

**Work Session**  
**April 17, 2017**

Present were: Councilors Otis, Remillard, Gentili, Higbee, Rozek, Nelson and Theberge. Mayor Grenier and Councilor Morgan Allain were absent. Councilor Remillard served at Mayor, Pro Tem

Others present: City Manager James Wheeler, Community Development Director Pamela Laflamme, Finance Director Patty Chase, Walter Hansen; and Barbara Tetreault, *Berlin Daily Sun*

**Establishing the Sewer Rate**

City Manager Wheeler presented the Mayor and Council with a memo and spreadsheet outlining the Budget and Rate Projection through FY2020. Commercial and residential flows are up 0.74% and 1.49% respectively. The rate has been held at \$7.99 per hundred cubic feet for approximately 9 years. The undesignated fund balance is currently \$6,317,567. The spreadsheet shows that over the next 4 years, the City will use a portion of the UFB to assist with keeping the sewer rate flat and/or a small percentage increase. However, doing so will decrease the UFB to approximately \$3,663,567 by FY 2020. Mr. Wheeler stated that at some point, when the money gets low enough, the residents will have to endure a larger increase, like the last increase.

Currently, the City's equalized rate is \$575.10, which is slightly less than the State average of \$593.52. Mr. Wheeler indicated that based on the actual property tax rate, he suggests keeping the sewer rate at \$7.99/hcf. He said that this year and next year will be tight years, but is hopeful that there will be additional growth in the coming years. If no UFB was used this year, the rate would increase to approximately \$10.76/hcf.

Councilor Rozek stated that he is concerned with using up the UFB. He suggested increasing the rate this year by the 0.3% (\$0.05). Councilor Rozek feels that going up in small increments will be better for the residents versus a large increase. Mr. Wheeler believes that would be wise. Councilor Remillard stated that she is concerned with raising the rate based on the tax situation. Councilor Otis stated that the rate has been flat for nine years and feels it is time to increase it, even if it is a small amount. It was figured that this increase would reflect an increase of just under \$4.00 per year for homeowners.

Councilor Otis moved with a second by Councilor Higbee, to increase the sewer rate 0.3%/\$0.05 from \$7.99/hcf to \$8.04/hcf. So moved, the motion carried.

There being no further business in work session, Pro Tem Mayor Remillard moved on to the Regular Meeting.

Respectfully Submitted,  
Elaine Riendeau  
City Clerk