

# MAYOR'S REPORT

## OCTOBER 29, 2010

With election day just around the corner, I have some observations I'd like to share. First of all the party in power always will be accountable for deeds of the previous governing cycle. Little known, however, is a few facts. The Federal Reserve will break out even with the GM/Chrysler bailout. In fact, it could even realize a profit. I'm not a big proponent of government being put in a position to rescue companies who are not nimble enough to manage their affairs through down business cycles, but inaction could have brought down the entire economy, endangering national security. When people talk politically of removing "business restrictions", remember, it was the banking and real estate industries in this country that precipitated the whole "live beyond your means" mentality. The national economy was being supported on borrowed money from homes that were overvalued and over leveraged. Meaningful regulation (rules that both parties can accept) can minimize wholesale abuses that cause these types of meltdowns. One has to look at history and how FDR skillfully guided the need to oversee while not suppressing the creativity of American capitalism stemming from the last systematic economic meltdown in the 1920s.

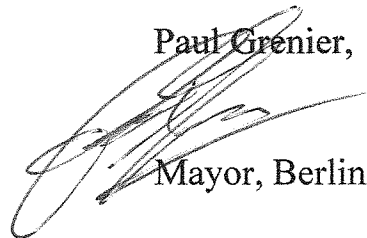
Locally, there are many items of interest. The trench paving from the Federal Prison to the 12<sup>th</sup> Street Bridge should be nearly complete at this writing. It looks like the 12<sup>th</sup> Street Bridge itself will be completed between the week of the 12<sup>th</sup> to the 19<sup>th</sup> of November. Trench patching will begin shortly on upper Champlain Street, and all trench patching should be complete by mid November. The final full pavement of the patched streets will be completed next summer. There will be paving on Highland Park Avenue to Poplar Street, and Unity Street will be paved from the Cleveland Bridge to East Mason Street. PWD Director Mike Perrault has done a great job managing this work, and we are all hoping that we can begin next summer the Hutchins Street realignment project from Napert Village to the old entrance to Floc Plant.

I was very disappointed by the City Council's action on Monday night not to support an additional letter to the PUC to protect the interests of Berlin in the Laidlaw hearing. All of the interveners of the project are trying to kill the project by bogging the process down with needless data requests and private business information, which none have to do with the power agreement with PSNH.

Because Berlin is an intervener as well, I had asked the Council to submit a letter to the PUC to try to limit all of the data requests from these parties who have an economic interest in stopping Laidlaw. The PUC staff is being buried with these requests and they need to be dealt with before the schedule moves forward. The City Council felt that because we have already expressed a written desire to have an expedited review process, another letter was redundant and unnecessary. City Manager Pat McQueen was asked by Laidlaw on Tuesday to file jointly with them the acknowledgement that the PUC staff will have to alter their review schedule to accommodate all of this needless work, as long as it protects the already stated dates of December 28 and 29<sup>th</sup> for final review. It is consistent with the letter that we did send to the PUC, but it does nothing to stop the abuses and delay tactics that I tried to push forward. The acknowledgement by Laidlaw and the City of Berlin that the PUC staff may need more time for review is not the best of news for the timely permitting of the project. Because of the vast economic benefits that Berlin will realize, time delayed is tax base lost.

Also at this writing, there are small integral baby steps moving forward in the transfer of mill ownership to a new operator. I had the opportunity to meet with the potential new owner, and I must say I was impressed. He knows the paper business inside and out. This gentleman wants to hit the ground running to begin producing his high value patented grades that our papermakers here are experienced in producing. This process has been very difficult emotionally for all of us involved, but none more than the folks who are directly employed. Commissioner Bald and Governor Lynch are contacting me daily as we position the sale to the company who wants to make real money at that mill. Without huge management fees, debt load, and a \$1 Million dollar per month improvement in energy useage, along with the pride of all of the employees anxious to prove their meddle, the Cascade Mill is poised to a huge financial success for a very long time. Hang in there!!

Paul Grenier,

A handwritten signature in black ink, appearing to read 'Paul Grenier', written over the printed name.

Mayor, Berlin