

Memo

To: Mayor and Council
cc: Department Heads
From: Pat MacQueen, City Manager
Date: January 2, 2012
Re: Manager's Report

WWTF Phase II upgrade SRF Application Submitted

Pursuant to Council Resolution 2012-05R2, our application to NHDES for \$6.667M in capital forgiveness SRF grant/loan funding for the WWTF Phase II upgrade was submitted last week. NHDES had wanted to get those in in the month of January. This should also provide us with \$2M in capital forgiveness which will greatly help given that the State budget cutbacks have caused the state to defer its normal \$20% reimbursement share of all wastewater projects. This application together with \$10.533M in SRF funding we currently have should provide us with the needed short-term financing the WWTF Phase II upgrades which have been under design which is now completed and ready to be put out to bid pending final state and federal approvals. The long term financing will be through USDA Rural Development.

Meeting with DES in Concord

Wright Pierce representative Chris Dwinal, PWD Director Mike Perreault and WWTF Superintendent Henry Noel and I met on Friday morning with representatives from DES who walked us through a process of river analysis that we will be required to undertake as a result of our saying that our WWTF will as a result of the current Phase II upgrade increase its design flow from 2.64MGD to 3.0MGD which the plant will be permitted for in the future. We agreed at the meeting that we will keep our

TSS and BOD limits at the same levels they are now but only the flow will increase. Most municipalities in NH which have increased their design flows have approached the problem this way with the NH DES which has in turn successfully argued with federal EPA that therefore the municipality shouldn't have to go through a comprehensive river analysis which would be far more involved and expensive than the analysis we will be required to undertake if we keep our solids concentrations at their current absolute levels.

PWD Winter Budget

Light winters which this has certainly been so far can sometimes save significant amounts in snow removal budgets. Unfortunately, because of all the icing rain we have had, it doesn't seem to be true in our case this year. As can be seen in the Public Works report attached our use of salt is actually higher this year than it was at the same time last year. We are saving on overtime costs and sand so overall the budget should be in decent shape depending of course on the rest of the winter.

NCS Pre-Construction Meeting

A pre-construction meeting was held last Thursday for the manhole rehabilitation on the Cross Country line and Kent Street separation project. NCS corporation will be starting some work this winter by doing a 90' section of new line in the wetlands on Barry Kelley's property.

Rite Aid

As you have seen, the demolition of the Rite Aid block is finally well underway and the only buildings remaining to be razed is the JC Penney building. We understand that dealing with the contaminants in that building is a little more complex so that may take a little more time. Public Works is working to ensure that the sewer lines are being properly capped.

Structure Fires

We have had two residential structure fires thus far this winter, both of which essentially resulted in pretty much total losses to the homes but thankfully no loss of life and no injuries to personnel. The first was on Glen Ave and the second was a structure fire on Standard Street.

Electricity Purchase

We have recently been able to get our cost of generated electricity down to \$0.0675/KWh. This is down from the already low price of \$0.0699/KWh which is over a 3% reduction. The reduction in the price of natural gas seems to be what is driving this price reductions.

AVRRDD Annual Report

Attached is a copy of the AVRRDD Annual Report. This report provides some very good news for member communities of which Berlin is by far the largest. The District is finally in a financial position where it feels comfortable reducing member apportionments. The net result is that Berlin's apportionment assessment fee from the District will drop and we may be able to drop our District budget from \$400k to \$350k saving about \$50k in what we budget this coming year. It doesn't seem often that we actually get to say we can budget less...

Berlin Regional Airport Engineering RFQ's

The Berlin Regional Airport has taken Requests for Qualifications (RFQ's) from various engineering firms that have expertise in airport work. Eight RFQ's were received and four of those will be interviewed by the Airport Authority on

Sylvia Poulin Chronicle Show

The WMUR show Chronicle was in town last week to interview people regarding the downtown leadership and inspiration that Sylvia Poulin has provided and continues to provide for downtown Berlin. This is certainly a very great and a well-deserved honor for Sylvia. The show will air on WMUR on Chronicle at 7pm on Wednesday, February 15th.

Isaacson Bankruptcy

The situation with Isaacson has required a considerable amount of staff time most of which thus far has been involved on the ISI side in terms of the relationship with BIDPA. With the bankruptcy hearing held in Manchester last week and the lease between BIDPA and Presby that followed that, the ISI part of the problem now seems to be resolved for the most part and leaves us with the very good prospect that the

new owner Presby Steel, LLC will hopefully keep that business and the jobs that go with it operating profitably.

It is likely that we will now be concentrating more to do what we can on the ISSI side of the issue which hopefully will also work out with a sale of the business to a new owner which will keep that larger side of the business going prosperously as well.

Legislative Issues

Testimony on SB 306 On Tuesday January 17th, I testified in favor of this bill which we submitted in Concord before the Municipal and County Affairs Committee. This is the bill which originally provided that municipalities on Coos County could provide a procedure for property tax exemption for commercial and industrial construction. The City of Berlin did this by local ordinance and then re-adopted the ordinance recently. Because the law which allowed for exemption retroactively was very difficult to make work correctly or plan for we submitted legislation which both required that the exemption be applied for prospectively and that eliminated the sunset provision.

At the hearing, there did not appear to be any opposition to the bill either from the public or the committee, except for the assessor in Lebanon who had signed up in opposition to the bill but did not speak at the hearing. It turned out that the Lebanon assessor had signed up opposed to that bill by mistake. Hopefully, the bill will now be passed by the legislature.

Pole Tax Exemption – HB 1305 This is the House's version of the Fairpoint bill to exempt their poles and conduits from property taxes. It all boils down to whether one business should get a property tax exemption that no other business gets. The Council has been solid in opposing this exemption and has made its position known to the delegation.

PWD Monthly Report

Attached.

Manager's Timekeeping

Attached.