

CITY COUNCIL MEETING – MONDAY, March 5, 2012

Mayor Grenier called the City Council Meeting to order at approximately 7:25 p.m. in the City Hall Council Chambers. The pledge of allegiance to the flag preceded roll call. Present: Councilors Remillard, Otis, Morgan Allain, Ducharme, Higbee, Rozek, Nelson and Th  berge. Also present: Pat MacQueen, Corinne Cascadden, Angela Martin-Giroux, citizens and the press.

Minutes, Previous Meeting

Councilor Remillard moved with a second by Councilor Otis to accept the minutes of the February 20 Regular Meeting/Work Session; February 27 Work Session. So moved, the motion carried.

Disbursements: It was recommended by the Committee on Accounts/Claims to pay all bills start date 2/23/2012; end date 3/07/2012 for a total cash disbursement of \$1,122,043.87 Draft #1660 Councilor Nelson moved with a second by Councilor Otis to accept the disbursement summary and pay all bills as recommended by the Committee on Accounts/Claims. So moved, the motion carried.

PUBLIC COMMENTS: No comments.

UNFINISHED BUSINESS

1. Council Committee Reports. No Reports.

NEW BUSINESS

2. Ordinance 2012-01 amending the Code of Ordinances, Chapter 13 Streets, Article IV Parks & Recreation, Div. 2 Operation of Off Highway Recreational Vehicles, Section 13-112. Operation of ATV's to allow use of the Connector Trail in conjunction with State trail use. (1st read)

Councilor Remillard moved with a second by Council Otis to table the ordinance and schedule a public hearing on March 19. So moved, the motion carried.

Councilor Theberge added that the word UTV should be added wherever there is a reference to ATV since that was in the last ordinance but was omitted from this one. Mayor Grenier suggested that the ordinance can be amended at the next meeting to make those changes.

3. Resolution 2012-07 authorizing an application to the Healthy Eating Active Living (HEAL NH) for the sum of Ten Thousand Dollars (\$10,000). (1st read)

Councilor Nelson moved with a second by Councilor Otis to table the Resolution and schedule a public hearing on March 19. So moved, the motion carried.

4. Resolution 2012-08 to accept a donation of \$1,870.00 from LBO Holdings, Inc. DBA Attitash to be used as scholarship money for the Berlin Recreation Department's Ski and Snowboard Program. (1st read)

Councilor Remillard moved with a second by Councilor Otis to table the Resolution and schedule a public hearing on March 19. So moved, the motion carried.

5. OPEIU Collective Bargaining Tentative Agreement

	FY12	FY13
	<u>Eff on signing</u>	<u>Eff 7/1/12</u>
MTB101PDED\$10/20/45 250/750	--	(50,582.00)
\$0.47/hr 1 st year; \$0.33/hr 2 nd yr	7,064.38	15,522.79
FICA/WC/Ret	1,624.81	3,570.24
Longevity	4,632.14	--
Incremental Dollar Cost	13,321.33	(31,488.97)

Mayor Grenier explained this is a two year labor agreement that covers the bulk of support staff in City Hall and the Public Works foremen. This proposed agreement is fair for both sides. For years the OPEIU fell behind in order to keep their preferred provider health insurance. The Mayor thanked OPEIU for agreeing to their health care plan which saves both the City and their union money.

Councilor Remillard moved with a second by Councilor Nelson to accept the OPEIU Collective Bargaining Agreement as presented. It was a unanimous vote by Council including Mayor Grenier who declared the OPEIU Agreement accepted.

6. City Manager's Report.
I&I Work Accomplished

Attached is a map showing the I&I work that was able to be completed in February by Nelson Construction. They were able to install 110 feet of new pipe in the wetlands area owned by Barry Kelley east of Riverside Drive. This provides a good start to this I&I project for completion this year.

Fiber Cable Project

As part of an overall project to provide better access to broadband throughout the State, will be installing new fiber optic cable in a south/north direction up through the City of Berlin. This will not only provide better access to broadband for the citizens in Berlin, but will also get our current fire alarm lines in the path of the new fiber optic cable (which are badly in need of replacement) replaced with new fire alarm lines. This work will be carried out by a company called Wave Guide which has been contracted by New Hampshire Optical Systems (NHOS) to design and build "Network New Hampshire Now". This will be a fiber optic cable network throughout the state. NHOS is working in partnership with the University System of New Hampshire as part of a Federal Broadband Technology Opportunities Program grant. A plan showing the route of the cable is attached.

FEMA Floodplain Mapping

FEMA has provided the City with preliminary copies of their revised base flood elevations for Berlin. They have redone the maps which were last revised in 1982. The new maps are easier to review and we will be able to add them to our GIS system once they are finalized. FEMA sent along a list of the changes for communities along the Androscoggin and the list at first seemed as though there weren't many changes for Berlin. Upon further review and consultation, it seems as though there will be several changes along the river and many homeowners who were previously outside the floodplain will now be included in areas prone to flooding forcing them to acquire flood insurance.

Speaking with the Office of Energy and Planning (OEP), City Planner, Pam Laflamme was able to get them to help identify the areas that will be affected as their maps do not show the changes clearly. They have also agreed to help begin the public outreach earlier than planned in order to reach out to homeowners who will be affected by the changes. FEMA will hold a public meeting at some point during the process, but if a homeowner is unaware of the change, they would not know they should show up at the meeting. We are hoping that OEP is able to help us identify all those property owners early in this process. Once it is clear where the changes are, we will add this information to our website for citizens to review and send us comments.

Isaacson Auction

ISSI has been auctioned off by the bankruptcy court to the highest bidder Myron Bowling Autioneers along with Counsel R.B. Capital and Hilco Industrial. This of course appears to be a big step backward in the midst of several steps forward that the area has achieved. However, at this point no one really knows what is going to happen in any detail with the Isaacson assets. It is expected that there will be the loss of many badly needed jobs, but it clearly still has a way to go to play out.

Maynesboro Stud Farm Memorial Ride

I have attached a solicitation from the Berlin and Coos County Historical Society regarding the planned 100th anniversary celebration of the establishment of the Maynesboro Stud Farm in 1912 by William Robinson Brown. This was apparently the historic beginning of the breeding of Arabian horses in this country. To celebrate this, the Berlin and Coos County Historical Society has planned this 100th anniversary celebration for September 15, 2012, with several endurance horse rides in Berlin. They are asking for donations to help them achieve their goal of \$10,000 to fund this historic event.

Legislative Issues

HB 1223 The Legislature will return from its break this week. The House will vote on HB 1223 relative to remedies under the Right-to Know Law. Apparently the Judiciary Committee approved an amendment which provides that if a court finds that an employee or the elected body itself knowingly violated RSA 91-A:12-a or any other provision of RSA 91-A in bad faith that the court "shall" order that such officer, employee, or other official of a public body or public agency be removed from their position or positions within the public body or agency.

It seems that the court could certainly remove an employee from their positions. However, it is the courts that have in the past determined that public employees have a constitutional "due process" right to their positions and therefore can't be removed without due process or in violation of labor agreements.

It also seems pretty extreme that a court could remove an entire City Council from their elected positions if it found that such a body had violated RSA 91-A in bad faith.

Manager's Timekeeping is available for public review in the City Manager's Office.

Councilor Rozek moved with a second by Councilor Nelson to accept the City Manager's Report and place it on file. So moved, the motion carried.

7. Mayor's Report:

Appointment: AVRRDD, for a three year term until March of 2015, Councilor Rozek will be the Primary Representative, Tom McCue will be the first alternate and Councilor Theberge will serve as second alternate.

Councilor Nelson moved with a second by Councilor Otis to accept the Mayor's nominations to the AVRRDD. So moved, the motion carried.

Proclamation: Honoring Rene Lafrancois. Mayor Grenier read the proclamation which honored a dear gentleman in the community who passed away last year and served in many capacities. The Berlin Youth Hockey Association will honor Rene March 9 at the Notre Dame Arena at 7:30 p.m.

Councilor Rozek moved with a second by Councilor Otis to accept the Mayor's Report and place it on file. So moved, the motion carried.

8. Public Comments:

Kristia Davis, an OPEIU support staff union member thanked the Mayor and Council for finally settling their contract.

9. Council Comments:

Councilor Nelson was following up on a request she made on January 9 for a second quarter economic development activities report from Max Makaitis and she has not yet received a report.

Mayor Grenier accepted blame for that and asked that Max be invited to the March 19 work session to present his report.

City Manager Budget Presentation.

The City Manager presented Council with his FY'13 Budget. The summary of the budget can be found at the beginning of the budget in the City Manager's transmittal letter which explains the breakdown by the departmental current year request and the one the City Manager submits. The school is the largest and it remains unchanged since the City Manager must submit the budget as he receives it and that budget is up by 5.4%. The Police Department is up 4.7%. Admin is down 2.2% due to changing the code enforcement/secretary going to part time. Public Works is down 10.3% due to a reducing the highway division of one person and reducing 2 hourly positions in the Solid Waste Division. Parks and Rec is down 27.1% due to a reduction of 1 laborer position.

The Health Department visiting nurse program will only continue six months then two part time nurses will be retained for Public Health functions due to the mandatory electronic health mandate which is difficult to justify. Last year, Welfare was reduced but they could not operate and comply with state law with that reduction, Library remains flat, Outside Agencies remain flat. Non-property tax revenues are down almost \$300,000. In the current year, we used \$1,313,000 as revenue from the Undesignated Fund Balance (UFB). We might not have that revenue this year. Included in the UFB is an \$800,000 variable. Besides spending and revenue, property assessments can greatly affect property tax rates. The assessment figures we are using are essentially the same as the FY' 12 budget figures. Further adjustments will need to be made to the assessments prior to tax rate setting. According to this budget, the actual tax rate is up 14% for a \$36.13 tax rate which is unacceptable. Council will need to work hard in order to reduce or eliminate increases. In the Capital Budget the debt service seriously impacts the budget this year. The CIP portion of the budget is up from this year. The City debt portion is up significantly by 30.9% as the full amortization of the \$5,000,000 bond issue is taking hold. Capital and debt spending under this budget amount to 9.6% of General Fund spending. The Sewer Fund is a small but critical part of City operations and infrastructure. It funds both the maintenance and improvement of the City Wastewater Treatment Facility and funds the sanitary pipe systems. It is an Enterprise Fund that does not look at the general fund for support from taxpayers. It is self-supporting and funds itself.

Mayor Grenier asked Pat for clarification about debt service. Pat explained that a few years back, Council approved a \$500 Million Dollar bond to tackle a number of Capital Projects. We have not yet spent the \$1.6 Million Dollars for the match for Rt 110 and \$1.2 Million Dollars for the Hutchins Street Project. The loan is different than most bonds where they did not have to draw down immediately but only when we needed it. We must pay it back in five years. We got a two year extension and it still balloons toward the end. The original plan of the Council at the time was to have two five-year bond issues but decided not to do so. That is the problem when you borrow, you must pay off the debt which adds significantly to a tax increase. Even if the General Fund did not go up at all, we would still have a tax increase since the county tax is up and non-tax revenues are down and all that affects the tax rate. We had that situation these last four years and still managed to keep a flat rate but it is increasingly more difficult each year.

The Mayor had asked Pat to put together a neat budget with no sugar coating which is what he did. This budget, as submitted, shows the loss of positions. Council will work hard to put something together that the community can live with.

Councilor Nelson questioned the lost positions and asked if it was actually a layoff? The City Manager replied that it is a lay off.

Councilor Rozek asked who the mayor was when the five million dollar bond was voted upon and if it had a balloon type payment. The City Manager replied that Dave Bertrand was Mayor and that finance package was initially put together by Councilor Goudreau and voted upon by that Council. The bond did not have a balloon type payment for interest. The City did not draw parts of it down yet since it was not needed. The City got extensions on the bond but they have to pay it off.

Councilor Remillard explained that at the time, Council intended to get work done and the money was anticipated to be spent in the next five years. They figured rather than drag it out the idea of the bond was only to pay back the amount of the bond that they used. She asked Pat what percent of the bond they actually used.

Pat replied that they used approximately half so far.

Councilor Remillard told the City Manager that Councilor Goudreau figured that the amount of money they would have paid out over the five years was going to be the total amount of the bond anyway. By putting in another bond they would get more done. She realizes that they look like the bad guys here and the City Manager said he was against it. She does not recall the City Manager being against it at all at the time.

Pat countered the Council was clearly for it. He merely pointed out the problems that would occur and that they would likely get into a position on the second bond issue that would build up a lagging payment that would catch up with them. They never did the second bond and avoided most of that partly due to the drawdown which created a problem they did not anticipate.

Mayor Grenier asked if we could negotiate a longer term than the 2 years. Pat replied yes, but the longer you hold off the longer you need to pay.

The Mayor is not faulting anyone because we have to remember when this bond was taken out, the Mill was still operating then and Isaacson was still alive and the boiler was under consideration. They did not have significant losses in the community like we have now. We will soon have 11-12% unemployment in the City. The Mayor would like to see an additional four years to pay the bond.

Pat said four years is too long. He would rather bite the bullet to it get paid off. After that, we can pay as we go.

Councilor Rozek admits it is hard to bite the bullet with high unemployment facing the City. It is going to be a tough budget session.

10. Adjournment:

There being no further business before the Mayor and Council, Councilor Rozek moved with a second by Councilor Nelson to adjourn the regular meeting. So moved, Mayor Grenier declared the regular meeting adjourned at approximately 8:11 p.m.

A True Record, Attest:
Debra A. Patrick, CMC
City Clerk