget, core items including one put forth by the PIAC are being phased in, though very gradually, including a sidewalk expansion on Tokeneke Rd and dredging of sedimentation basins. Others such as a generator replacement, carpet replacement and office reconfiguration to improve service experience at Town Hall were delayed in part given the pressures of the wider budget process overall.

The committee thanks Mr. Gentile and his team's efforts which continue to improve efficiency and also to improve the quality of the services provided by the department WITHOUT commanding ever more resources to accomplish this.

The Committee wishes to thank Mr. Gentile for his assistance with our review.

Thank you.

The Public Health & Safety Committee met on May 9, 2016, with 9 of 11 members present to discuss and report to the Full RTM on Resolution 16-12, the fiscal 2017 Town of Darien Budget, as it relates to Police, Fire, Disaster Preparedness, Emergency Medical Services (pages 105-185 Town of Darien Budget Book), and Human Services (pages 210-241).

The Chairman relayed information obtained from Marc McEwan, Assistant Fire Marshall and Emergency Preparedness Director.

Mr. McEwan noted that the sharp increase in the budget for Disaster Preparedness of \$33,370 or 63% is due to the warranty expiration of the radio service contract for repair and maintenance. As for Fire Protection, Mr. McEwan noted the 3 volunteer departments had overall even budgets. The Fire Commission budget is increased \$14,365 or 16.5 % due to Wireless Communication iPads purchases used for preplanning and mapping, along with increased water usage.

The Chairman relayed information obtained from Duane Lovello, Chief of Police.

The police budget is straightforward this year with no new initiatives or unexpected increases. The new contract is the principal driver of the salary line increase, \$260,262 or 6%. The overall Police budget is \$7,249,581 with an increase of \$297,378 or 4%. Chief Lovello noted that vehicle replacements continue to move in line with the scheduled forecast of replacement.

The Emergency Medical Services budget is increased by \$6492 or 6.25% due to an increase in the Emergency Communications Service Contract. It was noted that the staffing is all volunteer and much of the operation is self-funded through donations.

May 9, 2016

REPRESENTATIVE TOWN MEETING

WARNING 16-12

2016-2017 DARIEN TOWN BUDGET

Good evening.

Adele Conniff, District 3, RTM Parks & Recreation Committee Chairman

The RTM Parks & Recreation Committee met on May 2, 2016 with 10 of 14 members present to discuss and vote on the Parks & Recreation portion of the Town of Darien 2016-2017 Budget. The committee was unanimous in their support of this budget.

The Parks & Recreation Operating Budget includes the addition of a much needed Program Supervisor which will expand the department programming capabilities and generate potential additional revenue to offset expenses.

The anticipated revenue generated by Parks & Recreation in this budget is \$552,900.

The Parks & Recreation portion of the Reserve Fund for Capital and Non-Recurring Expenditures includes funds for computer software, equipment reserves, fence repair at Holohan Field, and a basketball court at Cherry Lawn. (The existing court is closed due to safety reasons.) The Parks & Recreation Commission's request for funding for a Pear Tree Master Plan was not supported in this budget cycle though the Board of Finance did acknowledge that Pear Tree Beach is in need of attention. Our committee looks forward to seeing the Pear Tree Master Plan in next year's budget.

It has been our pleasure to work with Pam Gery, the director of the Parks & Recreation Department, and Mary Flynn, Chairman of the Parks & Recreation Commission. We thank you for all of your efforts to keep us well informed as we worked our way through the budget process.

First Selectmen's Budget Remarks to the RTM
May 9, 2016

Good evening Madam Moderator, RTM members fellow officials and our viewing audience. Thank you for the opportunity to address the RTM and ask for your support tonight of the Board of Selectmen's budget as proposed by the Board of Finance. The Board of Selectmen has worked diligently since January to propose a very responsible operating and capital budget. I want to thank the F&B Committee and Board of Finance for joining the Board of Selectmen from the beginning of our process and offering wise counsel as we deliberated each and every line item in our budget.

The outcome of our process is noteworthy. The Board of Selectmen's operating budget, net of total town/Board of Education debt service (\$11.5 million), is proposed to increase only 0.^{.2}~~4~~% (~~\$1.2~~) over last year's budget – and that amount includes fully funding the \$3.6 million Library budget. The Library budget represents 11% of the total Selectmen's budget. Also noteworthy is our budget work with our 3 volunteer fire departments. The town will now be paying most of the departments' operating expenses directly and providing each department with a modest discretionary grant. Taking these

expenses in house will allow us to seek efficiencies and reduce overall expenses. I want to thank our wonderful volunteer fire departments for their cooperation.

Capital project spending (\$384K) increased slightly over last year due to the addition of a generator (\$250k) for town hall and the Mather Center, a new phone system (\$59k) deferred from our 2015-16 budget, 4 law enforcement vehicles (\$160) and \$70k to begin the permitting for dredging 3 sedimentation basins throughout town. We've agreed to defer the Town Hall generator as part of the proactive plan to address yet-unknown state funding cuts. When we can afford it, the generator will allow us to utilize the Mather Center as an emergency shelter and cooling/warming center as originally proposed. Without it, this facility cannot be included in our emergency operations plan.

In any ordinary year, a less than ½ % operating increase would be considered an extraordinarily positive budget outcome and in any ordinary year with rates holding at all-time lows, we would be moving bondable capital projects forward. But as we know, the State of Connecticut's fiscal crisis has made this year anything but ordinary. No mid-term budget adjustments have been made to address mounting deficits, state revenue

projections continue to plummet and there has been no consensus budget adjustment made in spite of no less than 5 proposals since January.

In an unprecedented gesture, on April 18th, our Board of Finance made additional budget adjustments in an attempt to proactively respond to cuts signaled by the Governor. No other municipality has taken this kind of prudent and conservative action. The truth is, we don't know when or if cuts will be made and for how much but the thought process is to be prepared. We will, of course, respond as needed if and when that information comes and I strongly suggest, as we look to fiscal year 2017-18 and beyond, we acknowledge the continued fiscal challenges of the state in our revenue assumptions.

Until then, I recommend and respectfully ask that you approve the Board of Selectmen's budget as proposed by the Board of Finance.

Thank You

Statement to the RTM
Jon Zagrodzky, Chairman
Darien Board of Finance

On April 7, the Board of Finance (BOF) voted to submit a 2016-17 budget to the RTM with a 15.73 mill rate or a 2.48% increase. Subsequent to this vote, the Governor proposed eliminating Education Cost Reimbursement and MRSA grants for Darien, with a negative impact on the submitted budget of \$1,317,925.

In light of these potential cuts, the BOF met on April 18 to reconsider its April 7 budget. At this meeting, it was decided that prudence and conservative budgeting required taking the elimination of these grants into account, despite the fact that they were not final.

The BOF adopted a mix of capital deferrals and tax increases to mitigate this potential revenue shortfall.

First, the BOF deferred several Board of Education capital projects, including \$182,500 in Priority 2 projects along with three Priority 1 projects: the High School storage units for \$250,000, the Middlesex carpet for \$65,000 and the 1997 truck replacement for \$55,000. Second, the BOF opted to defer the Town Hall generator, which was budgeted at \$250,000. In sum, the deferred capital projects totaled \$802,500.

Importantly, the BOF did not cut operating budgets. Our view was that such cuts would be unduly disruptive and potentially affect critical programs, student learning, or even jobs. By contrast, capital deferrals would be easier to restore in the event that State grant cuts did not go through. In any case, we believe that operating budget reductions should only be considered through careful and thorough deliberation – not hastily in a brief BOF special meeting.

Finally, in addition to the capital deferrals, the BOF voted to boost the mill rate to 15.80, which amounts to a town-wide tax increase of \$515,425 over the 15.73 mill rate previously approved on April 7.

Subsequent to the April 18 budget revision, the situation in Hartford remains fluid and unsettled. Proposals surfaced last week reversing some of the grant cuts, which for Darien might have meant restoring about \$900,000 to our budget. However, these proposals were not brought to a vote, so nothing was decided. This means that the RTM will have to take its final vote on the 2016-17 budget without clarity as to what Hartford will ultimately do regarding grant cuts.

The question, therefore, is what should the RTM vote to do?

It is likely that, given the outcry since the Governor's proposal, Hartford will restore at least some of the grant cuts. Since the April 18 budget passed by the BOF assumes zero for the grants, it would seem reasonable, therefore, to consider at least a modest reduction in the 15.80 mill rate, even given the uncertainty that remains.

One good idea for doing this, and thanks go to Jayme Stevenson for proposing it, might be to reduce the \$515,425 BOF increase by \$171,485. This is the amount of MRSA grant restoration for Darien that was part of the proposals considered but not voted on last week. MRSA dollars are not really grants –

they're simply refunds of sales taxes already paid by our fellow citizens. Giving these funds back to Darien taxpayers would seem the right thing to do, and the amount is not so much that it compromises the conservative budgeting we need in light of Hartford turmoil. Returning these dollars would reduce the mill rate to 15.77 or a 2.74% year-over-year increase.

As for the capital projects, I recommend deferring any discussion of these for now. The RTM cannot restore them unilaterally, but we can work together to bring them back once the grant situation is resolved. We may need to wait, though: note that the Education Cost Sharing grants are paid in three parts: 25% in October, 25% in January and 50% in April each fiscal year, so it will be a while before whatever grants we are given fully materialize. As an aside, my sense is that the carpet and truck should not be bonded (in other words, they'll be paid out of current funds), but that the storage and town generator could be, possibly as part of the likely Town Garage bonding initiative this fall, which may also include the DHS cafeteria extension.

At the risk of impertinence, I would recommend that the RTM vote as follows:

First, approve the Board of Selectmen and Board of Education operating budgets as proposed in the April 18 BOF budget. Several F&B and other RTM members have expressed not unreasonable concerns about overall expense growth in these budgets, but as I've said in a few F&B meetings, I believe that the right way to tackle this is through a thoughtful and deliberative process, which many of us have committed to undertake beginning this summer. A hasty vote to cut operating budgets now, without such consideration, would be imprudent and politically fraught.

Second, approve a mill rate of 15.77, which will return the possible MRSA "refund" to Darien taxpayers. I realize that doing so leaves a tax increase over the 15.73 mill rate approved on April 7. However, there are good reasons to believe that we will need these resources:

- There are several potential expenses not budgeted that are likely to come forward in the next year, including the addition of Town sponsored Paramedics, which could cost upwards of \$400,000.
- There is also the possibility that even approved grants could be rescinded as the State's finances continue to deteriorate.

In any event, the RTM will have a say in how any extra funds will be deployed. If unexpected grant money comes in, it goes to Fund Balance and cannot be spent without an RTM approval and appropriation.

I believe these recommendations strike the right balance between prudent budgeting and taxpayer consideration. They also, in my view, set the stage for a collaborative effort to take a close look at the Town's operating budgets beginning this summer.

Thank you for your consideration.

Jon Zagrodzky

May 9, 2016

Good evening, I am Dennis Maroney of district 3 and I am chairman of the Education committee. I would like to move 16-12 B, an appropriation in the General Fund to the Education operating Budget of \$93,847,816, may I have a second?

The Board of Education budget increases over the past four years have ranged between 2.93% and 5.90% with an average budget increase of 4.42%. The proposed budget for 2016-2017 requested increase is for 3.44%.

The main driver of the recommended increase, is as usual Health/Insurance and Personal RC, (Responsibility center.) This accounts for 77% of the entire budget. There is a projected increase of 10 students this year in the district. As an aside, I have a graduating senior and when she entered the school district in 2003 there were 4116 students enrolled in Darien public schools, the projected number for 2016-2017 is 4857. That is a net increase of 741 students. From the turn of the century that number is 1058. Yes over 1000 more students in 16 years. A 27.8% increase over the past 16 years. The good news is the number of births peaked in the birth year of 1998 with 365 births and a majority of those students will be graduating in June. To contrast the number of births this year was 199. The 2010 Census showed Darien's percentage of people under 18 was 35.6% the highest in the state and 12.7% above the state average. Why am I bringing up these numbers? Just to show that yes the school budget has increased since 2000, but it is due mainly to the increased student population. State mandates, special education directives and health care insurance premiums have also impacted the finances.

This budget was developed using a zero based budget. The Board and administration looked at the approved budget for 15-16 and compared that to what was spent versus the budget. The new budget was built on what has been spent taking into account the budget trends over the past few years. This is also compared to our peer group towns where we spend approximately \$604 less than New Canaan, \$1497 less than Westport and \$279 less than the average in District Reference Group A (DRG-A).

The key educational investment this year is in technology. The plan is for a 1-1 computing environment for students in grades 5-8. The students will have an individual device to use at school and home. In 4th grade the students will also have a Chromebook, but will not be allowed to take home. Grades 2 and 3 will share 25 Chromebooks between 2 classes. Kindergarteners' will have one charging cart to share amongst the classes in each school. Along with the computers comes the need for additional independent consultants to help support the implementation along with funding to expand the wireless infrastructure in the schools. This is the first part of the four-year technology plan ending in 2018-2019. Besides the ability of technology to maximize student learning, achievement and potential it will also create opportunity to reclaim the existing computer labs at the schools. To build a new classroom would cost approximately 250K helping pay for the roll out by creating more space.

On May 2, 2016 with 14 of ¹⁶ ~~18~~ ^{present} members the RTM Education met to vote on the appropriation of 93,487,816. In attendance was Dr. Brenner the Superintendent, Mr. Michael Harman, Chairman of the Board of Education, Board of Education member Katie Stein and members of the public. The committee discussed many questions regarding the capital projects, but for the operating budget there were not as many questions and the Education committee voted unanimously to approve and recommends the RTM do the same.

The committee would like to thank Dr. Brenner and the administration for their time and effort in crafting what we believe to be a budget that balances fiscal responsibility and the primary objective the wonderful education of over 4800 students in the school system. We would also like to thank the Board of Education for the hours of work and devotion they put in as unpaid elected officials.

Reports to RTM, May 9, 2016

Item B – The Education Operating Budget

Thank you Mr. Maroney and the Education Committee for a very thorough report on the Board of Education budget. I will try to be brief and repeat as little as possible.

The Board of Education Operating Budget is \$93.8mm, up \$3.1mm (or 3.44%) from the last year. The year before the budget increased \$2.6mm (or 5.9%) from the prior year.

The drivers of this ^{years} increase are as follows:

- The technology plan – \$1.350mm up \$600m or 31.6%
- Salaries – up \$1.6mm or 2.7% with a reduction of 4 FTEs
- Special Education – up \$1.498mm up 6.5%

The technology plan is related to the implementation of the 1:1 initiative allowing Darien students to be competitive with other school districts. Use of outside consultants versus increasing FTE's, new software and purchase of devices are the largest line item increases associated with this initiative.

Special Education – The lion's share of IEPs are done between April – June, near the end of the school year. Between April and June in 2015, the district experienced a significant increase in out of district placements from IEPs – for which the associated expense was not budgeted. This increase was partially offset during the current 2015/16 fiscal year by favorable variances from combining the healthcare and prescription carrier. I remind members of the RTM that our town has a legal obligation to adhere to agreed IEPs. This year, the BOE also increased the Excess Cost Reimbursement grant by \$500m to partially offset these increases resulting in a net \$998m or 4.7% increase in the SPED budget. Without the SPED increase, the remaining school budget increase is 2.3%.

Excess Cost Grants - The budget assumes that the Excess Cost Reimbursement for special education expenses from the State of CT will be \$2.3mm an increase of \$500m that reflects some of the increase in out of district tuition. That being said, the new proposed CT State budget has a \$4mm cut to the ECR pool, or a 4% overall reduction. While the effect of this cut cannot be quantified as we discuss approval of the BOE budget tonight, it does create risk to the BOE budget in the next fiscal year if the anticipated % of reimbursement is less than budgeted.

Reports to RTM, May 9, 2016

The RTM F&B committee has been impressed with several cost saving initiatives and the "business approach" introduced by Dr. Brenner and the district's new administration team while moving to enhance educational outcomes of all students and the F&B committee looks forward to further implementations during the next fiscal year.

At our meeting on Monday, May 2nd, with 10 members present, the F&B Committee voted to approve the Education Operating budget with 8 in favor and 2 opposed.

The minority opinion was that the operating budget should have been reduced to coincide with the proposed cut in state grants and the overall expense increases over the last 4 years need to be addressed.

****** Return Floor to Moderator ******

Good Evening, Madame Moderator, members of the RTM, elected officials and the town of Darien. I thank you for the opportunity to present the Board of Education Recommended Budget for 2016-2017.

This past December, I had the opportunity to address this body on the State of the Schools and its progress forward under the leadership of the new Superintendent. Tonight I return to this body to ask you for your continued support for the high quality education, programs and services the District provides. The budget that the Board of Education is presenting tonight reflects the support of the current level of excellent instructional programs that Darien has come to expect while at the same time seeking to maximize the economy of resources. The Budget includes recommendations for enhancements to existing programs and addresses areas within the educational system identified as needing additional resources. In the State of the Schools' presentation, we highlighted the vision and focus of the new Administration but also identified Professional Development (PD), Technology and Facilities as those areas requiring additional resources. The budget that our Superintendent presented to the Board of Education on January 5th is the translation of that vision into programs and initiatives.

The Darien Board of Education is submitting this evening a 2016-2017 Recommended Budget \$93,847,816, which represents an increase of 3.44% over the approved 2015-2016 Budget. This budget balances the educational excellence that is expected by our community and our fiscal responsibility to the Town of Darien. The Administration is committed to seeking ways to deliver the educational experience in a most efficient manner possible, and our Board has spent many hours in committee and meetings, discussing, reviewing and scrutinizing this budget. This is a budget that includes no net increase in FTE, even though the District is projected an additional increase in enrollment of 10 students. This is a budget that includes Contractual personnel increases of \$1,640,694, Health Insurance increases of \$273,949, and increases in Tuition Non-public schools of \$1,154,499, but this is also a budget that includes an increase in Technology spending and Professional Development in the amount of \$681,947. The proposed introduction of the technology plan and increase in PD was achieved by careful review of all accounts, and mostly offset by the net decrease in other accounts of \$625,799. I will caveat that there is heightened concern regarding the proposed increase in the Excess Cost Reimbursement in light of the current State budget

pressures, but this is a Budget that has been poked and prodded AND supports all the new initiatives the Administration is planning to implement.

The Board of Education is also submitting a Priority 1 Capital Projects Budget for 2016-2017 of \$2,106,000, encompassing some 15 projects. At the High School, we are requesting the replacement of the stadium turf, another locker pod conversion, replacement of a hot water heater, and the upgrade of the auditorium sound systems; at the Middle School, the replacement of the Master Clock System; and the requests for the elementary schools include the relocation of the Hindley main and nurses' office, window replacements, bathroom partition replacements, resurfacing of the Holmes parking lot, the Ox Ridge gym flooring replacement, and installation of the final Emergency Generator at Royle. For Central Office, the request includes ~~the~~^{OF} replacement the roof with asphalt shingles and replacement of a Land Trekker mower. The project list also includes funding for ~~the~~^{AN} Engineering Study to study and develop options for the needed Cafeteria Expansion at Darien High School.

The Administration and Board of Education ~~is~~^{are} committed to providing an excellent education for all children of Darien. The Administration has continued to develop a budget within the context of a zero-based budget, and this evening we can report that we are forecasting to end the 2015-2016 school year in a positive position. However, we continue to depend on the support of our parents and our community to fund the ever-increasing cost of education and unfunded mandates of the State and Federal government. The Board of Finance, the RTM and the Town of Darien have been critical in their support of the Darien Public Schools. We would like to thank the Members of the Board of Finance, the RTM Education and Finance & Budget Committees who challenged us to carefully look at the management of the school district's financial resources. We listened to your recommendations and we've answered your challenge.

With the RTM's longstanding support of education in Darien, together we built a great asset for the town of Darien. Not only our school system, but more importantly our students. It goes beyond the brick and mortar; the students are the core of our school district. They represent the future of our community. I request that you support this investment in the future of our community by supporting the Darien Board of Education 2016-2017 Budget as presented.

Michael A. Harman

Reports to RTM, May 9, 2016

Item D – Appropriations for Transfer of Funds

This item includes 6 different appropriations from different funds. All but one of the appropriations are "self-funding" which means the fund that collects the revenues, user fees or taxes automatically feeds the expenses for the services which it provides.

The only items that affects our property taxes is the transfer related to the "Reserve Fund for Capital and Non-Recurring Expenditures" of \$5.2mm. This amount includes the Board of Education and Town Capital items that were approved in Item A of the resolution earlier tonight.

At our meeting on Monday, May 2nd 2016, the F&B Committee voted 8 in favor, 1 opposed and 1 abstention to approve all of the appropriations. The one opposed had concerns specific to the overall capital expenditure growth as did the one abstention.

**** Return Floor to Moderator ****

Reports to RTM, May 9, 2016

Item E – Mill Rate

This item sets the mill rate that is used for collecting taxes during the coming fiscal year. Assuming no changes to the proposed budget, the mill rate will be 15.80 based on the \$8.4 billion Grand List and a 98.9% tax collection assumption. The current grand list is 1.1% higher than the prior year's Grand List of \$8.3 billion.

As a reminder, the mill rate is the result of dividing the adopted budget, less non-property tax revenues, less contributions from cash reserves by the assumed grand list, reduced by certain abatements and adjusted for the expected collection rate. That number is then multiplied by 1,000.

The numerator is \$140.6mm budget less \$9.3mm or non-property tax revenues including state grants leaving \$131.3mm of property taxes that the town will collect.

The denominator is the \$8.4bn grand list, less tax abatements for a net grand list of \$8.4bn. This is then multiplied by 98.9% to adjust for the assumed collection rate which produced an adjusted grand list of \$8.3bn.

Divide \$131.3mm by \$8.313bn and then multiply by 1,000 and you have the 15.80 proposed mill rate.

At our meeting on Monday, May 2nd, 2016, the F&B Committee voted to approve the mill rate that would be necessary to fund the budget. The votes were 8 in favor, 2 against.

(I will be creating a new replacement sheet and send under separate cover for review.)

**** Return Floor to Moderator ****

E

Item D – Appropriations for Transfer of Funds

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The only items that affects our property taxes is the transfer related to the "Reserve Fund for Capital and Non-Recurring Expenditures" of \$5.2mm. This amount includes the Board of Education and Town Capital items that were approved in Item A of the resolution earlier tonight.

At our meeting on Monday, May 2nd 2016, the F&B Committee voted 8 in favor, 1 opposed and 1 abstention to approve all of the appropriations. The one opposed had concerns specific to the overall capital expenditure growth as did the one abstention.

The RTM committee held a special meeting on May 9th to address with mill rate with 10 of 14 members present.

The committee amend 16-12 E to reflect a mill rate of 15.77. The rationale for this change is as follows:

- The MRSA amount is determined by actual conveyance taxes and sales taxes generated from Darien. An amount of \$170M is proposed to be included in the revised compromise state budget. Again, this is not a fund that the Governor can change as it is formula driven adjusted by a sliding scale that has been approved by the legislature in their 2014/15 session.
- The ECS amount is a bit more suspect as the Governor has within his authority to reduce the total funding and based upon the financial situation of the state and expected continued future deficits, it is not unreasonable to expect, post election, this fund be reduced. As payments are made in three tranches, with the latter two in February and 50% in April, a budgeted amount does not necessitate final receipt of funds.
- In addition, the cost of the paramedic initiative is between \$300 to 500M and will be occurring in the 2016/17 fiscal year. The amount is not in the current budget. A reduction of 3 bp provides 211,000 of tax reduction leaving 305,000 for this initiative.
- Should the other funds in the proposed compromise budget be approved and actually received by the Town, the restoration of deferred capital projects can be presented by the BOS or BOE to the BOF and then the RTM for approvals.

• The new tax increase is 2.74%.

do I have a second. 2.93
to 2.74

At a vote of 7 in favor and 3 against and 0 abstaining, this measure passed.

The minority opinion is that:

- While agreeing with the original budget passed by the BOF on April 7th, the uncertainty of grant monies from the state should have had the full amount of unfunded grants reduced from the current budget

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**** Return Floor to Moderator ****

Reports to RTM, May 9, 2016

Item F – \$5mm Bonding Resolution

This is authority is party of each annual budget Resolution. It authorizes the Town to make short term borrowings up to \$5mm without the need of RTM approval. This allows the Town to fund the budget in the event that there is a timing difference between tax collections and expenditures. Although the Town has not needed to utilize this authority in recent history, it gives them the necessary flexibility.

The Committee met on May 2nd, 2016 with 10 of 14 members present, comprising a quorum and unanimously approved Item F.

Thank you.

Jack Davis
Chair, Finance & Budget Committee
May 9, 2016