

City Council Work Session
July 2, 2018

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

Others present: City Manager Jim Wheeler, Community Development Director Pamela Laflamme, City Clerk Elaine Riendeau, Attorney John Tobin, School Superintendent Corinne Cascadden, Police Chief Pete Morency, Housing Authority Executive Director Mary Jo Landry, School Business Administrator Bryan Lamirande, Claire Styles, Barbara Tetreault *Berlin Daily Sun* and public.

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

School Funding – John Tobin

Attorney Tobin explained that he first started practicing law in Berlin and first learned about school funding at a Berlin City Council meeting. He started looking into the NH scheme of funding education which is harsh and unfair. This was his inspiration for being part of the Claremont case 20 years ago when given the opportunity.

He commented that Berlin sacrifices a lot for its schools. With less valuable property, it is hard to raise the money that is needed for education. Berlin's taxpayers care about schools and that is something to be proud of. A city like Portsmouth averages \$1million of property value per student, where Berlin has \$188,000. Berlin would have to tax ten times the rate to achieve the same amount as Portsmouth. Progress was made in the previous law suit; however we are back where we were.

There are two Tracks that can be followed, the Democracy Track and the Legal Track. The Democracy Track would include a public forum and being politically active. Every politician should be asked what they are doing about school funding. The forum should have local citizens, business people, students and anyone else who cares to hear about the current system and what they can do fix it. Attorney Tobin stated that he is optimistic that this can move better and faster than the last time.

Funding education should be direct and paid for with proportional taxes. School funding is a creation of politics and it can change. We could have a true statewide property tax, where the money goes to the DRA and is then divided among communities in a fair way.

In the interim, there is stabilization aid that was supposed to even out the disparity. The aid was cut from the State budget and is reduced yearly. There can be an effort to stop the reduction and perhaps restore the funding. There are many NH towns and cities that are affected by the cuts and a grassroots campaign to our Legislators could change things

With regard to the legal track, Attorney Tobin said that he wrote an article to the NH Bar News partly to educate young lawyers who do not know about the Claremont case. The State defined adequate education broadly. The average cost of educating a student is \$15,000 to 16,000 and the State pays \$3,500.; we have to make up the difference with property taxes. Since the State is paying only a portion, all local districts are paying to meet the State's obligation.

Attorney Tobin advocated for a true statewide property tax. There would be a tax rate increase for some towns; however in approximately ¾ of cities and towns, the taxes would go down. In order to go forward with the suit, young lawyers are being recruited. There will be a need for school people to review what it takes to educate students and make the point that it is not equal throughout the State.

A lawsuit will take a while; democracy is the quicker track. Fixing the property tax is the ultimate answer.

Councilor Rozek notes that there are business owners who would be able to speak in depth about the dynamics of doing business in a City with low property values. Attorney Tobin stated that one of the push backs from the State will be to pool resources such as combining SAU's and to work together to conserve.

Councilor Remillard said that she is very supportive of a forum and confirmed that the average person should leave the meeting with a clear knowledge of education funding and what questions they need to ask. The wealthier communities can offer a better salary for teachers, up to date equipment, and better classes. Mayor Grenier indicated that the first thing to ask upcoming candidates will be, "what are you going to do about property taxes and education?" He thanked Attorney Tobin for the presentation. Attorney Tobin, Ms. Cascadden and Mr. Lamirande left the meeting at this time.

RSA 79-e

Ms. Laflamme stated that the Council adopted RSA 79e about ten years ago and the incentive was aimed on the downtown. The incentive allows for no increase in assessment for five years after the completion of a renovation project. Berlin is one of the only communities who has used the incentive. Recently there was an opportunity to add properties that are not in the downtown to the 79e incentive and to add an additional four years of no increase to the assessment. The Council would have to vote in the amendment and when there is an applicant, the Council would decide on how much additional incentive is given which could be up to nine years for properties of historical significance. A project receiving this incentive would need to follow strict restrictions of the Federal Historic Preservation. Berlin does not have inspection services that could certify the project is being done to the FHP guidelines and therefore, it is likely that the developer would have to hire an architect to certify the project.

Councilor Remillard asked if the City has any liability for the project and Ms. Laflamme stated that if the project is not done to the Historic Preservation's standard, then the incentive would not be granted

Councilor Nelson asked about accountability. Ms. Laflamme indicated that an architect would have to certify that the project is to Historic Preservation's standards. The timing is tracked in the assessing office. Councilor Rozek confirmed that extending the years will be a Council decision and they don't have to extend to nine years. Councilor Nelson asked how many historical properties are in Berlin. Ms. Laflamme replied that there are not many on the National Register; however there are several that would be eligible on the State Register and the potential property is.

Mayor Grenier stated that if a project is left undone, nothing changes. We have the opportunity to help with change. Councilor Otis said that this only expands a benefit that it is already in place. Ms. Laflamme noted that the developer may not understand the magnitude to the rehab.

SRF Pre-application

Mr. Wheeler stated that the City has been aware of flat roofs causing I & I problems for 20 years. We have been able to count on DES for loan/grant money for fixes in the street and to change piping to a house which is often more costly than if we tore the building down. DES has not looked favorably on demo in the past; but Tracy Wood has taken a different look at it and encouraged a pre-application. We now have the support of the EPA as well. The project would be to inventory tax deeded properties with flat roofs and buildings with sumps and foundation drains. DES funding would then be available to demolish the buildings. We could borrow and tear down using sewer fund capital.

Other

Councilor Remillard reported that there are people in the Avenues putting out garbage and feeding bears. We have to get the word out that garbage is only put out on the morning of pick up and feeding bears is unacceptable. Chief Morency was asked who to call about people feeding bears and he said it is Fish and Game. Councilor Rozek added that there should be some coordination with police; it needs to be addressed.

Non Meeting

Councilor Rozek moved to go into non-meeting; Councilor Berthiaume seconded and the motion carried unanimously by roll call.

Collective bargaining was discussed.

Councilor Rozek moved to come out of non-meeting; Councilor Berthiaume seconded and the motion carried.

With no further business in the Work Session, the Council moved on to the Regular Meeting.

Respectfully Submitted,
Susan Tremblay
Administrative Assistant

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