

City Council Work Session
June 11, 2018

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

Others present: City Manager Jim Wheeler, Community Development Director Pamela Laflamme, Public Works Director Michael Perreault, Finance Director Patty Chase, Wallace Anctil, Judy Rheaume Vallee, Gedeon Vallee, Auditors from Vachon, Clukay Bob Vachon, Jerod Vartanian, Barbara Tetreault *Berlin Daily Sun* and public.

Mayor Grenier opened the meeting at 6:33 p.m. mentioning that it is Flag Day.

FY 2017 Audit Presentation – Vachon, Clukay

Mr. Vartanian summarized the City's financial statements. The City received an unmodified opinion on its financial statements for FY17. Vachon, Clukay uses a risk based audit approach which varies audit procedures from year to year. There were no new policies adopted for this year; however in the upcoming audit, the City will be required to report on postemployment benefits other than pensions. Total assets of the City increased from the prior year by \$1.4 million; capital assets increased by \$2.5 million and total liabilities increased by \$8.5 million which is attributable to pension liabilities from an underfunded pension fund.

The City's UFB was \$1,916,330, an increase of \$670,000 from the prior year. The Airport Authority Fund continues to lose money each year with a deficit fund balance of \$320,000 at year end.

The General Fund Revenues were \$29,000 less than budgeted and the Actual Expenditures were \$1.5 million less than budgeted. The Unassigned Fund Balance represents 8% of the current year annual appropriations which is up by 2%. Information provided to Mayor and Council is accurate and can be relied on to make business decisions.

Mayor Grenier noted that the Water Commission has voted to have Vachon, Clukay do their audit as well. Mr. Vartanian stated that this should allow for a faster turnaround time on the audit. Currently, they have to wait until March and include a reference about BWW not being in the report. If the audit were issued earlier, the City would get an adverse opinion

Mayor Grenier asked who sends the data for GASB reporting. Mr. Vachon indicated that the State and the actuarial send it and Mr. Vartanian added that it is tied to proportion. Actuarials are increasing because the NHRS is underfunded. The City pays this through retirement rates.

Councilor Higbee asked for an explanation of the Statement of Net Position. Mr. Vartanian explained that it is the City's equity, assets less any related debt. This is money not available to fund ongoing operations. Mayor Grenier thanked the auditors for the presentation and, with no further questions from the Council Mr. Vachon, and Mr. Vartanian left the meeting at this time, 6:55 p.m.

Sewer Abatement Committee

Mr. Perreault reported that there were four requests for abatement; most related to faulty plumbing.

Alan J. Lorendeau was billed \$217; last year's bill was \$64. There was a pool filled by a tenant.

Colette Caron was billed \$315; last year's bill was \$309. The home is on a well so the average is charged. A water meter could be installed on the well for a true reading.

D & L Lufkin Properties was billed \$3,719; last year's bill was \$1,447. It was found that there were leaking faucets and toilets.

Gedeon Vallee was billed \$1,077; last year's bill was \$148. There were leaking toilets on the first and second floor.

Councilor Higbee stated that the ordinance is clear that there will be no abatement for swimming pools. He suggested a public service announcement to compel people to check fixtures for faulty plumbing. Councilor Remillard indicated that she does receive a letter from BWW when consumption goes up considerably.

Mayor Grenier asked if the Council wanted to act on all the requests at once or individually. Councilor Remillard moved to deny all the requests as a group; Councilor Rozek seconded. In discussion, Councilor Theberge questioned whether the Vallee's could speak to the issue. Councilors had no objection. Judge Ancil reported that Mr. Vallee lives by himself. He did not get a letter from the Water Works about taking action on plumbing issues. Mayor Grenier asked if action could be delayed on this abatement request.

Councilor Remillard withdrew her prior motion and moved to deny all abatement requests with the exception of Gedeon Vallee, pending further review; Councilor Rozek seconded and the motion carried. Mayor Grenier said the Judge Ancil will be contacted with results of the review.

HEB Contract Amendment

Mr. Wheeler stated that contract approval is a formality of the purchasing ordinance. This contract for \$50,133 will cover engineering and project management for the Hillside Avenue Bridge project which is due start at the end of the month. Mr. Perreault added that the goal is to keep the construction window as narrow as possible. Councilor Rozek moved to accept the contract amendment with regard to construction administration as proposed; Councilor Higbee seconded and the motion carried.

Non Public Session

Councilor Rozek moved with a second from Councilor Theberge to go into non-public session per RSA 91-A:3II(d) Land Matters and (e) Pending Litigation; the motion carried unanimously by roll call.

Councilor Rozek moved with a second from Councilor Morgan Allain to come out of non-public session. So moved, the motion carried.

Councilor Rozek moved with a second from Councilor Theberge to seal the minutes of the non-public session until Wednesday, June 13 at 5:00 p.m. as releasing them would render the action taken ineffective. So moved, the motion carried.

Non Meeting Collective Bargaining

Councilor Higbee moved with a second from Councilor Morgan Allain to go into non meeting per RSA 91-A:2 1 (b) Collective Bargaining. So moved, 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.