

MAYOR'S REPORT

SEPTEMBER 24, 2010

With the first day of fall arriving yesterday, you certainly have a sense that the leaves won't be up much longer. Falling leaves also brings with it some issues that can be problematic. If you live near a municipal catch basin, it would be very helpful if you could help clean leaves away. Changing weather brings with it heavy rains, and plugged catch basins don't drain well. 2 to 3 minutes is all it takes to save yourself the potential of major water or even flooding damage. If you feel you are not capable and you notice a problem, you can notify Berlin Public Works and I'm sure they will address it before it becomes major.

I attended last weekend's festivities of Berlin High School Homecoming. I had a great deal fun being in the parade, and I was especially proud of the huge turnout by parents, grandparents, students and relatives. It was exciting to see Berlin come together for our kids. On Saturday, with Mother Nature at her finest, the athletic events and the sportsmanship demonstrated by all the various schools' athletes would have made Mike Gaydo proud. I was very humbled to lead the dedication ceremony and I want to thank BHS Athletic Director Craig Melanson for asking me to participate.

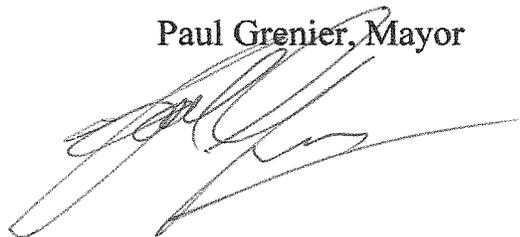
On Monday, we received word that Berlin's total taxable valuation dropped from \$480M to \$447M, or a loss of about \$33M in taxable property. During budget deliberations this spring, the entire Berlin City Council was united in that we had to arrive at a budget that did not impact taxes. We knew that the assessment update would negatively impact some folks, lower taxes for others. With Berlin's share of county taxes actually going down, the impact is still an increase of \$1.75 in the tax rate. Since the vast majority of taxpayers have lost some value, the impact will be minimal. But to those who actually saw an increase in value, the impact will be greater. The City Council is very vigilant in spending money and with the conservative makeup of the council, no one will lose sight of the challenges that we face as a city.

I received excellent news on Tuesday evening that the New Hampshire Energy Facility Site Evaluation Committee voted to issue a site and facility certificate to Laidlaw Berlin Biopower for their project on the old Burgess Mill site. The EFSEC committee took testimony from dozens of opponents, supporters and experts in the field of wood procurement and facility operations. Because the

members of the state committee are experts in their fields, the Laidlaw project was thoroughly picked apart and analyzed for any minute weakness. Fortunately for Berlin, the ugly scare tactic politics employed by the opposition played no role in the decision they made. It took the EFSEC committee less than two days of deliberations to grant a certificate to Laidlaw. Although the state laid out conditions, they are all conditions that are reasonable given the scope of the project. The fact that it took less than two days to issue an order also reinforces the fact that the Laidlaw project is rock solid in all aspects; financing, operation and co-existence with the community. It is now time for the people who fought this project to realize that this WILL happen. To delay any further will only hurt Berlin. There are upwards of 400 construction jobs that could soon ramp up by the end of the year with PUC approval. Then there are the new market tax credits that any delay will jeopardize. That includes \$500,000 of free money to help fund a project in Berlin, as well as \$2.25 Million dollars that will be used for safety grants and seed money for local logging contractors to modernize equipment. After a year, any money left will be able to be used for any economic development project in the county. We also have been dealing with a shrinking tax base for some time and Laidlaw will instantly become the largest taxpayer in Berlin. This vital link to our future will certainly stabilize our tax rate, give us an opportunity to invest in Berlin's streets that need a lot of work, allow us to do things financially in our schools that we just can't do because money is tight. Oh, and yes, lets not forget the 40 direct jobs and the \$200 Million dollars of goods and services that will be spent within 100 miles of Berlin. Coos County really needs the shot in the arm. As citizens, we now need to pay very close attention to the people who will say and do anything to deny us the opportunities that Laidlaw will bring to Berlin.

Although it is still a bit premature, it finally looks like there has been significant progress made with regards to the sale of the Cascade Mill. With direct personal intervention of both Senator Jeanne Shaheen and Governor John Lynch, there is an atmosphere that hurdles are disappearing. It is very important to note that until there is an announced deal, nothing is in place. I personally want to again single out Willis Blevens for his super human work. Willis' commitment to the mill and to the employees is unwavering. He has the respect of everyone involved with this process, and his extraordinary efforts has inspired everyone to work to the next level. The gas line permitting process for AVRRDD's part of the project is going very well and we should be ready to hit the ground running when given the green light. See you in October....

Paul Grenier, Mayor

A handwritten signature in black ink, appearing to read "Paul Grenier", written over a horizontal line.