

City Council Work Session

Pursuant to Executive Order 2020-04, Section 8 and Emergency Order #12, Section 3

May 4, 2020

Present were: Mayor Grenier and Councilor Rozek at City Hall; via Zoom, Councilors Remillard, Otis, Higbee, Eastman, Theberge, and Morgan were present; Councilors Rozek and Berthiaume were absent.

Others present: At City Hall City Manager Jim Wheeler; via Zoom: Community Development Director Pamela Laflamme, City Clerk Shelli Fortin, Finance Director Patty Chase, School Superintendent Julie King, School Board Members: Matt Buteau, Louise Valliere, Ann Nolin; Ted McCormick, Elaine Connary. Roland Simard, Jamie Welch, Barbara Tetreault, Berlin Daily Sun, Matthew Lambert, Auditor Jarad Vartanian from Vachon Clukay, School Business Administrator Marion Moore, Lisa Devost, Barbara Tetreault, *Berlin Daily Sun* and public.

At 6:30 p.m. Mayor Grenier opened the meeting. Due to the State of Emergency declared by the Governor as a result of COVID-19 pandemic and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04 this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to the meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are:

- a) *Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means;*

We are utilizing the Zoom platform for this electronic meeting. All members of the Council have the ability to communicate contemporaneously during this meeting through the Zoom platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone # 1-646-558-8656, meeting ID 8851477 5224, or by clicking on the City Council agenda on the City's website, www.berlinnh.gov.

- b) *Providing public notice of the necessary information for accessing the meeting:*

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using Zoom or telephonically. Instructions have been provided on the City of Berlin's website of the Council at City Council-agendas

- c) *Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:*

If anybody has a problem, please call Pam Laflamme at 603-752-8587 or e-mail at: plaflamme@berlinnh.gov

- d) *Adjourning the meeting if the public is unable to access the meeting*

In the event the public is unable to access the meeting, we will adjourn the meeting and have it rescheduled at that time.

Please note that all votes that are taken during this meeting shall be done by Roll Call vote. By roll call, each member is to state their presence, and whether there is anyone in the room during this meeting, which is required under the Right to Know law.

Councilors Remillard, Otis, Higbee, Eastman, Theberge, and Morgan were present via Zoom and all noted that they were alone in the room. Mayor Grenier was present at City Hall and in the room with Councilor Rozek and City Manager Jim Wheeler.

2019 Audit

Mr. Jarad Vartanian went through a Power Point that summarizes the City's 2019 financial statements. The City received an "Unmodified Opinion". In 2019-20 Berlin will be required to implement GASB 84 which will impact activity funds, making them a special revenue fund. There is no requirement to include this in budgeting. Mayor Grenier asked why and Mr. Vartanian noted that it is likely to increase transparency, showing how much money passes through the City and goes to other agencies.

The General Fund ended with a fund balance of \$2,190,242; which includes a UFB of \$1,040,837. By using the UFB to reduce the tax rate, it is the lowest it's been over a ten year period and it will start hitting the limits from the DRA. The Berlin Airport Authority's unassigned fund balance was reduced by \$21,000 to \$294,000 which necessitated a \$23,000 transfer from the General Fund to cover operations.

There are 3 enterprise funds: the Sewer fund, Cates Hill Landfill and BIDPA. The major fund is the Sewer Fund which has remained strong over the past five years. State Aid Grant totaling \$3.3 million to be received over the next 20 years will assist with debt payment for recent Phase 2 upgrades at the wastewater treatment plant.

The General fund revenues were \$553,000 more than budgeted and Expenses were \$390,000 less than budgeted which resulted in a budgetary fund balance decrease of \$547,000. Unassigned budgetary fund balance represents 5.4% of the current year's appropriations.

A federal compliance audit was conducted because the City received \$3.6 million in federal assistance. Of this, \$2.8 million was for the School Department, \$545,000 was FEMA funds for flooding and the remaining was for public safety, airport improvement, and highway programs. There were no deficiencies found and strong accounting practices and controls are followed.

Mr. Vartanian thanked the Finance Department for having everything ready for the audit. Mayor Grenier added that he is very proud of the work that is done in Finance. Patty does a great job and she will be difficult to replace. Councilor Remillard asked for a copy of the Power Point to review. Ms. Chase thanked everyone for the opportunity to serve the citizens of Berlin. Mr. Wheeler said that Patty set a standard that will be the goal to meet when hiring someone new. Mr. Vartanian left the meeting at this time.

Position Request

In response to Ms. Chase's retirement notice, Mr. Wheeler noted that he has advertised the Finance Director position. Councilor Higbee moved with a second from Councilor Remillard to advertise for and hire a finance director. So moved, Councilors Higbee, Rozek, Theberge, Remillard, Otis, Morgan, Eastman and Mayor Grenier for the motion by roll call vote.

School Budget

Ms. King gave an update on remote learning. Her staff rallied and did a great job getting remote learning off the ground in a hurry. The School Department is now in the process of planning summer programs, closure of this school year as well as looking ahead to next year. Information is starting to come out on what to expect in the fall. Much like businesses, schools will be expected to practice social distancing, and disinfecting practices. The model of education is going to change. They can expect to be in and out of the buildings, and forced to close for two and three week stretches. It's going to be a big undertaking. We should also be impressed with the public school staff. At the last meeting there was a question about out of district placement and what we are spending out of the \$1,021,384 budget. As of March 2020, \$897,698.00 has been spent.

Ms. King said that there will be some savings due to closing the building for some time. The schools will be returning \$300,000 back to the city. Medicaid to school reimbursement should start coming in and will recoup all but \$100,000 to \$150,000.

The FY21 budget should bring revenues from CARES Act fund estimated at \$600,000 which can be used for COVID expenses and in Title grants. They will have until 2022 to spend. The schools had been informed that health insurance would go up between 15% to 58% so they shopped around. The unions have picked out a plan that could potentially be a large savings. Oil is half of what it was last year. It is safe to say that the FY21 request can be cut \$750,000.

Mayor Grenier asked if any of the Board members had comments and Louise Valliere said that the teachers are Berlin's heroes. They closed a school and were then thrown in to remote learning. Matt Buteau added that as a parent and board member with three children in public school, he could not be happier with the service. He said that he has complete access to children's teams, and teacher; this has been a positive experience. Ann Nolin stated that as a former educator she can feel for teachers, and kids; remote learning has not been easy.

Mayor Grenier noted that the needs will be balanced with the community's ability to pay. He said that he is committed to not raising taxes. Working together, we will do everything to be sure the school is properly funded. Councilor Eastman agreed saying that he is looking for a sustainable operating budget. Councilor Remillard asked for a breakdown of figures as they stand now. Councilor Higbee complimented Ms. King, schools and staff.

Non-Meeting

Councilor Higbee moved to go into non meeting per RSA 91-A:2 I(b) Collective Bargaining; Councilor Theberge seconded and the motion carried unanimously by roll call.

Respectfully Submitted,
Susan Tremblay
Administrative Assistant

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