

**City Council Work Session**  
**December 12, 2022**

Present were: Mayor Grenier, Councilors Roland Theberge, Higbee, Robert Theberge, Berthiaume, Eastman, Morency and Remillard. Councilor Morgan was absent

Others present: City Manager Phillip L. Warren Jr., Dir. Of Strategic Initiatives and Asst. City Manager Pamela Laflamme, Henry Noel, Lori Korzen and Lisa Connell, Berlin Daily Sun.

Mayor Grenier opened the meeting at 6:30p.m.

**Tax Rate Setting**

Mr. Warren advised if the tax rate is set based on assessed property value with no unexpended fund balance applied it would come out to \$29.71. If you choose to set this rate, the unexpended fund balance amount would be \$3,054,153 which is 11.16% of this year's operating budget. The minimum recommended by DRA is 5% and 17% is the maximum. He commented if \$1,500,000 of fund balance was appropriated which is the amount he recommends, this would keep it above 5% and reduce the tax rate by \$2.45 bringing the tax rate to \$27.26. Councilor Eastman commented he agrees with Mr. Warren's suggestion.

Mayor Grenier commented the utility values were set as of April 1<sup>st</sup>, 2022 which was before electric rates increased. He advised Hydro Quebec has an agreement in principal to purchase all the hydro facilities on the Connecticut River for 2 billion dollars which 4 years ago sold for 1 billion dollars. That will have a material effect on utility values for April 1<sup>st</sup>, 2023 which will result in additional generating value to the City. He also informed Council that Burgess confirmed the City would receive \$545,550 as a result of the payment in lieu of taxes agreement. Councilor Remillard moved to set the tax rate at \$27.26. Councilor Roland Theberge seconded and the motion carried with all in favor. Councilor Robert Theberge questioned when the tax bills will be sent out. Mr. Warren advised we are just waiting on DRA's approval and he anticipates they will get out later this week or early next week.

**Tax Anticipation Note**

Mr. Warren advised because of the lateness of the tax rate setting and the decrease in the cash flow, the City may have to execute a tax anticipation note in the amount of \$1,500,000 from the bank. He asked Finance Director Holly Larsen to look into it and we are able to obtain the amount from Northway Bank which would be due and payable on February 28<sup>th</sup>, 2023 at a fixed rate of 2.5%. He commented it might not be needed but would like authorization from Council in the event it is. Councilor Remillard moved to authorize the City Manager and Finance Director to enter into tax anticipation note agreement with Northway Bank if necessary for an amount not to exceed \$1,500,000 and for a date and time not to exceed February 28<sup>th</sup>, 2023. Councilor Robert Theberge seconded and the motion carried with all in favor.

**Adjournment**

There being no further business, Councilor Higbee moved to adjourn; Councilor Berthiaume seconded and the motion carried by all in favor. The meeting ended at 6:53 p.m.

Respectfully Submitted,  
Danielle Rioux  
Executive Assistant

\*Minutes are unofficial until they have been accepted by the City Council by motion.