

City Council Work Session

June 18, 2018

Present were: Mayor Grenier, Councilors Theberge, Remillard, Rozek, Higbee, Morgan Allain, Otis and Berthiaume; Councilor Gentili were absent.

Others present: City Manager Jim Wheeler, Community Development Director Pamela Laflamme, Finance Director Patty Chase, School Superintendent Corinne Cascadden, School Business Administrator Bryan Lamirande, Judge Wally Ancil, Chief John Lacasse, Firefighters Derek Patry, Brandon Bisson, Peter Donovan, Public Works Director Michael Perreault, Barbara Tetreault *Berlin Daily Sun* and public.

Mayor Grenier opened the meeting at 6:30 p.m.

Sewer Abatement Committee

Mr. Wheeler reported that the Sewer Abatement Committee had tabled Mr. Gedeon Vallee's request for abatement at the last meeting to seek additional information. BWW sent someone to the residence to make them aware of the excessive water use. As a result, Mr. Vallee realized that there was a leaky toilet in the vacant first floor apartment. Judge Ancil, stated that Mr. Vallee is 99 years old and he saw fit to serve his country; he requested an abatement of \$800 to \$900. In discussion, Councilors agreed that the water went down the sewer and it was treated. Reducing the bill would set a precedent.

Councilor Rozek moved to grant an abatement of 25% of Gedeon Vallee's Sewer bill, recognizing that Mr. Vallee is a veteran who is 99 years old; Councilor Theberge seconded and the motion carried. All voted in favor.

Education Funding

Ms. Cascadden explained that of the \$18 million of funding the school gets, \$11 million comes from education aid. For Berlin and other communities, stabilization funds were put into place to help achieve "adequate education". The Legislature is, over time, reducing that aid and we continue to lose \$220,000 per year. Ms. Cascadden noted that there was a forum attended by lawyers from the Claremont suit, Andrew Valenski, and John Tobin to examine education funding.

Mr. Lamirande stated that losing stabilization funding cannot be sustained for 25 years. Reducing the number of buildings may reduce expenses in the coming year. If we go forward with a law suit, it will take four to five years. Mr. Tobin has offered to meet with the School Board, and Council to talk about a law suit. Mayor Grenier stated that the Supreme Court has ruled with the property poor communities every time; the Constitution has not changed. Council supported meeting with Mr. John Tobin in an early evening meeting; they conceded full support of going forward with a law suit with other communities.

CDBG Grant Berlin Housing Authority

Ms. Laflamme indicated that Mary Jo Landry approached the City to do a project at the Berlin Housing Authority, St. Regis House. The resolution supports \$475,000 of CDBG funding to the Housing Authority and \$25,000 of administration money for the City. Councilor Higbee asked if the City will have use for its CDBG and Ms. Laflamme stated that we would not be ready to apply until January.

FY19 Budget

Mr. Wheeler said that the Mayor, Finance Director and he met to go through the budget and come up with changes that reflect what the Council has directed. There are proposed changes totaling \$262,000 in expenses. On the revenue side, there will be \$30,000 added to the airport budget for a timber harvest which will contribute to lessening the deficit. A tax rate of \$39.89 is proposed using a revenue surplus of \$84,000 as well as \$400,000 of unexpended funds from the schools. A total of \$750,000 from UFB will be used to offset the tax rate.

Mr. Wheeler reviewed reductions in Expenses— 01-407 County Tax was reduced from \$1,760,000 to \$1,625,000; 01-414 Transfer to Airport was reduced from \$53,362 to \$23,362; 01-421 FD was reduced from \$2,272,544 to \$2,182,544 eliminating the Assistant Chief position.

01-460 School – is reduced slightly due to a reformulation of accounts to meet Council's mandate. Funding went from \$18,143,437 to \$18,143,346. Mayor Grenier discussed the \$484,000 returned by the schools to reduce taxes. He reminded the Council that there would need to be funding for capital projects including funds for a bus of \$93,000.

01-480 Capital Mr. Wheeler noted that the FD Engine replacement would be cut to \$80,000. Mayor Grenier added that if we can put a little aside each year, in 3 years we could lease with a reasonable payment.

Mayor Grenier thanked the Board of Education for their hard work. The tax increase went from a proposed \$2.10 increase to .70.

Councilor Remillard commented that we should see if the airport can break even for the next budget. Mayor Grenier said that the sale of hangars will help.

Councilor Rozek made the point that out of all municipalities, only one has a tax rate of over \$40 per thousand. A high tax rate makes it difficult to attract business and development. He stressed that it is important to get involved with school funding so that legislators know the effects of the legislation that is passed. Councilor Remillard commented that she agrees with a small increase; however it is difficult to draw people in. After passage, we need to think of next year and not going up on the tax rate.

Bid Opening Cates Hill

Mr. Wheeler noted that the City had a bid out to abutters that was due June 7. A court action was taken by one of the abutters and the bid was delayed to today, Monday, June 18 at Noon. Upon opening the sealed bids, it was found that both parties had bid the same amount. Luckily there is a provision in the bid document that says they will be given another opportunity to bid and those bids will be due next Monday, June 25 at Noon.

With no further business in the Work Session, the Council moved on to the Regular Meeting.

Respectfully Submitted,
Susan Tremblay
Administrative Assistant

Minutes are unofficial until they have been accepted by the City Council by motion.