

**REPRESENTATIVE TOWN MEETING
ANNUAL BUDGET MEETING
MAY 14, 2018**

**RECEIVED
MAY 21 2018
TOWN CLERK'S OFFICE
DARIEN CT.**

CALL TO ORDER

The Regular Annual Budget Meeting of the Representative Town Meeting was called to order at 8:00 p.m. by Donna Rajczewski, Town Clerk, who noted that there were now 99 members of the RTM.

Upon Roll Call, the following members were present:

From District I, there were 15 members present, 1 absent.
From District II, there were 12 members present, 4 absent.
From District III, there were 15 members present, 1 absent.
From District IV, there were 12 members present, 3 absent.
From District V, there were 17 members present, 1 absent.
From District VI, there were 13 members present, 4 absent.

The absentee from District I was: Ezbiansky.
The absentees from District II were: Bacon, Goertel, Handler, Pommernelle.
The absentee from District III was: Feldman.
The absentees from District IV were: Kemp, Millar, Terhune.
The absentee from District V was: Reed.
The absentees from District VI were: Cantavero, Lewis, Orphanos, Poli.

The Moderator, Seth Morton, assumed the Chair.

ACCEPTANCE OF THE AGENDA

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

ACCEPTANCE OF THE MINUTES OF THE APRIL 23, 2018 MEETING

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

ANNOUNCEMENTS

There were no announcements.

**CONSIDERATION AND ACTION ON THE JULY 1, 2018 TO JUNE 30, 2019 BUDGET
RECOMMENDED BY THE BOARD OF FINANCE**

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

WHEREAS, the Board of Finance of the Town of Darien approved the July 1, 2018 to June 30, 2019 Budget at a meeting on April 16, 2018;

BE IT HEREBY RESOLVED, that the Representative Town Meeting of the Town of Darien hereby adopts the following appropriations for the July 1, 2018 to June 30, 2019 budget;

- A. An appropriation in the Reserve Fund for Capital and Non-Recurring Expenditures of \$4,235,036;
- B. An appropriation in the General Fund to the Selectmen's Operating Budget of \$47,049,394;
- C. An appropriation in the General Fund to the Education Operating Budget of \$98,122,266;
- D. That the above appropriations in the General Fund, totaling \$145,171,660 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2018 and ending June 30, 2019 as shown by the budget this day approved.
- E. Appropriations for other funds are hereby made below for the 2018-2019 fiscal year as shown by the budget this day approved;
 - 1. From the Sewer Operating Fund \$ 3,687,372
 - 2. From the Sewer Assessment Fund \$ 550,000
 - 3. From the Sewer Capital Fund \$ 143,000
 - 4. From the Parking Lot Administration Fund \$ 1,071,100
 - 5. From the Parking Lot Capital Fund \$ 382,953
- F. That a tax of 16.08 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$8,589,999,025 on property as of October 1, 2017 payable in two equal semi-annual installments, the first installment to become due and payable on July 1, 2018 and the second installment to become due and payable on January 1, 2019, provided however that:
 - 1. Any taxpayer may pay both of said installments on July 1, 2018;
 - 2. The personal property tax on motor vehicles in said Town shall become due and payable in one single installment on July 1, 2018.
 - 3. Any property tax in any amount not in excess of one hundred (\$100) dollars shall become due and payable in one single installment on July 1, 2018.

- G. 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 14, 2018, be authorized to borrow on the note or notes of the Town the sum of five million (\$5,000,000) dollars or so much thereof as may be necessary for the general expenses of the Town pending the collection of either or both of said semi-annual installments of taxes on or prior to June 30, 2019.

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

Jack Davis, District III, Chairman of the Finance & Budget Committee, read the Committee report (attached) and reviewed it via an overhead projector.

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

- A. An appropriation in the Reserve Fund for Capital and Non-Recurring Expenditures of \$4,235,036**

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

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

Clara Sartori, District II, Vice Chair of the Education Committee, spoke for Ann Reed, Chairman, and read the committee report (attached).

Petr Marousek, District III, said that the Five Year Forecast presented in December assumed a 3% tax increase, and he asked if this lowering of taxes was temporary. Jon Zagrodzky, Chairman of the Board of Finance, said that the Forecast is a long-term look at finances. He would like to refine the Five Year Forecast.

**** ITEM 18-5A CARRIED ON A RISING TALLY VOTE OF 82 IN FAVOR, 0 OPPOSED. 0 ABSTENTIONS.**

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

- B. An appropriation in the General Fund to the Selectmen's Operating Budget of \$47,049,394;**

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

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

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

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

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

First Selectman Jayme Stevenson thanked staff for all of the hard work that went into this no mill rate increase budget.

**** ITEM 18-5B CARRIED ON A RISING TALLY VOTE OF 83 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

**** CLARA SARTORI, DISTRICT II, VICE CHAIRMAN OF THE EDUCATION COMMITTEE, MOVED:**

C. An appropriation in the General Fund to the Education Operating Budget of \$98,122,266;

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

Clara Sartori, District II, Vice Chairman of the Education Committee, read the committee report (attached).

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

Tara Ochman, Chairman of the Board of Education, thanked everyone for a very reasonable and productive process and asked the RTM to support this budget.

**** ITEM 18-5C CARRIED ON A RISING TALLY VOTE OF 82 IN FAVOR, 1 OPPOSED, 0 ABSTENTIONS.**

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

D. That the above appropriations in the General Fund, totaling \$145,171,660 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2018 and ending June 30, 2019 as shown by the budget this day approved.

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

RTM, May 14, 2018

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**** ITEM 18-5D CARRIED BY ACCLAMATION VIA VOICE VOTE.**

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

E. Appropriations for other funds are hereby made below for the 2018-2019 fiscal year as shown by the budget this day approved;

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

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

**** ITEM 18-5E CARRIED ON A RISING TALLY VOTE OF 83 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

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

F. That a tax of 16.08 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$8,589,999,025 on property as of October 1, 2017 payable in two equal semi-annual installments,

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

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

**** ITEM 18-5F CARRIED ON A RISING TALLY VOTE OF 82 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

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

G. 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 14, 2018, be authorized to borrow on the note or notes of the Town the sum of five million (\$5,000,000) dollars or so much thereof as may be necessary for the general expenses of the Town pending the collection of either or both of said semi-annual installments of taxes on or prior to June 30, 2019.

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

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

**** ITEM 18-5G CARRIED ON A RISING TALLY VOTE OF 81 IN FAVOR, 0 OPPOSED, 2 ABSTENTIONS.**

18-6

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

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

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

RESOLVED:

Section 1. The sum of THIRTY MILLION DOLLARS (\$30,000,000) is appropriated to fund the redemption and the payment, in whole or in part, as determined by the First Selectman, the Town Treasurer, the Board of Finance or any Town official designated by the Board of Finance and the Finance Director of the Town of Darien (the "Town"), of the outstanding principal, accrued interest and any call premium on all or any portion of any issue of the Town's General Obligation Bonds including, but not limited to, the Town's General Obligation Bonds issued in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017 (the "Prior Bonds"), together with the costs of issuance including, but not limited to, any applicable consultants' fees, legal fees, trustee and escrow agent fees, investment fees, verification fees, underwriters' fees and other financing or transactional costs and other expenses related to the payment or redemption of such bonds for the purposes of refunding them.

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

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

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

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

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

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

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

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

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

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

**** ITEM 18-6 CARRIED ON A RISING TALLY VOTE OF 81 IN FAVOR, 0 OPPOSED, 2 ABSTENTIONS.**

18-7

CONSIDERATION AND ACTION ON ACCEPTANCE OF GIFT OF \$18,925 FROM THE DARIEN FOUNDATION FOR EQUIPMENT REPLACEMENT TO TV 79

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

WHEREAS, pursuant to Section 2.3 of the Code of the Town of Darien, the Board of Selectmen is empowered on behalf of the Town of Darien to accept gifts provided gifts do not have a value in excess of Ten Thousand and 00/100 Dollars (\$10,000.00); and

WHEREAS, pursuant to Section 2.3 of the Code of the Town of Darien, said gifts in excess of Ten Thousand and 00/100 Dollars (\$10,000.00) may be accepted with action by the Representative Town Meeting of the Town of Darien; and

WHEREAS, the Darien Foundation has proposed a gift for equipment valued at Eighteen Thousand Nine Hundred Twenty Five and 00/100 Dollars (\$18,925.00) for TV 79; and

WHEREAS, this gift is to replace the cameras in Room 206, along with their controls and power supplies; and

WHEREAS, this gift includes the installation of new equipment and also the decommissioning and removal of the old equipment; and

WHEREAS, the old equipment will be saved to be used as a back-up if necessary; and

WHEREAS, the Board of Selectmen on April 24, 2018 unanimously approved the acceptance of the gift.

BE AND IT IS HEREBY RESOLVED that the Representative Town Meeting of the Town of Darien accepts with thanks the gift of Eighteen Thousand Nine Hundred Twenty Five and 00/100 Dollars (\$18,915.00) from the Darien Foundation

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

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

**** ITEM 18-7 CARRIED ON A RISING TALLY VOTE OF 83 IN FAVOR, 0 OPPOSED, 0 ABSTENTIONS.**

**UPDATE CONCERNING IMPACT OF ELECTRICAL CONDUIT DISCOVERY ON
DARIEN HIGH SCHOOL PROJECTS**

First Selectman Jayme Stevenson said that the DHS Building Committee, chaired by Jill McCammon, brought to their attention that there is a main electrical line in the way of the cafeteria expansion, so there was discussion as to whether it should be part of the expansion or a separate project. The Selectmen agreed it should be part of the cafeteria expansion project in order to save time and money.

Jill McCammon, Chairman of the Cafeteria Building Committee, said that the line must be moved. It is not to code but is not dangerous. Moving the line is not part of their scope, so they asked permission from the Board of Selectmen. The First Selectman negotiated the cost and scheduling with Eversource. The project begins on June 25th. The duct bank will be relocated on July 31st. Renovation of the interior will start on June 25th. The expansion will begin on August 15th with a completion date of November 16th. The cost is approximately \$336,000, including demolition, removal of two lines, the cost of the architect and supervision. This also includes a tie-in allowance. The next step is to secure financing and obtain necessary approvals. The work cannot be done until this line is moved, and it must be moved.

Jon Zagrodzky, Chairman of the Board of Finance, said that this item was on the agenda of the Board of Finance at tomorrow night's meeting.

**** UPON MOTION MADE AND SECONDED FROM THE FLOOR, IT WAS UNANIMOUSLY VOTED TO ADJOURN AT 10:00 P.M.**

Respectfully submitted,

Cheryl Telesco Blois
Telesco Secretarial Services

**(18-5) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report**

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

I move RTM Resolution (18-5) Authorizing and Approving the July 1, 2018 to June 30, 2019 Budget. Is there a second?

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

The F&B committee met many times during the past six months at both regular and special meetings dedicated primarily to discussing and taking action on this budget; its component parts and the resulting resolutions that are before us tonight. These meetings were in addition to the countless BOS, BOE and BOF meetings that committee members attended as well as individual meetings with various town employees and the Board of Education sub-committee meetings.

Our committee is divided into two subcommittees – the Board of Education Budget subcommittee is chaired by Taylor Carter and the Board of Selectman Budget subcommittee is chaired by Terry Duffy. Lisa Yarnell served as the committee's Clerk and we greatly appreciate her work.

I would like to take this time to thank the Board of Selectman, Board of Education, Board of Finance and the many town staff for their significant work over the past the months working to put together this year's budget. Virtually all of our elected officials are volunteers and they each dedicate significant time and effort to the budget process. A special thanks to Kate Buch, Town Administrator and Jennifer Charneski, Town Finance Director, our Superintendent Dr. Brenner, Michael Feeney, BOE Director of Finance and Operations, and Michael Lynch BOE Director of Facilities.

This year F&B we will be trying something new. An overhead projection of the budget financials for the RTM members here tonight and the television audience. Based upon the final budget being presented tonight, I think we can all agree that the overhead numbers and their resulting mill rate are much more appealing to look at than myself. We are interested in your feedback, on the overhead, not my looks.

Most of tonight we will be discussing the BOS and BOE capital and operating budgets. But I want to spend a bit of time discussing the BOF – typically not well

attended meeting but it may be the most interesting of all town meetings. There policy, general fund balance position, total town debt, debt maturity and principal payment dates, revenues, capital projects – those in process, those completed and those being requested, pension plans, union contracts, FTE growth, fiscal year revenue and expense monitoring, budget transfers and unanticipated expenses are deliberated and discussed. Policies are under constant review and refinement. And finding the desired balance between General Fund position, town debt and how to pay for a budget are discussed and deliberated long before the final budget is presented. They have set the stage. Tonight's budget is very much the result of these deliberations and discussions. Whilst Jon Z is more eloquent and articulate than I am, I will try to provide insight where these deliberations are reflected in the fiscal year 2019 budget.

There is another aspect as RTM Finance & Budget committee Chair I need to mention, the BOF invites input and discussion, they listen (although there are times they may not agree), and they collaborate with the other town boards and the RTM and our committee, such as the buddy system where the F&B committee members join BOF members on the BOF's budget review as well as transfer knowledge to both new and old F&B members.

On another note, the state of the state's fiscal position is still a dark cloud – even as the legislature has completed its second bipartisan budget in seven months. Darien still has had state grants reduced or eliminated and there is continued risk associated with the \$2.7mm Excess Cost Reimbursement calculation included in the BOE budget. That being said, our town remains in strong financial shape. Our credit rating remains at Aaa from Moodys. And we have adequate reserves and a bright future.

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

- Total expenditures of \$145.2mm, down \$132m (or 0.09%) over last year's \$145.3mm.
- During the year the town changed its actuary. The new actuary found an error in a prior year's calculation and some assumptions were changed to be more conservative and more accurately reflect plan conditions. The method used to determine the pension contribution made by the Town and BOE was also changed. These pensions cover the town and non-certified BOE employees. As a result, the increase in the Actuarially Determined Contribution from fiscal year 18 to fiscal year 19 was \$133m on the town side and \$286m on the BOE side. These are not a one-time increase.

- The BOF decided to bond the DHS baseball turf field and the Holmes school roof and skylight replacement which totals approximately \$1.6mm. These items are out of this budget and will be brought to the RTM for approval of the appropriations and bonding at a later date. Both items meet the criteria for bonding with useful lives of 10 years and 20 years, respectively. And with respect to the baseball turf field eliminates the periodic spikes in capital when field replacements were previously approved – smoothing capital payment over the life of the asset. This was an area of significant deliberations at the BOF.
- In order to fund this year's budget proposed taxation will be \$136.5mm, up $\frac{3}{4}$ of a percent versus the prior year. The \$8.7mm difference between the \$145.2mm that we spend and the \$136.5mm needed to be collected is from revenues including state grants, licenses, permits, fines, charges for services, investment income and a host of other non-property tax sources. These revenues are down \$45m or $\frac{1}{2}$ of a percent from the prior year.
- One of the changes made this year by the BOF was to not draw down \$1.1mm from the Town's General Fund which had been done in prior years. The \$1.1mm was never used and had to be treated as assigned General Fund balance. Credit agencies prefer unassigned General Fund balances. Instead, the BOF adjusted upwards the tax collection rate which better reflects the historic rate. The new tax collection rate is calculated by using average of the adjusted tax collection rate for the last five years less 25bp. The 25bp allows for challenges to assessments as well as changes in the collection rate. In summary, the tax collection rate has moved from 98.9% to 99.3% or an increase of 40bp.
- Finally, our town's adjusted grand list grew from \$8.379bn to \$8.486bn, or 1.27%, adding approximately \$1.7mm of incremental tax revenue resulting in a mill rate of 16.08 or a decrease in the mill rate of $\frac{1}{2}$ of one percent.

To recap:

Budget is down .09%

Revenues are down $\frac{1}{2}$ of one percent most of which is a reduction in state grants

Taxes required to fund expenditures are down $\frac{1}{2}$ of one percent

Grand List is up 1.27%

The proposed mill rate is 16.08 down, and I repeat, down from 16.16 last year.

Contained in the resolution before you tonight are 7 different items - A through G - the three most important items are: Town's Operating Budget; Education Operating Budget and the appropriation of Capital.

The remaining items D through G are more mathematical or administrative as they simply sum up other parts of the budget; generate the necessary mill rate to raise taxes that will be sufficient to fund what we will spend; establish transfers to other Town funds or allow us to borrow short term debt if there is a timing difference between the Town's spending and receipt of tax revenues.

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

Respectfully submitted:

Jack Davis

RTM Finance & Budget Committee Chair

May 14, 2018

**(18-5)(A) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report
Item B – Capital Budget**

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

I move "Section A" of RTM Resolution (18-5) Appropriation in the Reserve Fund for Capital and Non-Recurring Expenditures. *Is there*

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

All of the individual capital projects approved in this budget reside in this Fund's appropriations, the Reserve Fund for Capital and Non-Recurring Expenditures. The BOS operating budget capital line item is a mere transfer to this Fund.

There are four ways the town pays for capital projects. Which payment option is used is the purview of the BOF. The options are:

- Bond for capital projects
- Pay for capital projects from the General Fund
- Pay for capital projects from the Contingency account within the Reserve Fund for Capital and Non-recurring Expenditures. This account is the result of the net over/under of closed projects and managed by the BOF. It represents amounts taxed in the prior and current years.
- Or tax for the capital projects within the current budget

The total appropriation for capital and non-recurring items for the current budget is \$4,235,036. This amount is to be funded primarily through taxes. It is a combined balance of both BOE and BOS requests broken down as follows:

- BOE - \$1,275,930
- BOS - \$2,959,106

The total request for capital projects for the fiscal year 2019 is down \$2,475,620 or 36.9% from the prior year. Looking over a three year period, the reduction in capital is attributable to:

- As previously mentioned, the replacement of the DHS baseball turf field (\$575m) and the Holmes School roof and skylight (\$1mm) will be bonded and are removed from this budget. The RTM will address the appropriation and bonding at a later date. These projects are not included in the tax for the current year's budget.

- Last year's capital request for \$6,710,656 included four items deferred from fiscal year 2017 – the TH generator (\$265m), the DHS cafeteria expansion (\$1mm), the DHS storage shed (\$250m) and a BOE truck replacement (\$50m) totaling \$1.6mm. Last year the RTM approved bonding resolutions for the DHS cafeteria expansion (\$1.7mm), the DHS shed and the TH generator totaling \$2.2mm although all of these items were included in the tax last year.
- The Darien Foundation is funding the Channel 79 equipment, we will address that resolution later tonight resulting in a \$25m reduction

Taking these adjustments into account, actual adjusted year to year comparisons are as follows:

- The BOS capital requests are down \$247m or 7% from the adjusted fiscal year 2018 and \$470m or 14% from the fiscal year 2017
- The BOE capital requests are down \$679m or 34% from the adjusted fiscal year 2018 and \$2,040m down from the adjusted fiscal year 2017 – excluding the turf field and Holmes school roof and skylight which will be bonded at a later date.

Within the BOS capital requests are the funding of several key reserve accounts – examples being:

- \$500m for FC apparatus replacements (we do not bond for replacing our fire engines); (up \$25m)
- \$199m for replacement of police vehicles;
- \$220m for replacement of PW equipment; (up \$35m)
- \$200m for sidewalk rehabilitation;
- \$903m for repaving of our roads (where I should note that the State has reduced the town's grant used to support this activity). The repaving is a capital expense that will not be bonded and is done on an annual basis. (up \$18m)

It also includes the one-time expense for \$150m creating the plan and drawings for Pear Tree beach

The above items total \$2,172m or 73% of all approved BOS capital projects/accruals.

Within the F&B committee, there was the greatest discussion regarding Pear Tree beach project and the \$40m capital expenditure for surveying encroachment areas within our town parks. The latter will be a new ongoing capital expenditure for the next several years, though the cost may vary from

year to year. Overall, the committee, as a whole, strongly believed these were necessary.

Capital requests for the BOE will be covered in greater detail within the RTM Education committee's report. The larger projects within the BOE capital improvements are as follows:

- At DHS - \$103m to provide a new wireless clock system
- At Hindley - \$168m to replace windows in the original building; \$150m to upgrade original building pneumatic control to digital – phase 2
- At Ox Ridge – to replace main distribution board with new, including new service and primary/secondary feeder work and pad mount transformer for the electrical for \$293m
- At Royle – Add backflow preventers on water mains for \$110m – this has been done already at other schools...in addition, there will be an upgrade to corridor lighting for \$51m
- At Holmes – in addition to the roof and skylight, a backflow preventer will also be installed (\$46m)
- At Tokeneke – correct the boiler room piping for \$85m

These projects comprise \$896m of the \$1,276m requested or 70%. The greatest discussion regarding these projects was the replacement of the main distribution board at Ox Ridge – considering the potential building project under consideration. According to Michael Lynch, facilities manager, the current electrical panel is dangerous to work on – although not dangerous to our students – and will need to be used for a couple of years until the new Ox Ridge elementary school – in whatever form – is completed. It is anticipated, per Mr. Lynch, that the distribution board will be able to be used in the new Ox Ridge elementary school.

The RTM F&B committee votes separately on BOS and BOE approved capital projects. At our meeting on April 30, 2018 with 10 of 15 members present, the RTM F&B committee voted 10 in favor, none opposed, and 0 abstentions to approve both the BOS and BOE capital proposed and recommend the same to the full RTM. No motions were made to cut any capital.

Respectfully submitted

Jack Davis

RTM Finance and Budget Committee Chair

May 14, 2018

Education Capital Budget

The Board of Education requested budget for priority 1 Capital Projects for 2018-2019 was \$2,854,993. Subsequently the Board of Finance has voted to bond three of the items from the original Capital Budget specifically:

- The replacement turf field at Darien High School
- The Holmes EDPM Roof
- Holmes Skylight replacement

These items total \$1,579,063 and are removed from the capital projects leaving a balance of \$1,275,930 to be approved by the RTM.

The single largest item in the capital project budget is \$293,000 for a new Main Distribution Panel at Ox Ridge School as the existing electrical panel is obsolete, repair parts are no longer available, and it has become impossible to find repair personnel to work on the panel. The new panel can be reused in the new Ox Ridge School when it is built.

The other items in the capital budget are for immediate maintenance requirements, for example, window replacements, backflow preventers, sump pumps, boiler room piping, updating pneumatic controls to digital and renovations to classrooms that are over 40 years old. All of these items are necessary and need to be done in the next budget cycle.

The RTM members who participated in the April tour of all 7 school buildings have seen that all of these projects are needed.

THE RTM Education Committee met on April 23th with 14 of 14 members attending. The motion to approve the \$1,275,930 2018-2019 Education Capital Budget was approved 13-1. The no vote was specifically because that member does not approve of the Town borrowing to cover capital expenses.

The RTM Education Committee recommends that the members of the RTM approve the Education Capital Budget of \$1,275,930.

**(18-5) (B) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report
Item B – The Town’s Operating Budget**

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

I move "Section B" of RTM Resolution (18-5) Authorizing and Approving Appropriations in the General Fund for the Selectmen’s Operating Budget. I second.

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

The Town’s Operating Budget is \$47.0mm, down 5% compared to the prior year’s budget of \$49.4MM.

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

1. Town Services
2. The Library’s operating budget
3. Debt Service
4. And the transfer of funds to the Reserve Fund for Capital and Non-Recurring Expenditures

It is also important to note that this part of the budget is the appropriations for expenditures. Associated revenues is addressed in section F as an offset in calculating the mill rate. I will address certain aspects of revenue in this section.

1. Town Services – I will be brief in F&B’s report as I expect other RTM committees will be providing this assembly their respective BOS area reports. This part of the budget includes public safety, human services, parks & recreation, public works and general government. This is the portion of the budget that the Board of Selectman and the town administrator are responsible for managing. This portion of the budget is \$28.6mm, up \$874m (or 3.16%) from last year’s total of \$27.7MM. It is best to describe this year’s budget holding firm. There are no single large areas of increase. It is a lot of smaller \$5m to \$20m items with other items having decreases that add up to this year’s budget increase. These were reviewed and discussed with departments by the Town Administrator, the BOS, the BOF and the RTM F&B committee. None seemed unreasonable. Some of the increase can be attributed to FTE’s added

last year on a staggered basis which will have a full year of salary expense in this budget. In addition, as previously noted, the increase in the pension accrual for \$117,816 accounts results in an incremental increase in the Town services budget of 43bp or 14% of the total Town Services budget increase.

2. Library Operating Budget - The Library, although privately owned, has its operating budget paid by the Town. The Library is responsible through fundraising for purchase of books, technology and capital improvements. The Library's proposed budget is \$3.732mm, up \$47m (or 1.28%) from last year. The drivers of this increase are:

- This is the final year of a "catch up" employee salaries to bring in line with market rates
- These were partially offset by the Friends of the Library picking up pension costs associated with the allocation of library employee salaries attributable to work being performed for the Friends – such as fund raising. Also included in the increase was \$15m of incremental pension costs due to the increase in the pension accrual attributable to the actuarial adjustments and modifications.

On a different note, it appears that the operating agreement between the town and the Friends dates back to the early 1960's when I was about 10 years old and many in this assembly were not even born. The Friends and the Town have agreed to revisit this operating agreement during the fiscal year 2019.

3. Debt Service – Terms, conditions and length of any debt issuance is the purview of the Board of Finance. Only the Town can issue debt – neither the BOE nor Sewer Authority can issue debt. As such, the total debt has components of Town debt, BOE debt and Sewer debt all of which is attributable to capital current and past projects. Total repayment of debt in the proposed budget is \$10.813MM down \$926M or 7.9% from the prior year. Specific to the component parts:

- Town debt service is \$3.651MM down \$76M or 2.04% from the prior year.
- BOE debt service is \$6.455MM down \$739M or 10.28% from the prior year.
- Sewer debt service is \$708M down \$111M or 13.53% from the prior year.

The current debt service allocation is 59.7% for Board of Education projects, 33.8% for Town projects and 6.5% for Sewer projects (which is paid specifically by user fees).

As of June 30, 2019, the Town will have approximately [\$59.359mm] of outstanding debt. And current projections are to pay down principle in the amounts of:

- \$9.1mm in fiscal year 2020
- \$8.9mm in fiscal year 2021
- \$8.2mm in fiscal year 2022

Based on our current debt amortization schedules, we expect to repay approximately \$8.832mm of debt in the coming year. Within this budget tonight, there is no issuance of new debt, however the budget does assume an issue of \$3.165 in fiscal year 2019 and as previously mentioned the Town will seek authorization \$1.6mm of new debt to cover the DHS baseball turf field and the Holmes roof and skylight. The RTM will address those appropriations and debt authorization in the future. The Town's debt position puts it in good shape to handle potential future debt that might be associated with the Ox Ridge School project and other projects.

4. Capital Projects –

The capital projects amount is a transfer to the Reserve Fund for Capital and Non-Recurring Expenditures less Grants received from the State associated with capital. This amount was previously voted on by the RTM. Total capital is \$4,235,036 less Other RFCNRE of \$291,019. The Other RFCNRE is down \$100,571 or 25% from the prior year's total of \$391,590 and down \$206,403 or 41% from fiscal year 2017's total of \$497,422. The RFCNRE primarily consists of State grants including road repaving and earnings on RFCNRE fund balances.

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

Total - \$47.0mm, down 4.81%

Town Services & Public Safety - \$28.6mm, up 3.16%

Library operating budget – \$3.7mm up 1.28%

Debt Service (including Town, Education and Sewer Authority) - \$10.8mm, down 7.89%

Capital Projects (including Town and Education) - \$3.9mm, down 37.59%

At our meeting on Monday, April 30th, 2018 with 10 of 15 members present, the F&B Committee 10 in favor with no opposed and no abstentions to approve the Selectman's operating budget and recommend the same to the full RTM.

Respectfully submitted,
Jack Davis
RTM Finance & Budget Committee, Chair
May 14, 2018

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

The Public Health & Safety Committee met on May 14, 2018 with 11 of 13 members present to discuss and report to the Full RTM on portions of Resolution 18-15, the July 1, 2018 to June 30, 2019 Budget relating to Police, Fire, Disaster Preparedness, Emergency Medical Services, and Human Services.

The Police budget has an overall increase of 1.1%, in line with last year. Increases are occurring in the areas of Professional Standards (Training and Education), Communications, and Station Operations. Decreases are occurring in Records and Fleet Services.

The Fire, Protective & Emergency Services budget has an overall increase of 1.6%. The 3 all-volunteer Fire Departments have a -1.7% decrease which is driven primarily by the Darien Fire Department's decrease in Facility Repair and Maintenance. The Fire Commission and the Fire Marshall budgets have increases driven by improvements being made to the Burn Tower and concrete base, along with the foreseen increased workload with multiple large mixed use developments consuming time during the plan review and construction process.

The Disaster Preparation budget is anticipating a \$15,000 increase in Radio Repair and Maintenance involving equipment for first responders.

The Emergency Medical Service (Post 53) budget is down -5.5% or \$10,000 due to an anticipated decrease in Professional Services expenditures. It is noteworthy that the staffing of Post 53 is all-volunteer and much of the operation is self-funded through donations.

The Human Services Department, which includes the Senior Center, Senior Transportation, Youth Services, and the Public Health Department has an overall budget decrease of -1% or -\$12,853 driven primarily from anticipated increased revenue from the Senior Center and anticipated increased revenue from Summer Day Camps. The Public Health Department's budget is up less than 1%, noting that with the retirement of existing support staff, an increased emphasis will be placed on developing on-line interactive annual permit renewal processes to include food service facilities, salons and public pools. The Public Health budget of \$314,700 receives revenue of \$117,700 from Licenses and Permits.

The Public Health & Safety Committee voted to recommend support of these aspects of the Town Budget 11-0.

Respectfully submitted, James M. Patrick, Chairman

Good evening.

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

At a Regular Session of the PWC held May 14th, with 9 of 13 members present, the PWC considered and voted “unanimously” to recommend approval to the full RTM the Public Works Capital Expenditures and Public Works section of the Selectman’s Operating Budget.

Background:

The PWC held an information session on the budget April 3rd. PW Director Ed Gentile presented. Several line items were noted in the Operating Budget with the overall year-on-year change being basically flat. W/r/t the Capital Budget, a couple offices and hallway carpet items were noted. These are relatively small. Ed noted the completion of the DPW Garage was still the primary capital item taking his departments attention and no big items were added for 2018/19. Ed spoke to the roadway maintenance and ongoing pedestrian infrastructure maintenance as well as expansions tied to the recommendations of the PIAC delivered a few years ago.

deferral from prior years

as per feedback by Jack earlier

Here are some of the details:

From a macro perspective this operating budget reflects no material change on PTEs or FTEs, and is “flat” w/r/t change in operating expenses overall. Reductions related to 1) shift of Mechanic to Sewer and Parking funds, 2) electricity due adjustment related to LED light conversion 3) heating fuels (propane) and motor fuels, 4) tire cost due to change in type used and 5) lower cost of ice control materials were offset by increases in 1) repair and maintenance related to some older trucks in need of major repairs, and 2) street light maintenance associated w/ owning the LED street lights.

The Street Light Maintenance line item, though small, is up, and relates to the maintenance contract on the new LED fixtures.

On the Capital side of the Budget:

Aside for the small Town Hall items noted the other items are the sidewalk rehabilitation and street paving line items which are the standard phasing of these on a 20-year life-expectancy cycle. 95 Jack noted.

Depending on how you measure it this is the second or third consecutive year the PWD has been able to deliver a virtually flat operating budget. This budget is accomplished while the PWD continues to make meaningful and measurable improvements to the service provided to the Town at the same time implementing sustainable operating efficiencies.

The Public Works Committee appreciates the continued high level of service provided by our DPW, a core function of Town government, and asks that you vote "Yes" and ratify Item 18-5.

Thank you.

WARNING 18-5

2018-2019 DARIEN TOWN BUDGET

Good evening,

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

The RTM Parks & Recreation Committee met on May 9, 2018 with 10 of 15 members present, constituting a quorum. The Committee voted unanimously to support the Parks & Recreation portion of the 2018-2019 Town of Darien Budget as recommended by the Board of Finance.

The Parks & Recreation Operating Budget is \$1,345,368.00. This budget is essentially flat with an approximate increase of \$6,000. There is a slight increase in secretarial hours to help the office with new events and programs and an added pest control account expense for geese control. Looking to the future, a Parks Maintainer position will probably be necessary as the Ox Ridge and Short Lane properties come on line.

The Parks & Recreation Department Capital Budget request is \$287,000. This request includes money for surveying encroachment areas in Woodland Park, doing electrical work at Cherry Lawn for the gazebo and pond aerator, updating playground equipment in the parks where needed, replacing trees, purchasing maintenance equipment, making improvements to the Short Lane property and developing construction drawings for Pear Tree Point Beach.

The department continues to increase revenues to offset expenses. This year's budget anticipates nearly \$600,000 in revenue. Revenue in Organized Recreation and Events is anticipated to be \$160,000. Paddle Court and Paddle Hut rentals plus Beach Parking Permits could increase revenues by \$15,000. Park Facility Permit revenue is expected to increase by \$8,000.

As always it has been a pleasure to work with Pam Gery, Director of the Parks & Recreation Department, and Mary Flynn, Chairman of Parks & Recreation Commission. In January Pam walked our committee through this proposed budget. It was invaluable.

Most importantly, with the 2018-2019 Budget, the Parks & Recreation Committee is looking forward to getting started with restoring Pear Tree Point Beach. It has been long overdue. We hope you will feel the same and will support this budget.

RTM Education Committee report to the RTM May 14, 2018

I am Clara Sartori, District II, Vice Chairman of the RTM Education Committee

I move RTM Resolution (18-5 (C)) Authorizing and Approving the July 1, 2018 to June 30, 2019 Budget. An appropriation in the General Fund to the Education Operating Budget of \$98,122,266. Is there a second?

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

First of all, I would like to thank the members of the RTM Education Committee for their commitment and hard work this budget season. There were many meetings to attend and many facets of the budget to learn and the committee worked well bringing various points of view to bear and resolving issues.

Additionally, I would like to thank the Board of Education for hearing the combined messages of the Board of Finance, the RTM Education Committee and the RTM Finance and Budget Committee and working very hard to propose a budget for the 2018-2019 year that provides for continuation of the excellent public schools that Darien is known for at a reasonable increase over the previous budget year.

The Education Operating Budget for 2018-2019 totals \$98,122,266, an increase of \$2,247,489 or 2.34% over the approved budget for 2017-2018. The 2.34% increase includes a 26 basis point increase in pension costs for non-certified staff. This increase was unexpected and arose when a new actuarial firm, hired by the Town, discovered an error in a prior year's calculation and reflect the plan conditions. Without the unanticipated pension cost increase, the budget year over year would be up only 2.08%.

To put the increase in context, Personnel costs, health insurance and retirement costs taken together are \$80,526,811 and represent 82.1% of the total budget and are non-discretionary contractual obligations. Some 67% of the budget represents personnel costs of \$65,902,209 which rose 2.4% reflecting the 3.4% annual contractual salary increase partially offset by declines in headcount. Health insurance costs representing 11.6% of the budget rose 6.26% and pension/retirement costs representing 3.0% of the budget rose 9.3% due primarily due to the revised actuarial estimate of annual pension contributions. Other items over which the administration has little control include pupil transportation, fuel oil and electricity which taken together represent an additional 3.6% of the budget.

Fitch Academy will be moving from the library to new space on the Post Road across from the library and will increase enrollment to 24 students increasing its budget by 58% to \$420,000. This school year the anticipated 12 spots were filled and 3 additional students were added. The Administration estimates that Fitch provides a cost avoidance of over \$400,000 for those students. Although it will take time to look back to

39 m of debt

truly evaluate the success of Fitch Academy, its first year was clearly an achievement for its students and teachers.

Significant investments in technology equipment amounting to over \$561,155 will continue to fund district wide initiatives including replacing SmartBoards, wireless network upgrades, professional development and software subscriptions to support instructional practices. The K-8, 1:1 chrome book initiative and the iPad rollout at Darien High School are also supported within this budget

In the 2018-2019 budget Special Education costs increase by 1.6% in Personnel and 3.2% in operating costs for total budget of \$26MM. Currently, Special Education represents 638 students with IEPs in K-12 or 14.3% of the total student body, which tracks with Special Education statistics across the state of Connecticut. Of the total, 31.5% are classified with learning disabilities and 30.8% are classified with other health impairments. We are cognizant of the cost and growth of our Special Education programs and monitor them closely.

We are grateful that the Board of Education increased the percentage of anticipated Excess Costs Reimbursement from 68% to 72% more closely reflecting what we expect to receive from the state. Our Special Education programs from the Early Learning Program to the Core program at Darien High School are well thought out and constantly adapting to respond to the needs and challenges of the students.

The RTM Education Committee met on April 23rd with 14 of 14 members attending. The Committee discussion on the budget centered on the inclusion of the Assistant Athletic Director position with members both for and against this position. Members of the Committee felt that in general there needs to be great vigilance with regard to adding positions to the payroll especially considering the associated benefits costs. There was also significant concern regarding hiring the associate athletic director prior to the Board of Education examining athletics and extracurricular activities in depth as expected this summer. There was a motion to remove \$18,000 from the operating budget as a way to make a statement against the inclusion of the AAD position. The motion failed with a vote of 11-3.

A motion was made to approve the \$98,122,266 Education Operation Budget for 2018-2019. The motion was approved by a vote of 13-1.

The RTM Education Committee recommends that the members of the RTM approve this resolution.

**(18-5) (C) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report
Item C – The Education Operating Budget**

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

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

I wanted to remind everyone about the uniqueness of the BOE operating budget. In the state of CT, BOE are elected by the local citizenry and their operating expenses funded by local tax dollars but their authority comes from the State. As such, the BOF and RTM do not have line item veto as we do with BOS and BOE capital and the BOS operating budget. We approve an aggregate amount for expenditures – the line items that both RTM Education and F&B committees reviewed are placeholders. While it's not our purview to determine the minutia, we do discuss, attempt to influence, cajole, disagree and, at times, agree during the budget discussions. *The committee reviews all cost centers and line items - down to the last Tuba.*

That being said, the BOE has listened to the thoughts and input from your RTM committees and the BOF and adjusted prior year budgeted or actual amounts in the following areas:

- Excess Cost Reimbursement – the State reimbursement of individual student SPED costs in excess of 4.5 times the average cost for a student was adjusted this year resulting in an increase of \$436m which better reflects the historic reimbursement rate
- The budgeted estimate for staff turnover – the anticipated differential in salaries between higher salaried teachers retiring or leaving and their replacements was also increased
- Jon Z, chair of the BOF, has often spoken regarding the long term cost of adding new FTE's – this budget has a net reduction of 5 FTEs in BOE staff
- And legal expense was reduced by \$75m in anticipation of lower FOIA requests

This year the RTM Finance & Budget committee also reviewed the last five years budgeted amounts to actual spend. Well, actually Taylor Carter performed this yeoman task. Again, I remind everyone that the line items are placeholders and transfers occur and are discussed at full BOE and their Finance and budget sub-committee throughout the year – as is the case with the BOS operating budget. The differences were discussed. The fiscal year 2018 movement of funds

between accounts addressed some initiatives not anticipated during budget deliberations such as installing additional security at DHS and the lockdown system at all schools as well as expediting the implementation of the 1:1 technology tool at DHS. Even with those initiatives, the BOE returned to the Town's General Fund over \$480m – the equivalent of the incremental amount of Excess Cost Reimbursement received that than in the original fiscal year 2018 budget. Put another way, the extra monies received was returned to the town's General Fund.

There are risks in this budget. The budget assumes a continuation of the safety net reimbursement to towns by the state referred to as Excess Cost Reimbursement. This budget anticipates receiving \$2.7mm back. The Federal government also provides a two year IDEA grant for approximately \$784m that directly pays for 16.2 FTEs. This amount is not included in the budget as there are specific requirements associated with this grant. The detail is in the BOE Grant Appendix. However, any loss or reduction in this funding would have a direct impact as those expenditures would need to be absorbed by the BOE budget.

The BOE budget for the fiscal year 2019 is \$98.1mm up \$2.2mm or 2.34%.

- As previously discussed, 26bp of that increase is attributable to the changes in the pension plan accrual without which the increase would be only 2.08% - 8bp less than the prior year's increase.
- Personnel costs increased from \$64.2mm to an adjusted \$65.5mm or under \$1.3m or 1.9% adjusted for anticipated staff turnover. The \$1.3mm increase includes the contractual 3.24% salary increase approved by the RTM 2 years ago for certified staff. The teacher certified staff alone comprise 445 or 58% of the total 765 employees within the BOE budget. And that total excludes guidance counselors, social workers, school psychologists and other certified staff covered by that 3.24% contract.
- The largest increase by category was fixed costs – up over 5.46% or \$979m or 44% of the total BOE increase over the prior year's budget. The main contributors were the previously mentioned being the pension accrual increase for \$286m or 38% over the prior year partially offset by a \$45m decrease in other post-employment benefits and health care costs up \$668m or 6.25%.

Simply put:

- Total net budget is up \$2.2mm or 2.34%
- Total expenditures are up \$2.7mm or 2.71%
- The majority of that increase can be attributed to:

- Adjusted Personnel costs representing 48% of the increase at \$1.3mm or a up 1.9%,
- Staff down 5 FTEs and
- Fixed costs representing 36% of the increase up \$979m or 5.46% due to increases in
 - healthcare up \$668m or 6.25% and
 - retirement benefit up \$279m or 9.3%
- Total expenditures were mitigated by an increase in ECR of \$436m

At our meeting on Monday, April 30th, with 10 of 15 members present, the F&B Committee voted unanimously to approve the Education Operating budget and recommend the same to the full RTM.

Respectfully submitted
Jack Davis
RTM Finance & Budget, Chair
May 14, 2018

**(18-5) (D) and (E) RTM RESOLUTION AUTHORIZING AND APPROVING
THE JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report**

Item D – Total budget

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

I move Section D of RTM Resolution 18-5 Authorizing and Approving the Appropriations of Total Appropriations in the General Fund. Is there a second?

As this is an addition of Sections A, B and C we will do a voice vote. All those in favor say Yea, Opposed say nay.

Item E – Appropriations for Transfer of Funds

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

I move "Section E" of RTM Resolution (18-5) Authorizing and Approving the Appropriations of Transfer of Funds. Is there a second?

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

This item includes 5 different appropriations from different funds. All of the appropriations are "self-funding" which means the fund that collects the revenues, user fees or taxes automatically feeds the expenses for the services which it provides. The Sewer funds excluding the Sewer capital funds reimburse the Town for Sewer related town debt.

At our regular meeting on Monday, April 30th, 2018, the F&B Committee voted 10 in favor, none opposed and no abstentions to approve all of the appropriations and recommend the same to the full RTM.

**(18-5) (F) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report**

Item F – Mill Rate

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

I move "Section F" of RTM Resolution (18-5) Authorizing and Approving the Mill Rate.

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

This item sets the mill rate that is used for collecting taxes during the coming fiscal year. Assuming no changes to the proposed budget, the mill rate will be 16.08 based on the \$8.486 billion adjusted Grand List and a 99.3% tax collection assumption. The current adjusted grand list is 1.27% higher than the prior year's adjusted Grand List of \$8.379 billion. (Current grand list is \$8.590bn prior to adjustments.)

As a reminder, the mill rate is the result of dividing the adopted budget, less non-property tax revenues reduced by certain abatements (that represent state and local tax relief adjusting the grand list by \$40,228M) and then adjusted for the expected collection rate of 99.3%. That number is then multiplied by 1,000.

As previously mentioned after careful deliberations and thought, the BOF changed part of the mill rate calculation this year. The drawn down of the General Fund by \$1.1mm was eliminated and offset by increasing the tax collection rate to better reflect the actual 5-year historic adjusted collection rate less 25bp.

Back to the calculation. The numerator is the \$145.2mm budget less \$8.7mm of non-property tax revenues including state grants leaving \$136.5mm of property taxes that the town will collect.

The denominator is the \$8.590bn grand list, less tax abatements for a net adjusted grand list of \$8.546bn. This is then multiplied by 99.3% to adjust for the assumed collection rate which produced an adjusted grand list of \$8.486 billion.

Divide \$136.5mm by \$8.486bn and then multiply by 1,000 and you have the 16.08 proposed mill rate.

At our meeting on Monday, April 30th, 2018, the F&B Committee voted to approve the mill rate that would be necessary to fund the budget and recommend the same to the full RTM. The votes were 10 in favor, none opposed and no abstentions.

Respectfully submitted

Jack Davis

RTM Finance & Budget Committee Chair

May 14, 2018

**(18-5) (G) RTM RESOLUTION AUTHORIZING AND APPROVING THE
JULY, 1 2018 TO JUNE 30, 2019 BUDGET
RTM Finance & Budget Committee Report**

G

Item # – \$5mm Borrowing Resolution

(Added during meeting - After this long evening, I am still) Jack Davis, District 3, Chairman of the RTM Finance and Budget Committee.

I move "Section G" of the RTM Resolution 18-5 Authorizing and Approving \$5mm of borrowing. Is there a second?

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

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

The Committee met on April 30, 2018 with 10 of 15 members present the committee voted 9 in favor, none against and 1 abstention to recommend the full RTM approve this motion.

Thank you.

Respectfully submitted,

Jack Davis
Chair, Finance & Budget Committee
May 14, 2018

(18-6) RTM RESOLUTION APPROPRIATING THIRTY MILLION DOLLARS (\$30,000,000) TO REFUND CERTAIN OF THE TOWN'S OUTSTANDING BONDS AND AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION

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

I move RTM Resolution (18-6) Appropriating Thirty Million Dollars (\$30,000,000) To Refund Certain of the Town's Outstanding Bonds and Authorizing the Issuance of Refunding Bonds to Finance Such Appropriation. Is there a second?

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

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

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

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

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

At its regular meeting on Monday, April 30th, 2018 with 10 of 15 members present the F&B committee voted 9 in favor; none against; and one abstention approving this resolution and recommending that the full RTM do the same.

Respectfully submitted
Jack Davis, Chair, RTM Finance & Budget Committee
May 14, 2018

**(18-7) CONSIDERATION AND ACTION ON ACCEPTANCE OF GIFT OF
\$18,925 FROM THE DARIEN FOUNDATION FOR EQUIPMENT
REPLACEMENT TO TV 79**

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

*I move RTM Resolution (18-7) Consideration and action on acceptance of gift of
\$18,925 from the Darien Foundation for equipment replacement to TV 79*

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

This is a gracious gift once again from the Darien Foundation funding a capital request that was once in this budget. Essentially it is replacing older equipment and improving TV 79's capabilities.

At its regular meeting on Monday, April 30th, 2018 with 10 of 15 members present the F&B committee voted unanimously to accept this gift and recommend the same to the full RTM.

Again, a thank you to the Foundation.

~~If the moderator does not have a problem, I believe we might be able to do this via acclamation. All in favor say Aye.~~

Respectfully submitted

Jack Davis, Chair, RTM Finance & Budget Committee

May 14, 2018