

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)**

| Expenditures & Transfers | Actual | Budget | Projections | | | | |
|-------------------------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|
| | 10/11 | 11/12 | 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 |
| Total Board of Selectmen | 35,777 | 37,305 | 39,287 | 41,419 | 42,218 | 42,894 | 43,096 |
| | | | 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) |
| Total Board of Education | 71,891 | 76,314 | 80,651 | 84,164 | 87,885 | 91,803 | 96,240 |
| | | | 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 |
| TOTAL EXPENDITURES | \$109,998 | \$115,094 | \$123,055 | \$128,722 | \$131,612 | \$136,433 | \$140,853 |
| | | | 6.9% | 4.6% | 2.2% | 3.7% | 3.2% |

Exhibit C

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

| 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 | - | - | - | - |
| Total Revenue & Transfers In | 8,371 | 8,586 | 9,197 | 7,460 | 7,513 | 7,499 | 7,614 |
| 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 |
| Total Supplemental Taxes | 879 | 1,031 | 1,100 | 1,133 | 1,167 | 1,202 | 1,238 |
| Total Income Before Current Property Taxes | 9,250 | 9,617 | 10,296 | 8,593 | 8,680 | 8,701 | 8,852 |
| Current Property Taxes | 101,314 | 105,495 | 112,758 | 120,129 | 122,933 | 127,733 | 132,001 |
| TOTAL INCOME | \$ 110,564 | \$ 115,112 | \$ 123,055 | \$ 128,722 | \$ 131,612 | \$ 136,433 | \$ 140,853 |
| 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 |
| Mill Rate | 11.74 | 12.20 | 13.00 | 13.79 | 14.03 | 14.49 | 14.88 |
| % Increase | | | 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 |
| | | 15.2% | 11.7% | 11.0% | 10.5% | 10.3% | 9.9% |
| Outstanding Bonded Debt as of 06/30 | 92,150 | 97,730 | 93,343 | 84,070 | 74,606 | 65,101 | 56,115 |

Exhibit D

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

| | 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) |
| Total Capital Projects | 1,430 | 3,119 | 3,085 | 1,455 | 1,681 | 1,462 | 8,131 |
| Capital Costs Applied for Funding: | | | | | | | |
| Reserve Fund for Capital Exps. | 1,430 | 3,119 | 3,085 | 1,455 | 1,681 | 1,462 | 12,232 |
| Total | 1,430 | 3,119 | 3,085 | 1,455 | 1,681 | 1,462 | 12,232 |

Exhibit E

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

| | 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.