

Work Session February 20, 2012

Mayor Grenier opened the Work Session at approximately 6:30 p.m. Present: Mayor Grenier, Councilors Nelson, Higbee, Theberge, Otis, Morgan Allain and Rozek. Councilors Remillard and Ducharme were absent. Others present: Patrick MacQueen, Andre Caron and the press.

Mayor Grenier asked Council to add a Non-Public Session to tonight's agenda per RSA 91-A:3, II(e) Litigation. So moved, the item was added to the agenda.

Proposed Property Transfer of 537 Rockingham Street to TKB Properties.

Housing Coordinator, Andre Caron, reported that originally when the NSP first started there was competition between 22-25 places like Laconia and Claremont vying for demolition money. Berlin received points from taking 2 burned properties as one fire and cleaned up, demolished the property but left the sewer and buried the foundations which helped us to get \$4.3 million dollars. It was decided that the NSP project requires energy efficient houses so we worked with TKB who was the contractor for us and they built a house. We used AHEAD out of Littleton to get a sliding scale and found out the property had to be sold to a low, moderate, middle income (LMMI) person. They discussed the situation with NHCDFA and came to the conclusion that it would be better for all parties that the parcel of land and the NSP provided building be transferred to TKB Properties, LLC for ownership and long term stewardship under the contract specifications of the NSP. Andre is asking Council for permission to transfer the land the City owns through the tax deed process.

Mayor Grenier asked Andre if the City had a twenty year contract with TKB.

Andre replied yes it is already in there and TKB has opportunity to buy itself out during that contract period. There will be a lien against it and the lien is to make sure the property taxes are paid and they meet the rest of the criteria. If they don't, the City has the authority to pull it back.

Mayor Grenier asked what happens if taxes don't get paid? Property taxes on a tax lien generally sit in the first position. In this case, who is in the first position?

According to Andre, the City is in first position and he already talked to TKB about it.

Mayor Grenier inquired how they tax the property if it is LMMI eligible. Andre said it is taxed by assessed value only. There is no special treatment even if it is TKB because revenue is based on tenants' income. Andre said TKB has no mortgage so they can stay on a sliding scale basis.

Councilor Theberge asked who TKB was. They are Kevin Lacasse and Tim Coulombe and are sometimes known as New England Family Housing.

Mayor Grenier wants that property occupied because occupied properties tend to last longer and right now Council's hands are tied. The Mayor also wanted to know who pays for any real estate transfer fees and Andre replied none are incurred due to it being a municipality transfer.

Councilor Higbee moved with a second by Councilor Nelson to authorize the City Manager to transfer at the earliest appropriate opportunity, the property and building located at 537 Rockingham Street to TKB Properties, LLC along with the appropriate liens and terms defined in our Neighborhood Stabilization Contract with TKB Properties, LLC. So moved, Mayor Grenier declared the vote unanimous and the motion carried.

Auditor Contract:

City Manager MacQueen told Council that we received two bids last week and the decision to award a contract was delayed a week since Council requested a peer review which was supplied in this weeks' packet for Council review. Council agreed the peer review was good.

The contract bid amount for Vachon, Clukay & Co. for year 2012-\$33,358; year 2013-\$36,241; year 2014-\$37,141.

The other bidder was Graham & Graham for year 2012-\$60,200; year 2013-\$64,500; year 2014-64,500.

There was a significant difference between both firms and for the record, Mayor Grenier mentioned that Vachon, Clukay & Co currently is the City's auditor and they also audit Berlin Water Works and the Berlin Airport Authority.

Councilor Rozek moved with a second by Councilor Otis to award the Audit Contract for the next three fiscal years to Vachon, Clukay & Co. So moved, the motion carried.

Engineering Construction Phase Agreement.

The City Manager presented the proposed agreement to Council which is a draft NH DES Engineering Construction Phase Agreement for the Phase 2 upgrade to the City's wastewater treatment facility. Wright-Pierce will oversee potentially a Fourteen Million Dollar project with their engineering services in an amount not to exceed \$1,249,000. Both the DES and Rural Development have to approve this agreement as well.

Mayor Grenier mentioned that Charlie Lazaro from Wright-Pierce is overseeing the project. It is customary that the City have someone to oversee such large projects. Charlie also oversaw the West Milan Road project which was basically a full time job.

Councilor Theberge questioned who Charlie Lazaro is because the project overview on page 3 of 6 crosses out the word engineer and puts in project overseer instead. Mr. MacQueen confirmed that Charlie is an expert construction manager not an engineer. The City Manager stated that in certain portions of the agreement, he knows wording changes need to be made.

Councilor Theberge asked for clarification on this whole issue because the last time Mike Perreault was here he had Council confused about CSO's off Watson Street going to Burgess.

Mr. MacQueen clarified that this is not part of that and has nothing to do with WWTF. The CSO is overflow of too much sewage in the pipes into the river that is before it is pumped into the treatment plant. One of the possible options they talked about was with I&I, which is too much water in the pipes, that if the City owned the old Burgess Treatment Plant we might be able to pump excess water to that plant and hold it there only.

Mayor Grenier cautioned that the Burgess Treatment Plant is going away because now that the solid waste district is sending water to us they are in the process of putting together a decommissioning plan to DES. That window is closing quick.

Councilor Rozek added that this is the first time the City is aggressively pursuing this I & I issue. In the event that they can't stop the gallage they are looking for, the backup plan was the Burgess Treatment Facility as a holding plant. If they can't stop the I&I with this construction phase, then we have no means or secondary support to store this so we wouldn't be in violation of excess gallage at the treatment plant.

Mr. MacQueen asserted that this construction is for the Waste Water Treatment Plant.

Since Councilor Theberge brought it up, Councilor Rozek went on to say that we really don't have a backup plan. If we can't stop it with the second engineering plan, you leave and we were never able to stop the excess and the Feds say enough, we will have to hold and treat the gallonage and the City will have to put in a huge retention pond that really already exists.

The City Manager concurs that the Burgess Plant was a potential option depending what the decommissioning does. It does not mean we don't have a backup. The backup is we just keep going after I&I and reduce it so it is an acceptable amount. It may be cheaper than using the Burgess Plant by the time it is reconfigured and reconstructed. We will have to determine the least expensive way to go which will involve a lot of engineering and research. In the meantime, we are trying to reduce the I&I directly and ultimately if there are no other options, the City will have to just keep reducing I&I to the point where it does meet Federal requirements. We are not expecting that the Feds will all of a sudden say you have to stop doing this and in the meantime we are aggressively trying to work ahead of their schedule while reducing I&I and hopefully reduce CSO's or eliminate them altogether.

Councilor Rozek understands however, the backup plan of doing that does not exist. If they end up digging Kent and Shelby Streets up and never get the I&I under control, where are we going to dig next? So then we will have to do another study. Right now at that concrete retention pond, used as a retention unit, you could dig 2500-3000 feet through the wilderness and run your pipe directly from the treatment plant to that facility with a pump to push the excess liquid there. It would cost peanuts compared to the other plan.

Mayor Grenier thinks short-term, we would be better off to fix what we have.

Councilor Rozek agrees it is always better to fix a problem. If we are able to retain that for \$150,000 and maybe five or six years from now with this issue of I&I a decommissioning plan is struck, there may be federal monies to help.

Mayor Grenier heard it would run roughly \$900,000 to decommission the plant and he would not want to be part of that.

The City Manager suggested an option could be to pump from Watson Street under the river which would be expensive but might make sense. The other option was to corral what is on the East Side since there is already piping coming down and we could use that as a holding base.

Councilor Theberge reiterated the only reason he brought the subject up was that Mike mentioned the I&I and CSO's from Watson to somewhere around the Burgess area and he did not clearly say Burgess Wastewater Treatment Plant, he just said Burgess Mill.

When we started to discuss this on a simplified basis, it made a lot of sense for the City to own that but as Mayor Grenier expounded, once DES gets involved and it is no longer in operation, they have to decommission that plant and it is \$900,000. It is not something the Mayor wants to get into. If we are going to spend a million dollars, he would rather go after two or three major I&I projects instead.

On the other hand, the City Manager interjected that even after the district decommissions it the City may be interested in purchasing it just for industrial purposes.

Mayor Grenier concluded that the City Attorney will review this agreement and will give his recommendations to the City Council for their first meeting on March 5.

Solid Waste Ordinance:

City Manager MacQueen said that Council discussed the draft at the last meeting and asked for a few changes. Mr. MacQueen proceeded to point out the new changes that were made to this document per Council's previous request.

Mayor Grenier asked Council to read the new draft over this week and we will have it on the agenda next Monday again. We need to have feedback to move this process along. The Mayor asked Pat to see if there is grant money out there to buy new solid waste containers. This should not be done piecemeal but in one big push. If it is not done that way, we will have problems. The Mayor wants the public to know that we are serious about this and they will be making serious changes. We are going to recycle more and will bring more to the landfill. Everybody is going to pitch in. It is important to do the roll-out right even if they have to wait until September.

Councilor Otis agrees info packets need to be sent to residents to make them aware.

The Mayor praised the press for their fair and very good coverage of the issue. All possible scenarios were discussed and looked at and some took offense but that is ok. We will do things differently this time.

Councilor Rozek discussed that while they were on the roll-out campaign, the issue of the Monday pickup ads much confusion especially like today which is a holiday. It was ok today but it usually ends up being picked up on Friday if the holiday falls on Monday. It is not clear at all about Monday pickup.

Councilor Higbee concurs and suggested if the same type of schedule for trash and recycling should be sent out to let people know. Currently there is no calendar for refuse pickup. The calendar is only about recycling. Councilor Higbee would like to see a positive element added to this as opposed to just tougher regulations. We need to focus on the positive to get people excited about doing this.

Mayor Grenier proposed a ten year graph that would compare the amount of tonnage we pay for at Mt Carberry and the tonnage we could avoid to explain the savings at \$67/ton. It would show citizens the advantage of recycling. We are very fortunate we belong to the solid waste district.

Councilor Rozek would like to see a free decal to apply directly to the recycle bin to let people know we are on board and excited to recycle. The logo could be something like "we care."

Other. No items for other.

Non-Public Session per RSA 91-A:3 II(e) Litigation.

Councilor Nelson moved with a second by Councilor Otis to adjourn the Work Session and enter into Non-Public Session per RSA 91-A:3 II(e) Litigation. Roll call resulted in unanimous affirmative votes. Mayor Grenier declared the Work Session adjourned at approximately 7:07 p.m.

Councilor Rozek moved with a second by Councilor Otis to come out of Non-Public Session. The motion carried unanimously by roll call vote.

Councilor Rozek moved with a second by Councilor Nelson to seal the minutes of the Non-Public Session as releasing them would render the proposed action ineffective. The motion carried unanimously by roll call vote.

Councilor Rozek moved to adjourn and Councilor Nelson seconded the motion. So moved, the meeting adjourned at approximately 7:29 p.m.

Respectfully submitted,
Debra A. Patrick, CMC
City Clerk