



ESTABLISHED 1659

CITY OF NORWICH

CONNECTICUT

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To: Mayor and members of the City Council

From: John Salomone, City Manager

Subject: City Managers report

Date: February 16, 2016

I continue to visit various departments and facilities as time permits. In the last week, I have visited the Norwich community Development Corporation (NCDC) and had a good conversation with Mr. Mills. I plan on being active with my position on the NCDC board and will attend the next meeting scheduled for the last week of February.

I took a tour of various town facilities with Mr. Ryan Thompson, Director of Public Works. Since it was right after the recent snowfall I was able to see our snow removal team in action. Each snowstorm is different, with different challenges and costs. The approximate cost of the February 5th snowstorm was \$30,000 and the February 8th snowstorm was \$37,000. Additionally, roughly 660 tons of salt was applied to the city roads. Attached is a graph comparing the snow budget over the last three fiscal years to date. At this point, even though we have had several snowstorms, the city is far ahead compared to the last two fiscal years.

I visited the Reid and Hughes department store building to obtain a first-hand appreciation of the challenges associated with this building. It is my understanding that the building is in much disrepair but poses no safety threat to citizens or property adjacent to it.

I started to visit most of the volunteer fire departments within the city including Laurel Hill, Occum, Taftville and East Great Plains. I was greatly impressed by the professionalism of the chiefs as well as the good condition of each fire station and equipment.

Throughout the week of February 15th I am holding budget meetings with all departments. I will complete the meetings by February 19, 2016.

On February 5, 2016 the City received a financial rating by Standard & Poor's. Standard & Poor's affirmed Norwich is AA rating with a stable outlook. By separate email from the director of finance you have received the detailed ratings report, however, I thought I would highlight for areas which will position us for a rating increase when the economy of Norwich improves further. Standard & Poor's recommended that we continue to build the general fund unrestricted fund balance to the 12%-17% range. Presently our fund balance is in the 8 to 9% range and our goal should be a minimum of 12% if possible in the future. This goal is achievable with sound budgeting practices. We must continue to fund our other posts employee benefit fund (OPEB) and pension plans on a consistent and responsible basis. The rating agency took note that our actuarial assumptions are conservative and within normal parameters and we have a plan to fund the pension balances over the next three years. We must formalize and monitor more financial policies such as the Capital Improvement Fund.

In the months to come I hope to add a brief financial status report so that the City Council is kept abreast of important financial trends.