

MAYOR'S REPORT

NOVEMBER 26, 2010

After a relatively quiet early autumn, many of the issues that greatly affect the Androscoggin Valley are heating up. First of all, there will be a significant change in the culture of state government in the next two years. With very serious revenue shortfalls, the state could deal with their issues on the backs of all of us, the property taxpayers. Already, Medicaid reimbursement to nursing homes are down to levels not seen in five years. The two Coos County nursing homes as late as 1996 were breaking even, maybe even turning in small surpluses. Now, the property taxpayers are subsidizing these operations nearly \$7M dollars. We need to protect our frailest of society and state government is leaving millions of dollars in Washington under the current funding structure. I foresee huge downward shifts in costs to county and local governments at a time when we are all crying "uncle". You know who your State Representatives are, it's time to convey the message that in NH, party politics can't work anymore. In Coos County, the camel's back is ready to collapse.

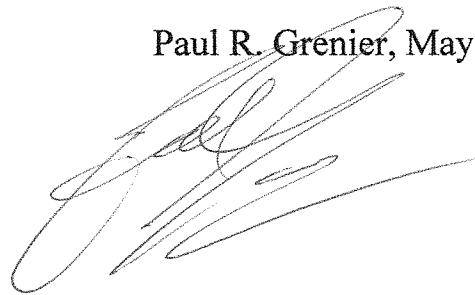
The bankruptcy courts in Ontario and Delaware have approved the sale of the Cascade Mill to M&M Consulting and Contracting. Fresh out of the gate with an extended labor agreement with Local 75 and an anticipated closing date of November 30th, there could be significant activity soon. Mr. Del Greco and Mr. Moscato are investing in a company that has some of the most highly skilled papermakers in the world. Couple that with pride and the eagerness to show all of New Hampshire that sustainable profits can be achieved long term, I say it's time to turn our folks loose and go get'em!! Over the horizon, the gasification project should be conditionally permitted by all of the various state agencies in the next 6 weeks or so. I can't thank enough the many people who went way above and beyond the call of duty to make this all happen. Governor Lynch, DRED Commissioner George Bald, Mill Manager Willis Blevins, Fraser Papers Bill Manzer, AVRRDD Executive Director Sharon Gauthier, AVRRDD officers Linda Cushman and Ray Aube and 75's leaders Spanky Lozier and Ed Deblois all need to be publically commended for their tireless dedication. This has been an emotional roller coaster of unequalled proportions I have ever experienced, but I can almost hear No. 1 papermachine starting up!

If you haven't driven by the old Burgess Mill site, take 10 minutes and take a peek. Chapman Scrap Metals and Recovery have been engaged by Laidlaw Berlin Biopower to begin removing and scrapping old pulping machinery and

tanks that will not be needed. The conversion of the black liquor boiler to a new state of the art wood boiler will meet or exceed all of the state's new tough pollution standards. The change of use from pulp production to power generation removes the exemptions from tough regulation the boiler enjoyed for years. In fact, as a Class 1 REC power generator, only the best of the best can qualify. I am very proud that Berlin will be able to boast that we will be greatly expanding our taxable property base, employ hundreds of people, and develop a long term plan to address the issues that 100 plus years of pulp production have caused on site. And NOT ONE RED CENT has come from our pockets! With the letter sent to the NH Public Utilities Commission from Clean Power Development's Mel Liston urging the Laidlaw project move forward WITHOUT DELAY, it's time for everyone to accept reality. In fact, continued opposition to Laidlaw, including those on the Berlin City Council, are in effect declaring war on the working class families of Berlin. Even Mel Liston can see that Laidlaw is an asset to the future of Berlin, and the new owners of the mill could sure use the energy savings when they begin receiving Laidlaw's hot water. The folks working at the site now are skilled Berlin Gorham and Milan craftsmen and this is just the tip of the ice berg. To Laidlaw's Mike Bartoszek, Lou Bravakis, Ray Kusche, thank you for not giving up on Berlin.

Lastly, as we enter the holiday season, remember what is most important, our loved ones. Life passes us all by very quickly as we get wrapped up in meaningless detail, laugh, cry, rejoice and mourn. Hug your loved ones, it's gift that keeps giving all year. A good, decent, hard working man, who was respected by all who knew him, passed away this week after a long, courageous fight with cancer. His name, Bob O'Neill. I had the honor of his friendship and enjoyed Bob's presence as members of the Northwoods Senior Drum And Bugle Corps. Bob was an excellent drummer, always made practice, never spoke ill of anyone, and was true salt of the Earth. Bob also served our nation honorably in the Vietnam War. He shall be missed by all who knew him, and my sympathies go out to his wife Julie.

Paul R. Grenier, Mayor

A handwritten signature in black ink, appearing to read 'Paul R. Grenier', with a long, sweeping horizontal line extending to the right.