

# Town of Darien

## Five-Year Financial Forecast 2019-2023

### 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 increase is expected to be approximately 3.0% over the term of the forecast. Personnel costs are projected to increase at a rate of 2.5%, based on current contracts. Medical insurance is forecast with an annual increase of 10.5% for the Town and 8.50%-9.00% for the Board of Education. As of June 30, 2017 there were about 143 Town employees and 802 Board of Education full time equivalent employees.
2. Medical insurance rates are projected to increase from 8.50% to 10.50% over the period of this forecast. Liability insurance costs are projected to increase 5% per year.
3. The forecast assumes the continuation of Special Education reimbursement and does not include a teacher's pension contribution. The combined impact of these items is approximately \$7 million.
4. 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%. Two significant redevelopment projects have been approved with work expected to begin the coming months. A third significant project has been proposed but is not yet approved. The Grand List impact of these projects is not currently known and is therefore 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.
5. 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.
6. The forecast reflects \$25 million in bonding for anticipated school projects, final financing of previously approved projects and \$8 million for potential Town projects. The forecast assumes these bonds will be 20 year bonds with level principal payments, issued at a rate of 2.90-3.40%.
7. 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 remain level throughout the five-year period.
8. Post-retirement benefit plan contributions are expected to increase 3.0% per year.
9. For purposes of this forecast, projected capital expenditures are based on the Board of Selectmen and Board of Education capital forecasts dated February 2017.

Exhibit B

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

Expenditures & Transfers	Actual	Actual	Budget	Projections				
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Board of Selectmen Operating	\$ 23,653	\$ 23,498	\$ 25,410	\$ 26,046	\$ 26,697	\$ 27,364	\$ 28,048	\$ 28,749
Town Energy Exp.	623	604	651	700	752	808	869	934
Pension & Police Retiree Medical	1,761	1,100	1,107	1,140	1,174	1,209	1,245	1,283
Town Prop & Liability Insurance	470	515	562	590	620	651	683	717
Town Workers' Comp	680	700	704	722	740	758	777	796
Town Medical & Dental (note 2)	2,894	2,718	2,937	3,246	3,587	3,963	4,379	4,839
<b>Total Operating</b>	<b>30,081</b>	<b>29,137</b>	<b>31,371</b>	<b>32,443</b>	<b>33,569</b>	<b>34,754</b>	<b>36,003</b>	<b>37,320</b>
% increase		-3.1%	7.7%	3.4%	3.5%	3.5%	3.6%	3.7%
Debt Service (notes 5 & 6)								
Existing:								
Schools	7,025	7,683	7,194	6,431	5,797	5,306	4,115	3,700
Town	3,140	3,059	3,727	3,631	4,046	3,925	4,655	3,728
Sewers	686	804	818	700	705	778	305	281
New:								
new debt				-	250	1,590	2,945	2,887
<b>Total Debt Service</b>	<b>10,851</b>	<b>11,546</b>	<b>11,739</b>	<b>10,762</b>	<b>10,798</b>	<b>11,599</b>	<b>12,020</b>	<b>10,596</b>
% increase		6.4%	1.7%	-8.3%	0.3%	7.4%	3.6%	-11.9%
<b>Total Board of Selectmen</b>	<b>40,932</b>	<b>40,683</b>	<b>43,110</b>	<b>43,205</b>	<b>44,366</b>	<b>46,353</b>	<b>48,023</b>	<b>47,915</b>
% increase		-0.6%	6.0%	0.2%	2.7%	4.5%	3.6%	-0.2%
Board of Education Operating	82,018	84,998	86,949	89,294	92,110	95,024	98,089	101,271
Utilities	1,937	1,725	1,831	1,857	1,950	2,047	2,150	2,257
Workmans Comp	305	348	349	366	384	404	424	445
Health Insurances	10,672	10,840	10,670	11,577	12,561	13,629	14,856	16,193
Revenue (note 3)	(4,395)	(4,547)	(3,924)	(4,141)	(4,166)	(4,192)	(4,218)	(4,245)
Teacher's Pension (note 3)	-	-	-	-	-	-	-	-
<b>Total Board of Education</b>	<b>90,537</b>	<b>93,363</b>	<b>95,875</b>	<b>98,953</b>	<b>102,839</b>	<b>106,912</b>	<b>111,301</b>	<b>115,921</b>
% increase		3.1%	2.7%	3.2%	3.9%	4.0%	4.1%	4.2%
Transfers to RFCNRE /Other Capital	4,961	6,067	6,319	7,516	3,914	7,150	8,476	6,170
<b>TOTAL EXPENDITURES</b>	<b>\$ 136,430</b>	<b>\$ 140,113</b>	<b>\$ 145,304</b>	<b>\$ 149,674</b>	<b>\$ 151,120</b>	<b>\$ 160,415</b>	<b>\$ 167,799</b>	<b>\$ 170,006</b>
		2.7%	3.7%	3.0%	1.0%	6.2%	4.6%	1.3%
Estimated Outstanding Bonded Debt as of 06/30	71,566	62,212	65,026	59,354	66,759	73,529	63,616	54,848
	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>

Exhibit C

Town of Darien, Connecticut Five Year Financial Forecast Revenues & Transfers (000's)
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Revenues & Transfers In	Actual	Budget	Projections				
	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Licenses & Permits	3,427	4,264	3,590	3,590	3,590	3,590	3,590
Intergovernmental	979	220	25	25	25	25	25
Charges for Services	1,853	1,728	1,750	1,750	1,750	1,750	1,750
Fines & Forfeits	47	31	31	31	31	31	31
Investment Income	193	125	125	125	125	125	125
Miscellaneous	475	399	399	399	399	399	399
Transfers In	663	639	639	639	612	612	612
Appropriated Fund Balance	-	1,100	1,100	1,100	1,100	1,100	1,100
<b>Total Revenue &amp; Transfers In</b>	<b>7,638</b>	<b>8,506</b>	<b>7,658</b>	<b>7,658</b>	<b>7,631</b>	<b>7,631</b>	<b>7,631</b>
Prior Years' Property Taxes	446	360	360	360	360	360	360
Interest and Lien Fees	400	300	300	300	300	300	300
Supplemental Taxes	-	640	640	640	640	640	640
Telecommunications Property Tax	62	58	58	58	58	58	58
<b>Total Supplemental Taxes</b>	<b>908</b>	<b>1,358</b>	<b>1,358</b>	<b>1,358</b>	<b>1,358</b>	<b>1,358</b>	<b>1,358</b>
<b>Total Income Before Current Property Taxes</b>	<b>8,546</b>	<b>9,864</b>	<b>9,016</b>	<b>9,016</b>	<b>8,989</b>	<b>8,989</b>	<b>8,989</b>
<b>Current Property Taxes</b>	<b>131,482</b>	<b>135,440</b>	<b>140,657</b>	<b>142,104</b>	<b>151,426</b>	<b>158,810</b>	<b>161,016</b>
<b>TOTAL INCOME</b>	<b>\$ 140,028</b>	<b>\$ 145,304</b>	<b>\$ 149,674</b>	<b>\$ 151,120</b>	<b>\$ 160,415</b>	<b>\$ 167,799</b>	<b>\$ 170,006</b>
Y/E Unassigned Fund Balance	18,427	18,437	18,437	18,437	18,437	18,437	18,437
as % of Revenues	13.16%	12.69%	12.32%	12.20%	11.49%	10.99%	10.84%
Adjusted Grand List (note 4)	8,313,281	8,379,204	8,425,714	8,475,164	8,524,614	8,574,064	8,623,514
Mill Rate	15.77	16.16	16.69	16.77	17.76	18.52	18.67
% Increase		2.47%	3.30%	0.44%	5.94%	4.27%	0.81%
Restorative Taxes Required			\$ -	\$ -	\$ -	\$ -	\$ -
Restorative Tax Mill Rate			-	-	-	-	-

## Exhibit D

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

	<b>Budget Fiscal 2018</b>	<b>Fiscal 2019</b>	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>	<b>Total</b>
Per Selectmen's Six Year Projection	3,456	3,402	2,549	2,542	2,736	2,795	17,480
Board of Ed Projection	3,255	4,616	1,867	5,110	6,241	3,876	24,965
(Deferred)/Reinstated Projects	-	-	-	-	-	-	-
Total Capital Projects	6,711	8,017	4,416	7,652	8,978	6,671	42,444
Capital Costs Applied for Funding:							
Reserve Fund for Capital Exps.	6,711	8,017	4,416	7,652	8,978	6,671	42,444
Total	6,711	8,017	4,416	7,652	8,978	6,671	42,444

Note: The BOE estimate is from the 17-18 budget request. The Selectmen's estimate is from the Selectmen's 6 year plan.

## Exhibit E

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

	<b>Budget Fiscal 2018</b>	<b>Fiscal 2019</b>	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>
Beginning Available Capital Balance	-	-	-	-	-	-
Capital Added (A)	6,319	7,516	3,914	7,150	8,476	6,170
Other Transfer	-	-	-	-	-	-
Interest Income	30	30	30	30	30	30
Inter Governmental	337	447	447	447	447	447
Bond Proceeds	-	-	-	-	-	-
Miscellaneous	25	25	25	25	25	25
Ending Available Capital Balance	6,711	8,017	4,416	7,652	8,978	6,671
Appropriations	(6,711)	(8,017)	(4,416)	(7,652)	(8,978)	(6,671)
Undesignated Balance	-	-	-	-	-	-

(A) Transfer from the General Fund.

## Five Year Forecast Summary

Baseline	Actual	Budget	Projections				
	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Total Expenditures	\$ 140,113	\$ 145,304	\$ 149,674	\$ 151,120	\$ 160,415	\$ 167,799	\$ 170,006
Expenditures % Change		3.70%	3.01%	0.97%	6.15%	4.60%	1.31%
Current Property Taxes	\$ 131,482	\$ 135,440	\$ 140,657	\$ 142,104	\$ 151,426	\$ 158,810	\$ 161,016
Restorative Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Base Mill rate	15.77	16.16	16.69	16.77	17.76	18.52	18.67
Restorative Mill Rate	-	-	-	-	-	-	-
Total Mill Rate	15.77	16.16	16.69	16.77	17.76	18.52	18.67
Mill Rate % Change		2.47%	3.30%	0.44%	5.94%	4.27%	0.81%
Year-End Unassigned Fund Balance	\$ 18,427	\$ 18,437	\$ 18,437	\$ 18,437	\$ 18,437	\$ 18,437	\$ 18,437
Unassigned Fund Balance as % of Revenues	13.16%	12.69%	12.32%	12.20%	11.49%	10.99%	10.84%
Existing Outstanding Debt	\$ 62,212	\$ 65,026	\$ 56,194	\$ 47,257	\$ 38,510	\$ 30,405	\$ 23,445
New Debt Outstanding			\$ 3,160	\$ 19,502	\$ 35,019	\$ 33,211	\$ 31,403
Total Debt Outstanding	\$ 62,212	\$ 65,026	\$ 59,354	\$ 66,759	\$ 73,529	\$ 63,616	\$ 54,848

Alternate	Actual	Budget	Projections				
	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Total Expenditures	\$ 140,113	\$ 145,304	\$ 156,758	\$ 158,341	\$ 167,778	\$ 175,309	\$ 177,665
Expenditures % Change		3.70%	7.88%	1.01%	5.96%	4.49%	1.34%
Current Property Taxes	\$ 131,482	\$ 135,440	\$ 147,741	\$ 149,325	\$ 158,789	\$ 166,319	\$ 168,676
Restorative Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Base Mill rate	15.77	16.16	17.53	17.62	18.63	19.40	19.56
Restorative Mill Rate	-	-	-	-	-	-	-
Total Mill Rate	15.77	16.16	17.53	17.62	18.63	19.40	19.56
Mill Rate % Change		2.47%	8.51%	0.48%	5.72%	4.14%	0.84%
Year-End Unassigned Fund Balance	\$ 18,159	\$ 19,269	\$ 19,269	\$ 19,269	\$ 19,269	\$ 19,269	\$ 19,269
Unassigned Fund Balance as % of Revenues	12.97%	13.26%	12.29%	12.17%	11.48%	10.99%	10.85%
Existing Outstanding Debt	\$ 62,212	\$ 65,026	\$ 56,194	\$ 47,257	\$ 38,510	\$ 30,405	\$ 23,445
New Debt Outstanding			\$ 3,160	\$ 19,502	\$ 35,019	\$ 33,211	\$ 31,403
Total Debt Outstanding	\$ 62,212	\$ 65,026	\$ 59,354	\$ 66,759	\$ 73,529	\$ 63,616	\$ 54,848