



Peter B. Webster
Town Manager

MEMORANDUM

TO: Board of Selectmen

FROM: Peter B. Webster, Town Manager

DATE: October 22, 2010

SUBJECT: Information for the Selectboard

FY2012 Budget

During the past two weeks I've received proposed budgets from every Department Head and have started my one-on-one meetings with each to go over their proposals. I'm not sure I will be able to provide 'side-by-side' budgets, one with current level of services, the second reflecting a 5% cut in spending. With health insurance expected to increase by 17.5% and salaries rising after a freeze this past year, there is very little ability to present a 5% cut for some of our departments. As for salaries, I have a philosophy that has union and non-union employees progressing at the same rate—I don't want bargaining unit employees receiving greater (or lesser) wage adjustments than non-bargaining unit employees. It's simply not equitable. You will recall that our new 3-year union agreement with police and DPW employees provides for a COLA that matches the 5-year average of the CPI-U Northeast, which amounts to about a 2.3% increase. In addition, most of the union employees all get step increases as well, so I am going to recommend to you that all non-union employees match that, receiving a 4.0% increase. With salaries and benefits amounting to more than 42% of the total Town budget (\$1,602,114 out of the total budget of \$3,800,000, not including voted appropriations), this budget is further compounded by a huge increase in health insurance rates -- remaining areas of the various departmental budgets would have to be cut substantially greater than 10% to achieve an overall 5% budget reduction. It simply cannot be done without significant

reduction in our delivery of services (cutting back on police and highway personnel, cutting back on hours of operation in Tracy Hall, reducing our commitment to infrastructure maintenance, reducing Recreation programs and eliminating life guards, for just a few examples). I will once again point out that our current budget is 2.9% greater than the actual spending from five budgets ago, in FY07, and the resulting tax rate is 4.2% lower than that FY07 budget, a remarkable track record. This despite all the commodity increases we've experienced over those five budgets, increases to insurance rates, county taxes and other expenses over which we have no control, a Grand List that is stagnant, declining revenues and increasing demands for services from local government. Most all of the blood has been squeezed from the stone that is the Norwich municipal budget. I am trying to prepare you for an exceedingly difficult budget season, as we enter the November-December-January budget quarter, but you have my assurance that I and all the Department Heads will do our best to provide you with a budget that is as thoughtful, comprehensive and conservative as possible.

Recreation—Huntley Field

I walked the perimeter of the entire Town-owned property with Jill and Jen Hubbard, as Jen has been thinking about a mountain bike path at this location for several years now. The track would be a little over one mile long, with various features that would be built into the course that will appeal to off road cyclists of all abilities. The purpose of the track will be to provide one more outlet for our residents, for our kids, especially for those parents who have one child at a soccer practice, and want to keep a second child occupied as well. I fully support the concept, and the expense of creating such a path will be minimal. I'll have more information for you as we move forward on this and the plans come into better focus.

The newly renovated field and new stairs look absolutely wonderful, and will look even better as these improvements age with time. We're working on plans for another project utilizing the correctional department inmates.

DPW Master Site

Rob Townsend of A.C.E.S. (American Consulting Engineers & Surveyors) is just finishing up the Master Site Plan for the Public Works property. I'll have some preliminary plans to share with you Wednesday, plans that Andy and I find very creative, innovative and exciting. We have met with David Roy, the architect working for A.C.E.S., to go over his ideas and design plans. As part of that master site plan, there is a detailed survey with contours and elevations, and we will have an identified area for the proposed photovoltaic project (and a potential site for an emergency communications tower) up behind the existing garage; the Norwich Energy Committee is working hard to develop a new RFP for your review by your Nov. 10th meeting. Their goal is to have sufficient time, after proposals and bids are received, to educate and inform the public about this

project and the finances that are such an integral part of it, well in advance of the deadline for warned articles for the March 1 Town Meeting.

Fire Department/Police Department

I was pleased you were all able to tour the Police and Fire departments last week, and learn about the deficiencies that exist in both those buildings. Having the low bidder on the roof proposals there was a plus, as I learned much from the questioning of his proposal, and the merits of the membrane roof he has offered. I look forward to the continuing discussion of these much needed improvements to the building.