

# MAYOR'S REPORT

## APRIL 28, 2011

We have had a flurry of activity in Berlin since I last reported a month ago. First, Patriarch Partners has emerged as the entity that is working to close the deal and purchase the Cascade Mill from Counsel RB Capital. This has been a tough deal to finalize for a number of reasons. Any time an asset of this nature emerges from bankruptcy proceedings from two countries, there will be difficulties. There were difficulties in locating and retrieving certain deeds to some assets that make up the complex. The natural gas project, until now a function of AVRDD, had many different pots of federal and state monies and loan guarantees that took time to transfer. Things seem to be on track and certainly the folks at Patriarch are in a full court press to get going. I had the pleasure of meeting Ms Lynn Tilton, the principal of Patriarch. I found this lady to be a true American patriot. She understands the plight of manufacturing in the US, is bound and determined to succeed here with the blunt honesty and, most importantly, the capital necessary to make this mill world class. This mill will not be a long term success story unless all of us here in the Androscoggin Valley work as a team to forge its future together.

With a conditional PUC approval of the purchase power agreement (PPA) with PSNH, Laidlaw Berlin Biopower has been busy with their financial people reworking their proposal to comply with the PUC order. Although complex, Laidlaw saw a significant sum of revenue in the two early years reduced to protect NH ratepayers from potential overpayment. With an amended business plan forthcoming, my hope is we could have groundbreaking before July 1<sup>st</sup>. The whole NH EFSEC/PUC process for permitting a plant over 30MW has been an education for me. If anyone ever wonders how come companies go overseas to manufacture goods, think of this 5 year regulatory nightmare.

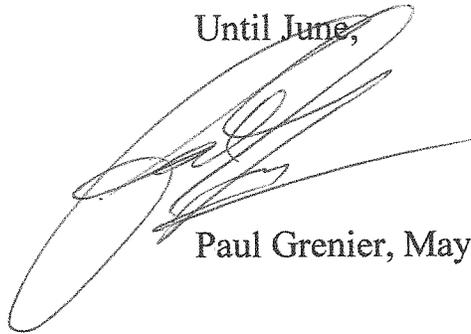
It is with great sadness that this coming Monday evening I will accept the resignation of Robert Danderson from the Berlin City Council. Bob recently retired from PSNH, sold his home on Church Street, and will be rejoining his wife Marty in Florida. For 3 years, Marty has been working in the health care field there while Bob was in Berlin finishing his career with PSNH. Bob and Marty have a bunch of frequent flyer miles they've accumulated while living at opposite ends of the country. I have a very deep respect for Bob as a human being, but his service to Berlin will forever be his mark. Mayor Danderson was the driving force

behind the development of the Jericho Mountain State Park, took the “bull by the horns” to get Senator Judd Gregg to consider Berlin as the preferred site for the Bureau of Prison’s new facility in the northeast. Bob was a fiscal conservative, made people accountable for spending precious public money, but never denied spending monies when justified. I always knew where Bob stood on any issue and never wavered with the wind. I will miss his honesty and dedication to the citizens of Berlin. Please join me in wishing Bob and Marty well in their new life in the Sunshine State!

Lastly, the Berlin City Council will be proceeding to the public hearing phase of the FY 2012 fiscal budget. That meeting is slated for Wednesday May 25, with a final passage on Monday June 13<sup>th</sup>. There are many unknowns still to be determined, but it will be nearly impossible to not lay off a number of employees. Health insurance remains a cost item out of our control and given that Berlin has a 10% unemployment rate, we must contain costs to taxpayers. This problem is nationwide and although I don’t agree with the tactics some states are using against their public employees, the fact remains there just isn’t enough money to go around without help from the employees themselves.

Young children will be back on the streets with bicycles now that the snow is gone. Please, drive with caution and obey our traffic laws, for our kids’ sake.

Until June,

A handwritten signature in black ink, appearing to read "Paul Grenier", written over a large, loopy flourish.

Paul Grenier, Mayor