

**MINUTES
REPRESENTATIVE TOWN MEETING
BUDGET MEETING
MAY 10, 2010**

**RECEIVED
MAY 13 2010
TOWN CLERK'S OFFICE
DARIEN CT.**

CALL TO ORDER

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

Upon Roll Call, the following members were present:

From District I, there were 12 members present, 5 absent.
From District II, there were 14 members present, 3 absent.
From District III, there were 15 members present, 3 absent.
From District IV, there were 14 members present, 1 absent.
From District V, there were 14 members present, 2 absent.
From District VI, there were 16 members present, 0 absent.

The absentees from District I were: Harrington, Imbimbo, Melz, Puzyk, Sini.
The absentees from District II were: Carder, Howe, Maguire.
The absentees from District III were: D'urso, Pullen, Young.
The absentee from District IV was : Rayhill.
The absentees from District V were: George, Wolcott.

The Moderator, Karen A. Armour, assumed the Chair and introduced Lloyd Plehaty, District VI's newest member.

ACCEPTANCE OF THE AGENDA

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

ANNOUNCEMENTS

The Moderator announced that there might be a special meeting during the summer if the police contract needs to be reviewed, as well as other items.

APPROVAL OF THE MINUTES OF THE MARCH 15, 2010 MEETING

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

10-9

**CONSIDERATION AND ACTION ON CODE OF ORDINANCE AMENDMENT(S)
REGARDING FEES AND FINES**

**** SARAH SEELYE, DISTRICT 11, CHAIRMAN OF TGS&A, MOVED:**

The Code of Ordinances, Town of Darien, Connecticut is hereby amended to read as follows (New language in caps and deleted language in brackets).

1) Chapter 1 General Provisions Section 1-8 General fine or penalty

Sec. 1-8(c) Except as otherwise provided by law, [or] ordinance OR REGULATION AND LISTED ON APPENDIX D, TABLE OF ORDINANCE FINES, a person who [convicted of a violation of] VIOLATES this Code shall be punished by a fine not to exceed [\$25.00] THE AMOUNT PERMITTED PURSUANT TO G.S. § 7-148)(C)(10)(A).

2) Chapter 5 Alarm Systems, Section 5-8 Fines and Charges

Sec. 5-8. Fines and charges.

Alarm owners shall be subject to the fine or charge shown below for each such act OR VIOLATION, which fine or charge shall be paid within 30 days. Alarm owners are subject to the false alarm fine for each false alarm from their alarm system FOR:

- (a) EACH False alarm [, \$100.00 fine].
- (b) Use of an automatic telephone dialing alarm system directly to the emergency communications center [, \$100.00 fine].
- (c) Failure of an alarm owner, to register [, \$100.00 fine].
- (d) Use of an exterior audible alarm system except as provided in section 5-5 [, \$25.00 fine].
- (e) Failure to install or maintain an auxiliary power source as required in section 5-6 [, \$25.00 fine].
- (f) Failure to make timely payment of fines or charges [, \$25.00 late fee and an 18 percent per annum interest charge].
- (G) THE AMOUNT OF EACH FINE IS LISTED ON APPENDIX D, TABLE OF ORDINANCE FINES.

3) Chapter 6 Alcoholic Beverages, Section 6 – 3 Closing hours for nightclubs

Sec. 6-3. Closing hours for nightclubs.

No establishment operating under a nightclub permit shall remain open past the closing times established by G.S. § 30-91 for other classes of liquor permits listed in G.S. § 30-21a. The sale, dispensing or consumption of alcoholic liquor or the presence of alcoholic liquor in glasses or other receptacles suitable to permit the consumption of alcohol by an individual is prohibited in such establishments after such closing times. Persons who violate this section shall be subject to a fine [not exceeding \$100.00]. THE AMOUNT OF SUCH FINE IS LISTED ON APPENDIX D, TABLE OF ORDINANCE FINES.

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

Sarah Seelye, District II, Chairman of TGS&A, read that committee's report (attached).

The Moderator noted that this was a significant achievement by TGS&A.

Bruce Orr, District V, Chairman of the Finance & Budget Committee, read the committee report (attached).

**** ITEM 10-9 CARRIED ON A RISING TALLY VOTE OF 83 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

10-10

APPROPRIATION OF \$350,000 FOR BOARD OF EDUCATION BUDGET SHORTFALL FOR FISCAL 2009-2010

**** LOIS SCHNEIDER, DISTRICT I, CHAIRMAN OF THE EDUCATION COMMITTEE, MOVED:**

WHEREAS, the Board of Education has determined it will have a shortfall in the education budget for the fiscal year 2009-2010 of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00); and

WHEREAS, it has been determined that additional funds are needed to complete the school year; and

WHEREAS, the Board of Finance has previously recommended and approved such an appropriation.

BE AND IT IS HEREBY RESOLVED that the Representative Town Meeting of the Town of Darien hereby approves and authorizes a special appropriation of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) from the General fund to balance the Board of Education Budget for the fiscal year 2009-2010.

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

Bruce Orr, District V, Chairman of the Finance & Budget Committee, read the committee report (attached).

Kim Westcott, Chair of the Board of Education, read the Board's report (attached).

Murry Stegelmann, Chairman of the Board of Finance, read the Board of Finance's report (attached).

**** ITEM 10-10 CARRIED ON A RISING TALLY VOTE OF 80 IN FAVOR, 3 OPPOSED, 1 ABSTENTION.**

10-11

SPECIAL APPROPRIATION OF \$908,000 FOR PAVING REIMBURSEMENT UNDER THE ARRA GRANT FUNDING

**** MARK ADILETTA, DISTRICT V, CHAIRMAN OF THE PUBLIC WORKS COMMITTEE, MOVED:**

WHEREAS, the Town of Darien has been awarded ARRA stimulus funds totaling Nine Hundred Seventy Five Thousand and 00/100 Dollars (\$975,000.00) for pavement restoration and

improvements, construction administration and inspection on portions of Hollow Tree Ridge Road, West Avenue and Leroy Avenue; and

WHEREAS, the Connecticut Department of Transportation issued a letter authorizing the Town to advertise for bids on the project; and

WHEREAS, bids were opened on April 26, 2010; and

WHEREAS, construction is scheduled to begin by June 1, 2010 and be completed by June 30, 2010; and

WHEREAS, the Town of Darien must pay the contractor and construction inspection consultant approximately Nine Hundred Eight and 00/100 Dollars (\$908,000.00); and

WHEREAS, funds are reimbursed to the Town as expended; and

WHEREAS, the Board of Finance at its meeting of April 19, 2010 approved the appropriation of Nine Hundred Eight and 00/100 Dollars (\$908,000.00) so the project can proceed in a timely fashion.

NOW THEREFORE, BE IT RESOLVED, that the Representative Town Meeting of the Town of Darien approves the acceptance of the ARRA Stimulus Funds totaling Nine Hundred Seventy Five Thousand and 00/100 Dollars (\$975,000.00) and authorizes the appropriation of Nine Hundred Eight Thousand and 00/100 Dollars (\$908,000.00) to be reimbursed to the Town of Darien as expended in order to allow the project to proceed in a timely fashion.

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

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

Bruce Orr, District V, Chairman of Finance & Budget, read the committee report (attached).

Murry Stegelmann, Chairman of the Board of Finance, read the Board of Finance report (attached).

Spencer McIlmurray, District II, asked about the escalating cost of oil. Do we need a separate contingency to cover potential cost increases? Mr. Stegelmann said they try to lock in the price every spring for the coming year, so an extra contingency is not needed.

Christian Noe, District II, and a member of the Public Works Committee, said this paving would be at \$600,000, but the stimulus money is over \$900,000. He said he was concerned that the \$900,000 would actually come to Darien.

The Moderator asked if the State already has this money. Mr. Stegelmann said that the money was appropriated over a year ago and he does not see a scenario where Darien will not receive it.

James Cameron, District I, asked if the roads to be paved are in the plans of the town, and who would do the paving work. First Selectman Dave Campbell said the paving project has been bid

out, and they are looking at two low bidders. They have to meet requirements from the State and the Federal government. The bids came in under the appropriated amount and the State will have to decide what to do with the remainder of the money. The town selected the streets.

Christa McNamara, District VI, asked if sidewalks would be addressed. The Moderator said they would not be addressed.

Jennifer Sommer, District I, asked if the area on West Avenue to Hollow Tree Ridge Road near the middle school was being paved; Mr. Adiletta said it was not being paved. Mrs. Sommer said she wanted to be comfortable that the money was being appropriated by the Federal government to the State.

Jack Davis, District V, said that the State self-funds the special education. The Federal government also gives all school systems Federal grants and they have not pulled that back. This money is just being passed through the State.

**** ITEM 10-11 CARRIED ON A RISING TALLY VOTE OF 84 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

10-12

APPROPRIATION OF \$50,000,000 FOR REFUNDING OF CERTAIN OF THE TOWN'S BONDS AND AUTHORIZING ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION

**** BRUCE ORR, DISTRICT V, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

RESOLVED:

Section 1. The sum of FIFTY MILLION DOLLARS (\$50,000,000) 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 1999, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 (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 FIFTY MILLION DOLLARS (\$50,000,000) (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 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.**

Bruce Orr, District V, Chairman of the Finance & Budget Committee, read that committee's report (attached).

Murry Stegelmann, Chairman of the Board of Finance, read the Board of Finance report (attached).

**** ITEM 10-12 CARRIED ON A RISING TALLY VOTE OF 83 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

10-13

CONSIDERATION AND ACTION ON THE JULY 1, 2010 TO JUNE 30, 2011 BUDGET RECOMMENDED BY THE BOARD OF FINANCE

The Moderator noted that she had been told by Town Counsel Schmidt, in reference to the requirements for a paving company hired by the Town for the ARRA grant, that the Federal government required the payment of prevailing wages.

**** BRUCE ORR, DISTRICT V, CHAIRMAN OF THE FINANCE & BUDGET COMMITTEE, MOVED:**

The Board of Finance of the Town of Darien, at its meeting of April 19, 2010, approved various resolutions adopted in conjunction with the budget for the period July 1, 2010-June 30, 2011. The following resolutions are hereby adopted by the Representative Town Meeting of the Town of Darien

A. **RESOLVED**, that an appropriation of \$ 2,016,720 is hereby made from the Reserve Fund for Capital and Non-Recurring Expenditures for the purpose of meeting expenses of the Town of Darien as shown by the budget this day approved.

B. **RESOLVED**, that an appropriation of \$ 38,179,759 is hereby made in the General Fund for the Selectmen's Operating Budget.

C. **RESOLVED**, that an appropriation of \$ 71,512,041 is hereby made in the General Fund for the Education Operating Budget.

D. **RESOLVED**, that the above appropriations, totaling \$109,691,800 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2010 and ending June 30, 2011 as shown by the budget this day approved.

E. **RESOLVED**, that a tax of 11.74 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$ 8,739,583,725 on property as of October 1, 2009, payable in two equal semi-annual installments, the first installment to become due and payable on July 1, 2010 and the second installment to become due and payable on January 1, 2011, provided however that:

1. Any taxpayer may pay both of said installments on July 1, 2010;
2. The personal property tax on motor vehicles in said Town shall become due and payable in

- one single installment on July 1, 2010
3. Any property tax in any amount not in excess of one hundred (\$ 100.00) shall become due and payable in one single installment on July 1, 2010

F. **RESOLVED**, 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 10, 2010 be authorized to borrow on the note or notes of the Town the sum of \$ 5,000,000 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, 2011.

G. **RESOLVED**, that the following appropriations for other funds are hereby made as detailed below for the 2010-2011 fiscal year as shown by the budget this day approved.

\$ 3,211,521	Sewer Operating Fund for the purpose of meeting expenses of the Town of Darien, Sewer Commission
\$ 550,000	Sewer Assessment Fund
\$ 75,685	Animal Control Fund
\$ 668,341	Parking Lot Administration Fund
\$ 149,849	Parking Lot Capital Fund

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

Bruce Orr, District V, Chairman of Finance & Budget, read the committee report (attached).

Lois Schneider, District I, Chairman of the Education Committee, read the report of the Education Committee (attached).

Cheryl Russell, District V, Chairman of the Parks & Recreation Committee, read that committee's report (attached).

John vanderKieft, District V, Chairman of PZ&H, read the committee report (attached).

Kim Westcott, Chair of the Board of Education, read the report of the Board of Education (attached).

Murry Stegelmann, Chairman of the Board of Finance, read the report of the Board of Finance (attached).

Christian Noe, District II, said he was very disappointed. They are cutting services, raising taxes and raiding their rainy day fund. Bridgeport is filing for Chapter 9, municipal bankruptcy. The unions should be brought back to the bargaining table and made to renegotiate. If they are going to have garbage all over their parks and beaches and laying off teachers, what is next? They need to confront the unions. Stop the cuts; raise their taxes. He will not vote for this budget.

Michael Burke, District III, asked about the health issue in regard to reducing the garbage removal from the beaches this summer.

Cheryl Russell, District V, Chairman of the Parks & Recreation Committee, said they don't have the money in the budget to clean the beaches on Saturdays and Sundays, and only the Board of

Finance and the Board of Selectmen can reinstitute this service. She noted that the trash men only empty the recycling containers.

Eugene Coyle, District III, said that Mr. Noe does not speak for him or for a lot of people in this town. He does not want his taxes raised.

Jack Davis, District V, thanked the Board of Selectmen, the Board of Education and the Board of Finance for keeping their rating much better than that of Bridgeport. Bankruptcy is not a word that they would consider. Many of his neighbors are also not interested this year in seeing significant tax increases. Mr. Davis said he is the chairman of a Finance & Budget subcommittee and they are extremely vigilant in reviewing the Board of Education's budget. The Board of Education's budget is extremely tight. Finance & Budget and the Education Committee closely monitored the Board of Education's budget. There is not much wiggle room in this budget. This is the tightest, best managed budget he has seen to date.

**** ITEM 10-13 CARRIED ON A RISING TALLY VOTE OF 75 IN FAVOR, 8 OPPOSED, 1 ABSTENTION.**

**** UPON MOTION MADE AND SECONDED FROM THE FLOOR, IT WAS UNANIMOUSLY VOTED TO ADJOURN AT 10 P.M.**

Respectfully submitted,

Cheryl Telesco
Telesco Secretarial Services

APPENDIX

<u>DISTRICT I</u>	<u>(10-9)</u>	<u>(10-10)</u>	<u>(10-11)</u>	<u>(10-12)</u>	<u>(10-13)</u>
Bishko	yes	yes	yes	yes	no
Harrington	absent	absent	absent	absent	absent
Imbimbo	absent	absent	absent	absent	absent
Kahn	yes	yes	yes	yes	no
Kelly, P.	yes	yes	yes	yes	no
Melz	absent	absent	absent	absent	absent
Nelson	yes	yes	yes	yes	yes
Ness	yes	no	yes	yes	no
Piccaro	yes	yes	yes	yes	no
Price	yes	yes	yes	yes	?
Puzyk	absent	absent	absent	absent	absent
Schneider	yes	yes	yes	yes	yes
Schwarz	yes	yes	yes	yes	?
Sini	absent	absent	absent	absent	absent
Smith	yes	yes	yes	yes	yes
Sommer	yes	no	yes	yes	no
Tierney	yes	yes	yes	yes	yes

DISTRICT II

Bacon	yes	yes	yes	yes	yes
Carder	absent	absent	absent	absent	absent
Cummings	yes	yes	yes	yes	yes
Gallo	yes	yes	yes	yes	yes
Harman	yes	yes	yes	yes	yes
Hoffman	yes	yes	yes	yes	yes
Howe	absent	absent	absent	absent	absent
Magida	yes	yes	yes	yes	yes
Maguire	absent	absent	absent	absent	absent
Marston	absent	absent	absent	absent	yes
McIlmurray	yes	yes	yes	yes	yes
Mundt	yes	yes	yes	yes	yes
Noe	yes	yes	yes	yes	no
Ridley	yes	yes	yes	yes	yes
Seelye	yes	yes	yes	yes	yes
Thorne, B.	yes	yes	yes	yes	yes
Thorne, M	yes	yes	yes	yes	yes

DISTRICT III

Bayne	yes	yes	yes	yes	yes
Brode	yes	yes	yes	yes	yes
Burke	yes	yes	yes	yes	yes
Cardone	yes	yes	yes	yes	yes
Coyle	yes	yes	yes	yes	yes
Duffy	yes	yes	yes	yes	yes
D'Urso	absent	absent	absent	absent	absent
Fead	yes	yes	yes	yes	yes
Ferretti	absent	yes	yes	yes	yes
LeHan	yes	yes	yes	yes	yes
Maroney	yes	yes	yes	yes	yes
Martens	yes	yes	yes	yes	yes
Moore	yes	yes	yes	yes	yes
Morton	yes	yes	yes	yes	yes
Olvany	yes	yes	yes	yes	yes
Pullen	absent	absent	absent	absent	absent
Smith	yes	yes	yes	yes	yes
Young	absent	absent	absent	absent	absent

<u>DISTRICT IV</u>	<u>(10-9)</u>	<u>(10-10)</u>	<u>(10-11)</u>	<u>(10-12)</u>	<u>(10-13)</u>
Cameron	yes	yes	yes	yes	yes
Cleary	yes	yes	yes	yes	yes
Davis	yes	yes	yes	yes	yes
Eng	yes	yes	yes	yes	yes
Kemp	yes	yes	yes	yes	yes
McIlree	yes	yes	yes	yes	yes
Millar	yes	no	yes	yes	yes
Miller	yes	yes	yes	yes	yes
Morrison	yes	yes	yes	yes	yes
Peters	yes	yes	yes	yes	yes
Pratt	yes	yes	yes	yes	yes
Rayhill	absent	absent	absent	absent	absent
Rycenga	yes	yes	yes	yes	yes
Savage	yes	yes	yes	yes	yes
C.Schoonmaker	yes	yes	yes	yes	yes
S.Schoonmaker	yes	yes	yes	yes	yes

DISTRICT V

Adiletta	yes	yes	yes	yes	yes
Camuti	yes	yes	yes	absent	absent
Conniff	yes	yes	yes	yes	yes
Dailey	yes	yes	yes	yes	yes
Davis	yes	yes	yes	yes	yes
George	absent	absent	absent	absent	absent
Hennessy	yes	yes	yes	yes	yes
Nizolek	yes	yes	yes	yes	yes
Orr	yes	yes	yes	yes	yes
Patrick	yes	yes	yes	yes	yes
Ritchie	yes	yes	yes	yes	yes
Russell	yes	yes	yes	yes	yes
Sharp	yes	yes	yes	yes	yes
Stolar	yes	yes	yes	yes	yes
vanderkieft	yes	yes	yes	yes	yes
Wolcott	absent	absent	absent	absent	absent

DISTRICT VI

Adelman	yes	yes	yes	yes	yes
Armour	Did not vote				
Baldwin	yes	yes	yes	yes	yes
Bealle	yes	yes	yes	yes	yes
Conologue	yes	yes	yes	yes	yes
Grogan	yes	yes	yes	yes	yes
Guimond, M.	yes	yes	yes	yes	yes
Guimond, N.	yes	yes	yes	yes	yes
Hawkins	yes	yes	yes	yes	yes
Kelly, H.	yes	yes	yes	yes	yes
McDermott	yes	yes	yes	yes	yes
McLean	yes	yes	yes	yes	yes
McNamara	yes	yes	yes	yes	yes
Plehaty	yes	abstain	yes	yes	abstain
Poli	yes	yes	yes	yes	yes
Swenson	yes	yes	yes	yes	yes

May 10, 2010
RTM

Good Evening Ladies and Gentlemen of the RTM. I am Sarah Seelye, chair of TGS&A. I would like to make a motion to wave the reading of the Resolution 10-9.

I move the Resolution. May I have a second?

The sub-committee consists of Frank Kemp and myself. We have been working on this project for over a year and we have given regular updates to the TGS&A committee and also to the Rules Committee. TGS&A approved this resolution with 8 in attendance and unanimous approval. The Finance and Budget Committee met May 3rd, 2010 and approved the Resolution with 8 in favor, 2 against and 2 abstentions.

I would like to start by giving you a little history of how this Resolution came about. The Rules committee came to TGS&A last year with the goal in mind of bringing the Code of Ordinances up to date regarding fees and fines. Frank and I read the entire Code of Ordinances noting each time there was a dollar amount located. Frank also ran a computer program to double check our work. After compiling the results, we consulted with legal and then appropriate language was suggested. You are holding the final body of work constructed and approved by our legal consultants.

What is important when reading this document is that you are looking at a wide range of ordinances. From Alarm Systems to Clam Harvesting and a little bit or everything in between. The ordinance itself was not our focus...it was the dollar amount of a fines imbedded in the ordinance. As noted at the top of page 2, the new language is in capital letters and the deleted language is in brackets. For example, Section 2 regarding Alarm Systems...the \$100.00 fine is in brackets and will be removed and the new language which is consistent throughout is "the amount of each fine is listed on Appendix D, Table of Ordinance Fines. This was a housekeeping effort as opposed to a house cleaning. We often thought of it as organizing the linen closet. Now when someone wants to know where the washcloths are...it's just easy to find. I don't mean to mitigate the importance of the ordinances but I want to stress the scope of the endeavor. That being said I would like to address the following:

Items not addressed:

- 1) subject of ordinance. We read everything. The scope of the project was to identify the dollar amounts regarding fines and move them to the newly created Appendix D that is on the last page of your handout so the subject was not our focus.
- 2) We did NOT address any authority change regarding updating those fines. Those are still in the authority of the Board of Selectman. No changes whatsoever.
- 3) We did NOT address or alter enforcement of ordinances to determine if an infraction has occurred. That authority was not addressed.

Items addressed:

- 1) This resolution amends various sections of Ordinances where the dollar amount of fines appears. It is consistent and refers to the Appendix D Table of Fines so whether or not it is the clam harvesting or blocking of the sidewalk, we were ONLY concerned with identifying the dollar amounts.
- 2) The appendix will ultimately be on the website Dariengov.ct when you look up the Ordinances if you are so inclined. Appendix D now has all the fines. This means that the fees can be easily accessible and monitored.
- 3) What this accomplishes is two fold:

When the budget process begins,

- 1) a current list of fines from the Code will be easily accessible.
- 2) It will save time and expense of having to updating each ordinance in the Code of Ordinances. Saving time and money is what we all want without any sacrifices whatsoever.

Another point I would like to make. Fees on Public Works and the Health Department were taken out of the Code. There are no more fees in the COO. The recent ordinance clean ups for Public Works and Department of Health had solved this problem. There are no remaining fees in the Code

Another point is that these are not all the fines imposed by the Town of Darien. There are other fines that imposed by various departments of the Town of Darien. We ONLY dealt with fines that were embedded in the Code of Ordinances

We addressed ONLY the code of Ordinances.

Thank you,

Sarah Seelye

**Finance & Budget Committee
Report to RTM, May 10, 2010**

**(10-9) RTM RESOLUTION AMENDING SECTIONS OF THE TOWN CODE
OF ORDINANCES CONCERNING FEES**

I am Bruce Orr, District 5 and Chair of Finance and Budget.

The F&B committee met on May 3, 2010, with 12 of 16 members present comprising a quorum.

The Committee engaged in productive discussion on this amendment to the Town Ordinances. Several members who are both current and past members of the Rules Committee reflected and debated on the primary purpose of this Resolution, which is intended to streamline and update the ordinances by moving the schedule of fines to an appendix, therefore allowing the fines to be adjusted by the BOS without having to come in front of the RTM with a Resolution each time to amend specific fines.

In terms of financial and budgetary oversight of this recommended amendment, several members of F&B noted that annual fines levied by the Town are an insignificant element of Town revenue and therefore, this proposed Amendment has little or no impact on Town Finances.

However, given that the Committee is generally in favor of streamlining and updating the Town Ordinances, the Committee voted 8 in favor, 2 against and 2 abstentions to approve this resolution and recommends the RTM to vote in favor of this resolution.

Bruce G. Orr, Sr.
Chairman
May 10, 2010

**Finance & Budget Committee
Report to RTM, May 10, 2010**

**(10-10) RTM RESOLUTION AUTHORIZING AN APPROPRIATION OF
\$350,000 FOR BOARD OF EDUCATION 2009-2010 DEFICIT**

I am Bruce Orr, District 5 and Chair of Finance and Budget.

The F&B committee met on May 3, 2010, with 12 of 16 members present comprising a quorum to discuss and take action on this Resolution. The Committee also met on April 26, 2010 with 16 of 16 members present to discuss and conduct a preliminary vote on budgetary items and other matters.

Joining us at our April 26 meeting were Kim Westcott, Chair of the BOE, Don Fital, Superintendent of Schools, Dick Huot, Director of Finance and other members of the BOE.

At the April 26 meeting, we reviewed in detail the Recommended 2010-2011 BOE budget, as well as the anticipated 2009/2010 fiscal year deficit. It is important to note that there is an important relationship between a forecasted deficit and the next year budget, as many of items impacting the deficit will also be under pressure and scrutiny in the following budget year. It is also important to note, that over the past 5 years, the District has been at or near its annual budget, occasionally returning a small surplus to the Town.

As Ms. Schneider has so capably pointed out, the primary drivers of the expected deficit are the reduced Excess Cost reimbursements from the State of Ct. and ballooning Special Education operating expenses. During this school year and the previous school year, Special Ed enrollment has climbed and unbudgeted staff has been added and absorbed into the respective approved budgets. This has further been exasperated by some expected \$500k of legal fees this year associated with Special Ed litigation. These unbudgeted costs have been somewhat off-set by some Federal Stimulus funds and savings from District belt tightening.

As noted in Ms. Westcott's April 23, 2010 memo that was included in your materials tonight, this appropriation is for the BOE NOT TO EXCEED \$350k and our Committee is confident that continued close management of the current year budget will result in a YE shortfall below this figure. If approved by the RTM tonight, this \$350k appropriation will be funded from the Town's General Fund, which is currently at the high end the BOF guidelines of maintaining the level 8 to 12% of audited Town revenues or approximately \$14 million at the end of this fiscal year.

The Committee voted unanimously to approve this Resolution and recommends that the RTM votes in favor.

Bruce G. Orr, Sr.
Chairman
May 10, 2010

RTM Education Committee – Resolution 10-10 Report to the RTM on May 10, 2010

Good Evening. My name is Lois Schneider and I am chair of the RTM Education Committee.

I would like to ask for a motion to consider resolution 10-10 authorizing an appropriation of \$350,00.00 for the Board of Education Shortfall for the fiscal year 2009-10. May I have a motion . . . a second. . . Thank you.

Without objection, I would like to waive the reading of the text of resolution 10-10.

At the Regular Meeting of the RTM Education Committee on May 3, 2010 with 11 of 14 members present, the Education Committee met to discuss and vote on the request for this appropriation. Guests at our meeting were Mr. Stegelmann from the Board of Finance, Board of Ed members: Mrs Westcott, Ross, Sartori, Shea, and Bell; and administration members: Mr. Fiftal, Huot, and Falcone. After discussion of the reasons for the shortfall, the committee voted unanimously to support the resolution.

Our committee has followed the budget progression closely all year. Despite serious efforts by the administration early on, the budget shortfall was not able to be contained since so much of the budget is committed the day the doors open for the school year. The shortfall is caused by Special Education costs:

- Excess of operating costs of \$880,286 that is due to unplanned Consultant Services overage of more than \$400,000 and legal fees more than \$500,000 over budget. The Consultant Services were needed to support the IEP requirements of the students. We must provide the services that are written into the IEP and these requirements change as the year progresses. Legal fees are based on the cases that come forward.
- In addition the excess cost reimbursement from the state is more than \$404,000 under the budgeted amount. Excess Cost Reimbursement is the amount the state pays when an individual student has Special Ed costs that are more than 4.5 times our average yearly per student expenditure. The state has a set pool of money and distributes it based on submissions of all districts in CT. The reimbursement was budgeted at 90% and the state is reimbursing at 84% this year resulting in the shortfall.

The district was able to compensate for much of this overage with:

- Over \$600,000 additional revenue from a Federal program and shifting of school related revenue from the Town budget;
- A Freeze on district-wide expenditures saving about \$264,000 on budgeted operating expenses
- And utility savings of over \$58,000

But these amounts were not enough to cover the full overage. This is the first time that the Board of Ed has a budget shortfall in at least 7 years. The impact on the general fund is minimal. The Board of Ed continues to restrict expenditures and will return any funds not needed to the General Fund at the end of the year.

We approved this funding request and hope you will do the same. Thank you.

copy

RTM Budget Meeting
Board of Education
2009-2010 Budget Shortfall
May 10, 2010

Madame Moderator, Members of the RTM, fellow officials and citizens:

A few comments on the 2009-10 Budget shortfall and request for an additional appropriation of \$350,000:

The Board of education budget can absorb some negative variances but it does not carry reserves to handle swings of \$1,000,000. We know there will be unexpected expenses in any given year but this year's experience of special education expenses, state cut-backs, effects of the down economy (increased spouses added to our health insurance plan) , summer school revenue off, is too much to absorb. There is not enough flexibility in a budget that is 90% personnel and fixed expenses to absorb the additional expenses.

After the 2009-10 budget was approved and during the 2009-10 school year several accounts in the special education budget went over budget.

- Unbudgeted increased special education students required 12 staff additions equating to \$475,000 of increased expenses. Students new to the special education department (increased enrollment) must be accommodated, some move in with an existing "Individual education plan". (In 2008-09 we had a similar impact of new students requiring 8 additional staff = \$404,000). The increased expenses were absorbed into the budget.
- Legal Expenses related to special education are projected to be \$501,919 above budget. Legal expenses reflect costs for legal work and settlements related to special education disputes. These are not cash settlements but additional services or tuition for an outplacement. Legal costs started trending up in 2008 . Several "cases" emerged in 2009-10 and went into mediation and due process, which require significant staff and legal counsel time.
- In October we learned that the State was planning to fund the Excess cost grant at 70%, rather than the mandated 100%. This is a significant decrease

in revenue. At that time the administration began to track all budget accounts carefully restricting spending to academically necessary items. By ~~the~~ February a spending freeze was initiated, all expenses had to be approved by the Director of Finance. Certain activities have been cancelled or cut back (5th grade track meet, all town orchestra event practices cancelled). The Excess cost grant has in fact been funded at 84% which represents a decrease from budget of \$404,000.

Total Special Education variance to budget \$1,284,300.

Offsets to Potential deficit:

- American Recovery and Reinvestment Act (ARRA) Stimulus funds: \$225,000
 - Savings from expense freeze: (Non- SpEd operating accounts are positive and reflect savings from approved budget.) \$263,954
 - State Fiscal Stabilization Funds- Federal grant made to directly to school districts. State offset ECS grants to towns. Board of Finance voted to funds to remain with Board of Education April ,2010. \$230,547
 - OPEB- revenue from trust for 9-10 \$156,170
 - Utilities \$58,629
- Total Offsets to deficit equal \$934,300

Projected Deficit \$350,000

Special education continues to be a difficult area to accurately budget. It is a budget that is an aggregate of many individual education plans, legal documents that must followed. Forecasting is difficult, with added unpredictability of state and federal impact. Later in the evening I will describe some of the steps we have taken to better understand the special education budget and plan for the future.

Kimberly P. Westcott, Chairman, Darien Board of Education

Remarks on Board of Education Shortfall

Murry Stegelmann, Chair

Darien Board of Finance

May 10, 2010

On behalf of the Board of Finance, I recommend that you adopt resolution 10-10.

The 2010 budget has been very difficult for the Board of Education. The primary area of concern has been the Special Education segment of the Budget. Expenditures have run nearly \$900,000 over budget and reimbursement from the State of Connecticut has been \$400,000 under budget. As you are aware, the Darien Board of Education has to meet certain legal standards in the provision of Special Education that have been set by the Federal Government, and are also overseen by the State of Connecticut.

The Superintendent, the Finance Manager, and the entire Board of Education have been diligent in trying to mitigate these problems.

First, they hired an expert to help explore the legal issues and operational challenges in providing special education in an appropriate, yet cost-effective manner. The specific recommendations from the consultant are in various stages of being implemented. Although the recommendations may provide long-term cost relief, they will have little effect in the current budget year.

The second major undertaking was the freezing of all discretionary spending. In fact, most major functional areas in the Board of Education budget (for example, the elementary schools, the middle school, and the high school) are all under budget due to the freeze. Also helping with operating expenditures are the utility savings that have come from the energy saving re-lighting project that the RTM approved last spring.

The third area of mitigation has been various new revenue sources that have been utilized this current year. ARRA stimulus funds of \$225,000 were utilized. The State of Connecticut redirected \$230,000 of ECS grants to the school system (a move that helped the education budget, but negatively impacted the Selectmen side of the budget). And finally, the \$1 million OPEB trust that was approved last year by the RTM was available for its first installment of health care reimbursement to the extent of \$156,000.

We appreciate the efforts that the Board of Education has made to mitigate the shortfall. We support the \$350,000 appropriation to meet the projected shortfall for the current year, and we confident that they will continue to do all possible to keep spending in control.

Good evening. My name is Mark Adiletta and I am Chairman of the Public Works Committee to the RTM.

At this time I would like to move Item 10-11, Resolution Authorizing Acceptance of ARRA Stimulus Funds for Pavement Restoration and Improvements, Construction Administration and Inspection of Various Roads in Darien and ask for a second.

Without objection I move to waive the reading of the Resolution.

On behalf of the PWC I present to the RTM for their consideration and ratification Item 10-11.

At our Special Session May 8th, with 8 of 14 members present, the PWC voted: 8-Yea, 0-Nay, 0-Abstain to recommend this item to the RTM.

Background:

~~The American Recovery and Reinvestment Act of 2009, abbreviated ARRA, is commonly referred to as the Stimulus Package, and is a \$787BN economic stimulus package enacted by the 111th Congress in February 2009.~~ The town of Darien has been awarded, via the State Department of Transportation, ARRA Stimulus funds of \$975K for various pavement restoration projects under this program. ~~I defer to F&B to elaborate on the award and reimbursement process.~~

The projects to be funded by the award covered by this resolution include:

Street	From	To	Length	Work Included
West Ave	Herman	Leroy	4300 ft	Mill 2" ; place 2" new pavement
Hollow Tree Ridge	Middlesex	Hanson	4125 ft	Mill 2";place 2" new pavement
Leroy Ave	Middlesex	Partridge	3800 ft	Mill 1";place 1"new pavement

The work also includes new pavement striping and markings.

Committee Comments:

- It was noted that the streets involved are among the most heavily travelled non-state roads in town.
- Several PWC members noted they^{had} visited these locations and observed the sections are in serious need of repair.
- At the February PWC meeting Mr. Steeger noted that completing projects under Federal Programs such as this ARRA award is often significantly more expensive than when the Town pursues similar projects independently. That being said the PWC noted the ARRA reimbursement is very large relative to the net portion the Town will ultimately have to pay.
- Several PWC members and residents have noted there may be other roads in town in need of repairs. In this regard, it was noted that these projects do not take away from the regular ongoing 20-year road maintenance program pursued by the Public Works Department. Recall the Town fell behind on this program a bit two summers ago when the price of oil spiked which reduced the number of miles repaired that year.

- The good news is that this is a here and now opportunity. The work will commence this spring.

Conclusion

It is the view of the PWC that these are very worthwhile projects. The work is to be performed on heavily travelled roads in need or repair. It is also expected that this work will help the Town catch up somewhat on the maintenance backlog.

The Public Works Committee asks that you vote “Yes” and ratify Item 10-11 authorizing acceptance of ARRA Stimulus Funds.

Thank you.

**Finance & Budget Committee
Report to RTM, May 10, 2010**

**(10-11) RTM RESOLUTION AUTHORIZING THE ACCEPTANCE OF \$975K
ARRA STIMULUS FUNDS AND THE APPROPRIATION OF \$908K FOR
PAVING RESTORATION, ETC.**

I am Bruce Orr, District 5 and Chair of Finance and Budget.

The F&B committee met on May 3, 2010, with 12 of 16 members present comprising a quorum to discuss and take action on this Resolution. The Committee also met on April 26, 2010 with 16 of 16 members present to discuss and conduct a preliminary vote on budgetary items and other matters.

Joining us at our April 26 meeting was Murry Stegelmann, Chair of the BOF, to review this item and others that evening.

As Mr. Adiletta has described this acceptance and appropriation of funds for the paving and restoration of certain streets in the Town was actually anticipated much earlier in the current fiscal year but like many initiatives flowing out of Washington via Hartford, we have only recently received funds for "shovel ready" stimulus projects. The delay in receiving these funds has caused our Town paving plan to be well behind schedule. We actually had reduced the Department budget last year in anticipation of receiving these funds and we will be playing "catch up" in next fiscal year, using these funds plus Town funds to complete two years worth of planned paving.

Like most grants emanating from the Federal or State level, we must first appropriate and spend the funds to be eligible for reimbursement.

The Committee voted unanimously to approve this Resolution and recommends that the RTM votes in favor.

Bruce G. Orr, Sr.
Chairman
May 10, 2010

Remarks on Paving Reimbursement

Marry Stegelmann, Chair

Darien Board of Finance

May 10, 2010

On behalf of the Board of Finance, I recommend that you approved item 10-11.

A year ago when we adopted the 2009-2010 budget, we were aware that the Town of Darien had been awarded certain amounts of money from the Federal Government under the American Recovery and Reinvestment Act for the paving of certain streets. We were delighted that the money would help us keep pace with our paving schedule while helping keep the budget in check. We had expected that those streets would be paved last Summer or Fall.

Now, a year later, the various Federal and State government hurdles have been cleared, and we now need a special appropriation to access the Funds. In essence, we need to appropriate the Funds through this motion in order to start the work, and then to receive reimbursement.

Despite being delayed by a year in doing the work, it is still a good deal for the budget of the Town of Darien.

**Finance & Budget Committee
Report to RTM, May 10, 2010**

**(10-12) RTM RESOLUTION APPROPRIATING \$50 MILLION TO REFUND
CERTAIN OF THE TOWN'S OUTSTANDING BONDS**

I am Bruce Orr, District 5 and Chair of Finance and Budget.

I move Resolution (10-12) and ask for a second.

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

The F&B committee met on May 3, 2010, with 12 of 16 members present comprising a quorum. The Committee also met on April 26, 2010 with 16 of 16 members present to discuss this item and other budget related topics.

This resolution simply provides the BOF the ability to refinance certain bond obligations to take advantage of special circumstances, namely lower interest rates or shortened (or lengthened) maturities of our issued debt, without having to come before the RTM, up to \$50 million in value. The RTM has previously approved resolutions of this nature and the BOF has acted this past few years of in a low interest rate environment, saving the Town substantial interest charges. The Town currently has approximately \$100 million of outstanding bonded debt. This resolution does not impact the need for the RTM to approve any new issuances of debt.

The Committee voted unanimously to approve this Resolution.

We recommend to the RTM to vote in favor of this Resolution.

Bruce G. Orr, Sr.
Chairman
May 10, 2010

Remarks on Bond Refunding

Murry Stegelmann, Chair

Darien Board of Finance

May 10, 2010

The Board of Finance urges the RTM to adopt item 10-12.

A number of years ago the Town of Darien was unable to refinance some of its existing bonded debt when interest rates fell quickly and meeting schedules of various Town Bodies were unable to be coordinated in a timely fashion.

Since that time, the Board of Finance has asked there to be bond refunding resolutions that are approved and ready to be used if market conditions allow the Town's bonds to be refinanced in an expedited fashion.

As you may be aware, we have utilized these resolutions in March of 2009 and February of 2010 to refinance eligible debt. Those refinancing were able to be accomplished at interest rates of less than 2.5%.

We currently have approximately \$90 million of bonds outstanding. Tonight we are asking to refresh the authorization and allow up to \$50 million of future bond issuances solely for the purposed of refunding existing indebtedness.

**Finance & Budget Committee
Report to RTM, May 10, 2010**

**(10-13) RTM RESOLUTION TO APPROVE THE ANNUAL TOWN BUDGET
FOR THE FISCAL COMMENCING JULY 1, 2010 TO JUNE 30, 2011**

I am Bruce Orr, District 5 and Chair of Finance and Budget.

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

I move Resolution (10-13) and ask for a second.

The F&B committee again had a very active budget season. Our Sub Committee Chairs, Bill Smith for BOS and Jack Davis for the BOE and members of their Committees, attended every Town and District departmental budget meeting. Members of the F&B Committee also attended the Town annual performance review session, various BOF meetings and the annual tour of the Town schools to examine all major capital requests. At these meetings we listened to administrative and departmental proposed budgets, debated and challenged many budget requests and documented our recommendations. These meetings were in addition to our scheduled regular meetings and special meetings called over the past four months. The Committee met in a Regular meeting on April 26 2010, with 16 of 16 members present to discuss, debate and conduct a straw vote on the BOF recommended Budget. We again met on May 3, 2010 with 12 of 16 members present to have one final budget review and conduct our vote.

Given the dismal economic situation and forecasts, most departmental cost centers entered this year's budget process with the over-arching philosophy of minimizing and controlling expenditures without adversely impacting primary Town or Educational services.

In total, the overall increase for the entire recommended ~~2009/2010~~ Town budget, including the Board of Education is 2.3%. However, increases in actual expenditures are more in the range of 3.1%, which has been off-set by a significant reduction in Town Debt Service and anticipated lower capital expenditures. Combined with a conservative forecast for non property tax revenue and a relatively flat Grand list, this translates into a new mill rate of 11.74 or a 3.25% increase over last year. The BOF approved this budget on April 21, 2009.

Contained in the resolution before you are 7 discrete items, A – G; with items B and C being the primary expenditure drivers.

That said, let me briefly touch on Item A, capital and non-recurring expenses. This appropriation of \$2,016,720 is a fairly modest list of capital expenses for both the Town and the BOE. Details of the approved capital projects can be found beginning on page 249 of your budget books. While this amount is down sharply from last year's \$6.9 million appropriation, several projects, including the \$4.5 million the Heights Road drainage improvement project, were put on-hold. Another delayed project from last year, the Town Hall roof replacement for \$498k, will continue forward this year. Other larger planned expenditures are \$400k for Fire Department equipment replacement reserve and \$190 k BOF infrastructure reserve fund, which is down sharply from last year's.

Item B, \$38.1 million consists primarily of three major pieces: The Selectman's Operating Budget, which includes primary Town services, the above mentioned Reserve Fund for Capital and The Town Debt Service. Last year's approved amount was \$38.1 million or essentially no increase this year. However, with Town Debt Service is down over \$600k and the above mentioned Capital Fund down sharply, the Selectman's Operating Budget, is \$26.6 million or a 4.8% increase over last year.

While most Town Departments show flat or decreased budgets for next year, a further analysis points to the areas of increase and paints a more modest and conservative budget picture:

- Public Works: Up 7.9% or \$306k. As mentioned earlier this evening, last year the annual paving program was reduced by some \$500k in anticipation of receiving the ARRA stimulus money. As the paving program is seasonal and we are only now beginning the work that was planned for last fiscal year, we are now in a "catch-up" mode with paving. The increase in the budget, combined with the stimulus monies, should get us back to a more "normalized" 2 year expenditure rate.
- General Overhead: Up 14.4% or \$802k. There are 3 main drivers in this account: Town Employee Benefits, Insurance and the BOF Contingency. Employee Benefits are forecasted to be up 9.9% or \$453k, driven by an increase of 13% in medical insurance premiums. Insurance or the Risk Management account are forecast to be up 10.4% or \$71k. And the BOF Contingency account is up

4.1% or \$83k, driven in part by a set aside for potential wage increases with the Police Union and other potentially unbudgeted items.

- Public Library Services: Up 2.3% or \$70k. This budget increase is entirely driven by four items:
 - \$18k increase in building services required by the operation of the new building
 - \$32 increase for utilities
 - \$28k increase in health insurance costs
 - \$13k increase in retirement costs

Item C – The Board of Education’s request of \$71.5 million for the 10/11 operating budget. This is an increase of 4.1% or approx. \$2.8 million over prior year’s budget. The initial Administration budget proposal to the BOE was a 5.8% increase but fine tuning and some difficult decisions by the BOE and others managed to reduce it to the current recommended level. As with previous budget requests, the primary driver for this increase is Personnel and Benefits, as some 84% of the annual costs relate to personnel.

While always subject to tremendous scrutiny by our Committee and other interested and engaged factions, this year was particularly challenging in light of the economic environment. Many creative and often times unpopular concepts were floated and debated by the BOE to reduce what seem to be ever rising costs to educate our children, especially those with special needs. The BOE was extremely challenged this year to meet their goals and deliver a budget that does not compromise the quality of a Darien public school education.

While there are many “puts and takes” on this budget – I’m sure you have heard about and will hear more tonight about the many aspects of this budget - the annual overarching driver on this budget is personnel... both the total employed population, which is generally driven by enrollment and the negotiated salary increases for teachers and administration. Next year’s budget will actually show a small decrease in staffing of around 3 people. However, the negotiated teacher’s and admin salary increases will be 4.2% and 3.8% respectively. The current teacher’s contract was negotiated about two years ago and approved by the RTM 18 months ago in a much more favorable economic environment. Next year will be year 2 of a three contract. Reductions in non-personnel operating expenses, increasing student fees and other cost reduction initiatives hardly move the dial when considering the personnel costs.

The BOE approved capital projects for next year were limited to a handful of maintenance and minor renovation projects.

The remaining items, namely Items E to G, which are mainly dealing with the establishment of the mill rate, administration of tax collections, interim funding (if required) and appropriations for Funds that have essentially no net impact on the budget or taxes.

At our most recent F&B meeting on April 26, 2010 with 12 of 16 members present comprising a quorum, the Committee voted unanimously to approve all elements of the 2010/2011 budget request. The Committee recommends that the RTM approve this budget as approved by the Board of Finance.

Respectively submitted,

Bruce G. Orr, Sr.
Chairman
May 10, 2010

RTM Education Committee

Report to the RTM on May 10, 2010

2010-2011 Education Budget

Good evening. My name is Lois Schneider and I chair the RTM Education Committee.

The RTM Education Committee met on May 3, 2010 with 11 of 14 members present to discuss and vote on the Education components of the Town Budget. Joining us for this meeting were Mr. Stegelmann from the Board of Finance, Board of Ed members: Mrs. Westcott, Ross, Sartori, Shea, and Bell; administration members: Mr. Fiftal, Huot, and Falcone. The Committee voted unanimously to approve the Education Operating Budget of \$71,512,041 and the Education portion of the Reserve Fund for Capital and Non-Recurring Expenditures.

Darien's commitment to the education of our children is the major expenditure of our town and we are in agreement that the elements of the education of the children cannot be postponed for another year. But recognizing the current economic environment, the budget submitted by the Administration to the Board of Education in early January contained costs to run the district after a serious review of the operations of the district. The Superintendent's increase of 5.82% was significantly lower than in past years having gone thru a careful analysis identifying areas that could be restructured. During the Board of Ed review, the Superintendent recommended additional headcount cuts and the recommended budget had an overall decrease of 3.29 Full time positions. The Board of Ed lowered the budget by \$600,000 and increased fees by over \$300,000 to yield a 4.49% increase over this year. In its review, the Board of Finance postponed a number of identified capital expenses and made some adjustments in the funding assumptions to reach the Board of Finance recommended budget at an increase of 4.09%. Having gone thru 3 levels of review and cost cutting, the Education committee felt that this is a tight budget. It will be the administration and Board of Ed's job to continue this detailed work to make decisions to allocate these resources effectively.

The Education Budget is driven by enrollment, class-size policy, salary contracts, special education requirements, and operating requirements of the school facilities. The RTM Education Committee participates throughout the detailed review process with the Board of Education and the Board of Finance. We thank the Board of Ed and the Administration for their thoroughness, responsiveness and transparency.

Following on to the difficult budget this year, next year's budget will again be a challenge. The key components for the 2010-11 budget are:

1). Enrollment – The peak year for elementary enrollment was 2006-7, MMS is this year and the High School is projected to reach peak enrollment in 2012-3 with overall enrollment expected to peak next year. We still have a few more years of increased spending at the high school to support the continued growth in students there.

2). Headcount - With the net overall enrollment increase of 48 students we will need additional teaching staff at the high school and will have a reduction in the Middle School. At the elementary schools, a group of students are being relocated to Tokeneke that will reduce the need for 3 classrooms at Holmes. Class-size policy is being maintained.

9 non-certified positions have been eliminated to compensate for the increases needed. Additionally, the initial Special Ed request was reduced to a budgeted increase of 6.9. The teaching staff changes net to a reduction of 2.19 teachers for an overall reduction in headcount of 3.29 staff.

3). Major contracts are in place and were negotiated prior to the economic collapse.

4). Special Education continues to cost more to meet the needs of our students and the legal requirements to provide the appropriate education. The increase in services needed and individuals that require a higher \$ expenditure has yielded the Special Ed budget increased of 4.9% over this year. The Board and the administration are following up on a report issued in January that identified areas to consider changes in how we provide the needed services.

Special Ed (continued) The budget has the state covering \$2.5 million in excess cost assuming that they will fund these costs at 75%. These costs are expenditures for individuals at more than 4.5 times the cost for the average student – next year this is over \$65,200 per child. As the state budget reimbursement dollars are fixed, the amount we will receive is dependent on how much we spend and how much is submitted by other districts in the state. The reimbursement rate was 100% in 2008-9, 84% this year and budgeted at 75% for next year.

5). Healthcare costs will increase 25% as the number of enrollees has increased with family situational changes and we are coming off of favorable rates based on an 18 month contract.

6). Technology expenditures have been limited, best deals found for necessary expenditures and several components of the technology plan have been postponed.

7). A major capital project for resurfacing the 50 year old gym floor for MMS was postponed again for another year. The major capital expense for boilers for Holmes was approved by the RTM in March.

8). The Board of Ed responded to parents concerns for class sizes in the High School and the support for extra-curricular activities by adding headcount and creating new fees and raising current ones.

The Education Committee continues to discuss ongoing concerns with the upcoming budget – potential increases in enrollment, changes in special ed costs, and the benefit of Federal stimulus funds.

It is important to maintain our quality educational program as the students' learning cannot be postponed. The Education Committee supports the budget as submitted and recommends that the RTM do the same.

Thank you very much.

May 10, 2010

**REPRESENTATIVE TOWN MEETING
ANNUAL BUDGET MEETING
WARNING 10-13**

Good evening, I am Cheryl Russell, Chairman of the Park and Recreation Committee.

The Park and Recreation Committee held a meeting on May 3, 2010 with 11 of 13 members present. Our meeting was to discuss and vote on the Park and Recreation Operating and Capital sections of the Darien Town Budget for 2010-2011, we voted in favor of the Park and Recreation budget. However, not with out questions and concerns I would like to bring to your attention tonight.

Because, the Park and Recreation Operating Budget is now more than a scaled back bare bones budget, it has cut a service the community deserves, Trash Removal. In the past, trash removal from the beaches was on Saturday and Sunday. This year the trash, will only be removed on Sunday's, No more Saturday pick up. Trash from a large party in the picnic area on a Friday will now over flow the trash receptacles until Sunday. This could very well be a health issue. Along with this cut in services is the sifting of the beach sand, that too use to be done on Saturday and Sunday's, now it will only be done on Sunday's. We are fortunate to have two beautiful beaches in our town, not to mention the revenue from beach permits we receive, not to keep them as clean as possible. We urge the powers to be to work together in finding a way to reinstate these services into the budget.

In the Capital Budget, the Park and Recreation only had three improvements, for a total of \$98,500. The Paddle Court Screening and the Equipment Reserve Fund were funded, total \$68,500. Once again, \$30,000 for improvements to the Diller property for a Dog Park was cut.

The Park and Recreation Committee understand the need for the 2010/11 Budget to be pared back to essential items, however, it was noted another approach to a dog park should be investigated since this has been in and out of the budget for years. Some of us still believe the Diller property is the best place for a dog park while others question the need at all.

We would also like to note that the Park and Recreation Department has now taken over the ground maintenance and operation of the Darien Senior Center. This Department has taken on this responsibility without an increase in manpower.

We also discussed the Weed Beach Project and look forward to the Board of Selectman making a decision on moving this project forward or not in the very near future.

In closing, last year our Committee requested the "Agency Request" column be reinstated in future budgets. We would like to thank our Town Administrator, Mr. Kilduff for fulfilling our request.

Thank you

P&Z DEPARTMENT
PROPOSED 2010-2011 BUDGET
RTM PRESENTATION

Met February 11th

Jeremy Ginsberg, P&Z Dept. Director
Fred Conze, Chairman P&Z Commission

Approved increase of 1.75% over 2009-2010 Approved Budget

2.5% increase in salaries due to contractual commitments

offset by reduction in non-salary expenses

no new initiatives

Since then further belt tightening reduced budget by \$60,000

resulting in 7.8% decrease from 2009-2010 to \$572,732

equivalent to 3 years ago

expensed \$572,518 in 2007-2008

Department has done a good job of holding down expenses

Good evening, I am Kim Westcott, Chairman of the Darien Board of Education. Madame Moderator, members of the RTM, fellow officials and Darien citizens thank you for the opportunity to speak to you about the proposed 2010-11 Education budget.

Recognizing the constraints of the current economy and the funding difficulties at the State level, the Superintendent and the Board of Education have worked to develop a fiscally prudent budget that maintains core academic programming in and outside of the classroom. The total budget request is \$71,512,041, a 4.09 % increase. Capital projects of \$107,000 are requested in addition to the \$410,000 Holmes boiler project previously approved by this body, for total capital projects of \$517,000.

Revenues: Revenues are an important part of the 2010-11 budget. The funding burden is proposed to be shared by the Federal government, the State, parents, and facility users. 2010-11 budgeted revenues will grow 2.26% to \$4,461,558; the lion share coming from the state in the form of the Special Education Excess Cost reimbursement grant. Federal stimulus funds provided through the American Recovery and Reinvestment Act (ARRA), (\$455,000) will provide an offset to expenses through 2010-11. Parents will be picking up additional expenses such as field trip transportation at the K-8 level and activity fees at the high school level. Rental and maintenance fees will be increased for users of school facilities and fields.

Personnel: We anticipate an increase in enrollment for 2010-11 of 59 students: an increase of 48 at Darien High school, a decrease of 18 at Middlesex and an increase of 7 at the elementary level. Despite increasing enrollment, total staffing in the district will *decrease* by 2.8 positions, the first decrease in many years.

A serious look at containing costs caused the administration to find efficiencies throughout the district. A reduction in support staff offsets the addition of teaching staff at the high school, lower enrollment at Middlesex allows for a ½

team reduction, changing a neighborhood assignment from Holmes School which is reaching peak enrollment to Tokeneke School where classroom space is available saves three class sections and eliminates the immediate need for a portable at Holmes. Other staff reductions occur in Finance, Maintenance and IT. Special education will see an increase in staff of 7 positions although this is a slowing of the growth we have seen in the recent past.

The contracts with the Darien Education Association (year 2) and the Darien Administrators Association (year 3), negotiated in better economic times, have salary increases for 2010-11 of 4.2% and 3.8% respectively; offset by health insurance increases in copays (17% to 18%) and deductibles.

Overall Personnel expenses increase 2.4%. This represents 73.8% of the budget.

A Word about Special Education : Special education is a highly regulated area of education and as such we work diligently to deliver an appropriate education to 565 students (11.8% of the student population) as required by Federal law, the Individuals with Disabilities Education Act (IDEA). We provide a year round pre-K program (the Early Learning Program) and a full spectrum of services for our students K-12. Costs have grown steadily over the past five years and while state funding has offset a percentage of the costs of our most medically fragile and service-intensive children, the state has reneged on its mandate to fund 100% of the excess costs- resulting in a \$440,000 funding shortfall for 9-10 and an anticipated funding shortfall of \$490,000 for 10-11. The increasing cost trends and reliance on state funding caused the Board of Education to commission two studies. The first conducted a year ago, was a financial processes audit that evaluated controls and record keeping and resulted in some improved processes suggestions. The second was an in-depth study of the special education program itself conducted in the fourth quarter of 2009. In brief, it examined how appropriate services are determined, how they are delivered, how disputes are handled. The results of the second study will take some time to digest and implement. We believe efficiencies can be achieved within special education

while delivering a strong program to our students, results are evident in the 2010-11 special education budget.

Operating: Operating expenses will decrease .8%. These are the accounts that fund teaching supplies, textbooks, copier contracts, special education consultants, professional development. These accounts are discretionary only in the sense that they are not contractual. We pared back these accounts for the second year in a row and they represent 9.4% of the budget.

Equipment: For the second year we are deferring equipment expenses and included mainly technology purchases. We have proposed completing the installment of the presentation systems at the elementary schools, replacing computers at the high school labs and library and teacher desktops.

Fixed: Fixed expenses increase 14.6% largely due to increased health insurance costs of 25%. This is the low bid and requires switching providers. Darien has the lowest per employee cost of our peer districts. Utilities are down 15% due to favorably locked in electricity rates and reduced usage. Heating Oil is budgeted at \$2.45/ gallon. Fixed expenses equal 22.7% of the budget.

Capital Projects: Capital projects include a DHS renovation to provide three classrooms, additional gym lockers at DHS, door replacements and recessed mats at Middlesex Middle school, upgrading of time-out rooms at Holmes, Ox Ridge, Middlesex and DHS and asphalt sealing at various schools; all totalling \$107,000.

Flexibility- Personnel expenses and fixed costs represent over 90% of the budget and as such there is little room to adjust our costs once the school year begins. Given the cuts of the last two budget cycles and reduction in state funding, the budget has little flexibility to absorb negative variances as highlighted in the previous discussion of the 2009-10 budget. At this time we believe we can manage to the proposed budget and will be vigilant in that effort beginning July 1st.

RTM Meeting
Board of Education
May 10, 2010

Our dedicated teachers and staff will continue to provide an excellent education to the students of Darien. The central office and building administrators are a cohesive and professional team that has been led for the past five years by Superintendent Don Fiftal. Mr. Fiftal is retiring in June after 42 years as an educator (all these years in CT) and I would like to thank him for his nine years of exemplary work in Darien and in particular for his diligence and help in constructing the current budget before you.

I'd also like to thank the members of the Board of Finance and members of the RTM Education and Finance and Budget Committees who have asked many good questions that have improved our work. Lastly, The Board of Education appreciates the longstanding support of the RTM for education in Darien and I ask for your support of the 2010-11 Recommended Education budget.

Remarks on 2010-2011 Budget

Murry Stegelmann, Chair

Darien Board of Finance

May 10, 2010

On behalf of the Board of Finance, I recommend that you adopt resolution 10-13.

This fiscal year will begin on July 1, 2010 and end June 30, 2011

In December of last year, I came before you with a 5 year plan which presented us with a bleak set of projections. We estimated that the budget for 2011 fiscal year would potentially have an 8.8% mill rate increase. This was based on a projected 3.3% increase in the Selectmen budget and an 8.8% increase in the Education Budget. The Board of Finance expressed the view that the projections were unacceptable and that both the Board of Selectmen and Board of Education would need to make major adjustments to their forecasts.

After the work of the Board of Selectmen and the board of Education, we were still staring at a 5.0% mill rate increase. The adjustments made by the Board of Finance brought the mill rate increase down to its proposed 3.25% increase.

I must commend the members of the Board of Selectmen, Board of Education, and Board of Finance for working in a co-operative spirit this year, despite having to make some very painful decisions.

The budget that you see before you can best be described as "bare bones." A particularly large constraint on the crafting of the budget this year is degree to which employment costs are subject to union labor contracts that were negotiated in better times. This has caused the Board of Education and Board of Selectmen to look at headcount reductions and non-payroll ways of cutting expenditures to offset built-in wage increases.

Noteworthy items in the proposed 2009-2010 budget are:

- The Selectmen part of the budget is \$38.2 million, an increase of less than 1.0%. Total debt service will be \$600,000 less in fiscal 2011 than the current year due to 2 main reasons: 1) the continuing delay of major capital projects has allowed us to pay down debt further, saving interest expense and 2) we were able to refinance some our outstanding debt on two occasions over the past 15 months at rates of 2.5% or lower. Headcount on the Selectmen side of the budget is budgeted to decline by 2.5 full time equivalents.
- The portion of the budget dedicated to the Board of Education is \$71.5 million, an increase of 4.1%. As we have discussed tonight, special education remaining a worrying expenditure. Not only are expenditures increasing, but State of Connecticut reimbursement is expected to decline

further. Headcount is projected to increase by 6 in special education, with a reduction of 9 people (mostly administrative) elsewhere. A net reduction of 3 positions represents the first headcount reduction that I remember in my 14 years of electoral service. This budget also represents the final transition of OPEB expenditures (post retirement health care) into the Education budget.

- In terms of revenues, we are forecasting continuing weakness in building permit revenues and interest income on our cash balances. We are projecting that real estate conveyance taxes have stabilized, with actual results for the current fiscal year not declining as much as we had budgeted. A minor risk is that the Connecticut legislature adjourned last week without extending the conveyance tax for the towns – based on current legislation it will expire on July 1. However, both the Governor and leaders of the legislature have said it is an oversight that they will seek to remedy.
- With the operating expense increases and revenue weakness that we were forced to deal with, the casualty in the budget is our expenditures on smaller capital items – those items funded through the Reserve Fund for Capital and Non-Recurring Expenditures. They were cut 31% from the current fiscal year, and a total of 47% from last year. We will need to increase these expenditures next year, as several of the items have been delayed for multiple years.
- The mill rate that results from this budget is 11.74, up 3.25% from the current mill rate of 11.37. The mill rate of 11.74 is the third lowest in the past 25 years.
- Let me take a minute and give an example. A house that was assessed at \$1,000,000 would have an assessment of 70%, hence an old Grand List Value of \$700,000. The increase in taxes for that house would be \$259

On a separate note, I encourage the Board of Selectmen and the RTM to resolve the 35 Leroy property status as we must make decisions on bonding for it by September.

As we look to the future, the Board of Finance thinks that the negotiation of union contracts in the future is going to be a key factor in our budgetary health. We as a town have honored our contracts through this downturn, even as our taxpayers have lost their jobs, endured reduced salaries, and suffered loss of retirement savings. The Board of Finance encourages all negotiators to take that into account as they are negotiating future contracts.

Although this is not a budget of which one can be enthused, we believe it strikes the right balance between the educational needs of our children, the town services that our residents expect, the financial turmoil affecting most of the households in Darien, and the long term fiscal prudence that is more important than ever.

I urge you to adopt this budget.