

Town of Darien

Five-Year Financial Forecast 2018-2022

Assumptions

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

1. The general rate of inflation is expected to be approximately 2.2% over the term of the forecast. Personnel costs are projected to increase at a rate of 2.5%, based on current contracts. As of June 30, 2016 there were about 141 Town employees and 799 Board of Education full time employees.
2. Medical insurance rates are projected to increase from 8% to 9.5% over the period covered by this forecast. Liability insurance costs are projected to increase 8% per year.
3. The Grand List is projected to have modest growth over the period covered by this forecast. The estimated Adjusted Grand List assumes a property tax collection rate of 98.9%. Three significant redevelopment projects have been proposed, but are not yet approved by Planning & Zoning. Therefore, the Grand List impact of these projects is not known and is not reflected in the forecast. Additional increases in the Grand List will decrease taxes at the rate of .02 mills per \$10,000,000 of increased assessed value.
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 \$27 million in bonding for anticipated school projects, renovation of the Public Works garage, drainage projects and a land purchase. The forecast assumes these bonds will be 20 year bonds with level principal payments, issued at a rate of 3.70-5.40%.
6. General Fund Unassigned 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 \$18.2 million to \$17.1 million at the end of the five-year period.
7. Post-retirement benefit plan contributions are expected to increase 6.7% per year.
8. For purposes of this forecast, projected capital expenditures are based on the Board of Selectmen capital forecast date 02/16 and the draft Board of Education anticipated long term capital projects presented 11/2016. Some projects, not identified individually, are deferred to later years in this forecast.

Exhibit B

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

Expenditures & Transfers	Actual	Actual	Budget	Projections				
	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Board of Selectmen Operating	\$ 23,657	\$ 23,599	\$ 24,545	\$ 25,146	\$ 25,762	\$ 26,394	\$ 27,040	\$ 27,703
Town Energy Exp.	718	623	664	697	732	769	807	847
Pension & Police Retiree Medical	2,089	1,761	1,108	1,182	1,261	1,346	1,436	1,532
Town Prop & Liability Insurance	422	470	509	550	594	641	692	748
Town Workers' Comp	625	680	729	802	882	970	1,067	1,174
Town Medical & Dental (note 2)	2,658	2,894	2,965	3,105	3,304	3,516	3,742	3,965
Total Operating	30,169	30,027	30,520	31,482	32,536	33,636	34,785	35,969
% increase		-0.5%	1.6%	3.2%	3.3%	3.4%	3.4%	3.4%
Debt Service (notes 4-6)								
Existing:								
Schools	7,423	7,025	7,683	7,194	6,416	5,762	5,271	4,080
Town	3,351	3,140	3,059	3,515	3,267	3,193	3,072	3,800
Sewers	708	686	804	818	700	705	778	305
New:								
new debt				900	1,668	2,306	2,510	2,448
Total Debt Service	11,482	10,851	11,546	12,427	12,051	11,966	11,631	10,633
% increase		-5.5%	6.4%	7.6%	-3.0%	-0.7%	-2.8%	-8.6%
Total Board of Selectmen	41,651	40,878	42,066	43,909	44,587	45,602	46,416	46,602
% increase		-1.9%	2.9%	4.4%	1.5%	2.3%	1.8%	0.4%
Board of Education Operating		81,995	84,586	87,219	90,216	93,372	96,698	100,178
Utilities		1,960	1,763	1,816	1,907	2,002	2,102	2,207
Workmans Comp		305	367	374	404	437	478	524
Health Insurances		10,672	10,998	11,218	12,116	13,085	14,328	15,689
Revenue		(4,395)	(3,866)	(3,909)	(3,861)	(3,865)	(3,820)	(3,776)
Total Board of Education	88,089	90,537	93,848	96,718	100,782	105,031	109,786	114,822
% increase		2.8%	3.7%	3.1%	4.2%	4.2%	4.5%	4.6%
Transfers to RFCNRE /Other Capital	3,752	4,961	4,683	3,843	2,732	2,658	3,295	3,367
TOTAL EXPENDITURES	\$ 133,492	\$ 136,376	\$ 140,597	\$ 144,470	\$ 148,101	\$ 153,291	\$ 159,497	\$ 164,791
		2.2%	3.1%	2.8%	2.5%	3.5%	4.0%	3.3%
Estimated Outstanding Bonded Debt as of 06/30	77,430	71,566	72,552	70,509	67,254	60,079	50,494	41,581
	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Expenditures for State Spending Cap (excludes debt service & special education)			\$106,870	\$ 108,862	\$ 111,869	\$ 116,144	\$ 121,685	\$ 126,977
Increase from Prior Year				1.86%	2.76%	3.82%	4.77%	4.35%

Exhibit C

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

Revenues & Transfers In	Actual	Budget	Projections				
	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Licenses & Permits	3,719	3,397	3,397	3,431	3,465	3,500	3,535
Intergovernmental	1,891	220	564	564	564	564	564
Charges for Services	1,885	1,737	1,772	1,807	1,861	1,917	1,975
Fines & Forfeits	32	31	31	31	31	31	31
Investment Income	155	100	100	110	125	150	175
Miscellaneous	573	397	401	405	409	413	417
Transfers In	655	639	640	640	640	613	613
Appropriated Fund Balance		1,100	-	-	-	-	-
Total Revenue & Transfers In	8,910	7,621	6,904	6,988	7,095	7,188	7,309
Prior Years' Property Taxes	445	601	400	404	408	412	416
Interest and Lien Fees	392	400	333	337	340	343	347
Supplemental Taxes	-	605	605	605	605	605	605
Telecommunications Property Tax	59	58	58	58	58	58	58
Total Supplemental Taxes	896	1,664	1,396	1,404	1,411	1,418	1,426
Total Income Before Current Property Taxes	9,806	9,285	8,300	8,391	8,506	8,606	8,735
Current Property Taxes	127,560	131,312	136,169	139,709	144,785	150,891	156,055
TOTAL INCOME	\$ 137,366	\$ 140,597	\$ 144,470	\$ 148,101	\$ 153,291	\$ 159,497	\$ 164,791
Adjusted Grand List (note 3)	8,223,384	8,317,651	8,339,327	8,388,695	8,438,063	8,487,431	8,536,799
Mill Rate	15.35	15.77	16.33	16.65	17.16	17.78	18.28
% Increase		2.74%	3.54%	2.00%	3.03%	3.61%	2.82%
Available General Fund Fund Balance as % of Revenues	18,243	17,143	17,143	17,143	17,143	17,143	17,143
		12.5%	12.2%	11.9%	11.6%	11.2%	10.7%

Exhibit D

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

	Budget Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Total
Per Selectmen's Six Year Projection	3,164	2,308	1,782	1,440	1,238	1,291	11,223
 Draft Board of Ed Projection	 2,016	 2,028	 1,443	 1,711	 2,550	 2,569	 12,317
(Deferred)/Reinstated Projects	-	-	-	-	-	-	-
Total Capital Projects	5,180	4,336	3,225	3,151	3,788	3,860	23,540
 Capital Costs Applied for Funding:							
 Reserve Fund for Capital Exps.	 5,180	 4,336	 3,225	 3,151	 3,788	 3,860	 23,540
 Total	 5,180	 4,336	 3,225	 3,151	 3,788	 3,860	 23,540

Note: The BOE estimate is the draft anticipated long term capital projects presented at the 11/22 BOE meeting. The DHS Cafeteria project has been moved to bonding. The Selectmen's estimate is from the Selectmen's 6 year plan and includes FY17 projects that did not get funded in FY17.

Exhibit E

Town of Darien, Connecticut Five Year Financial Forecast Capital & Non-Recurring Expenditure Fund (000's)
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	Budget Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Beginning Available Capital Balance	-	-	-	-	-	-
Capital Added (A)	4,683	3,843	2,732	2,658	3,295	3,367
Other Transfer	-					
Interest Income	24	20	20	20	20	20
Inter Governmental	449	449	449	449	449	449
Bond Proceeds	-					
Miscellaneous	24	24	24	24	24	24
Ending Available Capital Balance	5,180	4,336	3,225	3,151	3,788	3,860
Appropriations	(5,180)	(4,336)	(3,225)	(3,151)	(3,788)	(3,860)
Undesignated Balance	-	-	-	-	-	-

(A) Transfer from the General Fund.