

City Council Work Session December 3, 2018

Present were: Mayor Grenier, Councilors Theberge, Remillard, Higbee, Gentili, Morgan Allain, Berthiaume, Rozek and Otis.

Others present: City Manager Jim Wheeler, City Clerk Shelli Fortin, Community Development Director, Pamela Laflamme, Claire Stiles, School Superintendent Corinne Cascadden, students Hannah Melendy and Aubrie Brochu, Finance Director Patty Chase, Barbara Tetreault, *Berlin Daily Sun*, and public.

Mayor Grenier opened the meeting at 6:32 p.m. welcoming all.

Student Petition

Fifth grade students Hannah Melendy, and Aubrie Brochu took on school funding cuts as the subject of their project, "How to change the world". They reasoned that the children of today will be in charge in the future. As part of their project, they wrote letters to the legislature and created a petition for students and adults to sign. Councilor Remillard confirmed that none of the legislators have responded yet. Mayor Grenier congratulated the students on their ability to understand the issues facing the schools and taking ownership of those issues. He applauded the students stating that he is proud of their effort adding that their parents are surely proud as well. Asked if they wanted to sign the petition, Mayor Grenier, Councilors and several in attendance did so. Ms. Cascadden, students and their parents left the meeting at this time.

Coos County Family Health

Coos County Family Health is requesting CDBG public facilities money to expand their building. They have a Northern Borders grant already. There is a resolution for first reading that will allow a pass through from the City to CCFH; the City will take money for administration.

Mayor Grenier asked how this affects 121 Main Street. Ms. Laflamme replied that Coos County Family Health is still working with the feasibility study and they may seek CDBG funding from the County for the January round. That project will also likely request an economic development grant as well. Ms. Laflamme noted that the next project for public facilities funding would be the City Hall elevator.

NHDOT Transportation Project Updates

Ms. Laflamme reported that North Country Council sent information regarding grants that the City has proposed. The City submitted the Hutchins St sidewalk extension for TAP funds and we scored first. The process is that the grant request will go on to the DOT and they will review. There is a geographic distribution and being first puts us in a good position for funding. We would find out in the summer.

North Country Council also informed that Ten Year Plan projects went to the NHDOT today. The projects that came in first and second were Shelburne's and Gorham's related to storm mitigation. Our application for Route 16 came in 3rd. This project would revamp Route 16 coming into Berlin from Veterans Park up to Exchange Street. The Route 110 project, which ranked lower, is to do from Budweiser to Jericho Lake Road and includes moving the compact line. Mayor Grenier noted that, with any luck, Route 16 may be done and the timing is right because there is a bond that matures in 2025.

Councilor Rozek asked to see a matrix of what funding is being allotted to the North Country. Ms. Laflamme stated that there are several factors for funding; some are geographical, some rural, some funds are directed for interstate, some funds go just to Interstate 93. Councilor Rozek mentioned that Route 2 was supposed to get an upgrade and all the money was spent on Route 302.

Proposed Utilities Update Contract

Mr. Wheeler explained that this is the same standard contract for utilities appraisal that comes every year. A copy has gone to the DRA for their review. The fee is fixed at \$14,000. Mayor Grenier asked if this went to Board of Assessors and Mr. Wheeler stated that it has not. Councilor Remillard asked what other appraisers would charge for the service; she added that we should see how Sansoucy's rates compare with others. Mr. Wheeler indicated that we could do an RFP; however we would lose Skip's intimate knowledge of our utilities. Mayor Grenier asked that the contract be sent to the BOA and Mr. Wheeler stated that he will have a conversation with the Board of Assessors.

Cash Flow Contingency Plan

Mr. Wheeler reported that the City is not in a position to send out tax bills at this time. There is a lot of money that goes out and there is a need to have the tax money coming in. The Finance Director and City Manager put together a plan to make sure there is enough cash. There are two certificates of deposit that mature in January. They could be withdrawn but that would come with a penalty. BIDPA and the Sewer Fund have cash on hand; however it is unclear whether the City can borrow from them. The County tax is due December 17 and if we pay the \$1.5 million, we would be in the red.

The County has been contacted to see if we could delay payment without penalty. We will need to make a request to the Commissioners. We could also get Tax Anticipation Note Financing (TANF) which was discussed with Northway Bank. There are no bank fees, and interest of 2.2% would be charged on the amount we use. There would be a small amount of legal fees. Ms. Chase reported that come the end of the month, we will receive PILT from Jericho Wind and Burgess Biomass.

Councilor Nelson questioned borrowing from the sewer fund and Mr. Wheeler noted that the auditor was not sure if there was a law against it but he preferred we did not.

Councilor Rozek questioned the reason for the lack of funds and Mr. Wheeler explained that utility values went down by \$14 million in response to an increase in property values throughout the city. To take advantage of those new values, the Board of Assessors agreed to hire KRT to conduct a statistical update to incorporate the new values into this year's tax rate. The board of assessors is still reviewing the statistical update and has not made a decision of whether to accept it. Councilor Rozek stated that the alternative is to go up on the tax rate by \$1.40 per thousand. Mr. Wheeler noted that either the update is accepted or it's not.

Mr. Wheeler confirmed that we will have to go up on the tax rate if the BOA cannot make a decision. Councilor Remillard added that we need to know if we can use the sewer fund; Councilor Higbee mentioned that BIDPA also has some cash that may be available to borrow.

Councilor Remillard mentioned that values could have been assessed by region; she will forward the information to Mr. Wheeler.

Mr. Wheeler noted that Rob Tosier of KRT did the update himself and he's done a very good job. He did the update in a way that the DRA would approve. Mayor Grenier noted that we need to let the Board of Assessors do their job and hopefully the end result will be something people can live with; however they are running out of time. The increase in values may allow us to lower the tax rate.

Ms. Chase reiterated that we are late sending tax bills. She confirmed that she and the City Manager will see if the city can borrow from the Sewer Fund or BIDPA. Mayor Grenier and Council members indicated their preference to use City funds, if possible. Ms. Chase noted that there would need to be interest paid if funds are borrowed.

Councilor Rozek moved to authorize the City Manager and Finance Director to establish a mechanism by which the City will apply for tax anticipation notes in an amount of \$1.5 million; Councilor Higbee seconded and the motion carried.

Councilor Higbee moved with a second from Councilor Berthiaume to ask the County for a two week from the deadline delay in paying the County tax without penalty. So moved, the motion carried; Mayor Grenier did not vote due to conflict.

Non-Public Session

Councilor Rozek moved with a second from Councilor Theberge to enter into non-public session per RSA 91-A:3II(d) land matters. All voted in favor by roll call.

Councilor Rozek moved to come out on non-public session; Councilor Morgan Allain seconded and the motion carried unanimously.

Councilor Rozek moved with a second from Councilor Morgan Allain to seal the minutes as releasing them would render the proposed action ineffective. So moved, the motion carried unanimously by roll call.

At 7:45 the meeting moved on to the regular session.

Respectfully Submitted,
Susan Tremblay
Administrative Assistant

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