

City Council Work Session

January 21, 2019

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

Others present: City Manager Jim Wheeler, City Clerk Shelli Fortin, Community Development Director Pamela Laflamme, School Superintendent Corinne Cascadden, Finance Director Patty Chase, Barbara Tetreault, *Berlin Daily Sun*

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

Mayor Grenier commended the effort put forth by the Board of Assessors. They took the time necessary to get it right and now have a model that they can defend.

Proposed Tax Rate

Mr. Wheeler accessed the web portal for the DRA showing Berlin's proposed tax rate. The rate is broken down into: municipal rate \$17.37; County \$4.35; Local Education \$15.52; and State Education \$2.04. This leaves us with 5% in Unappropriated Fund Balance (UFB) and \$100,000 in overlay which is for abatements. The proposed rate is .62 less than projected.

Councilor Rozek confirmed that after the utility values were determined, we had values -\$14 million in assessments less than last year. The statistical update added \$24 million which is a net gain of \$10 million in value. Mayor Grenier added the biggest factor in loss of utility values was the drop of median ratio to 92.6 which was due to increased property values. The ratio now, after the statistical update, is 95. The DRA wants it to be between 95 and 105.

Mayor Grenier commented that in all his years, he has never faced rising property values. Councilor Remillard added that these are slow gradual increases and she sees this increase as sustainable. It is very encouraging. Ms. Chase reported that we hope to finalize the tax rate with the DRA tomorrow and we can then run tax bills as soon as possible. Mayor Grenier confirmed that we used \$750,000 of the TAN which will cost us 2.25% of interest.

FMLA Policy

Mr. Wheeler noted that the policy has gone to the unions. We started with a primary document from Primex and made changes as needed. This needs Council approval and then employees will be given a 60 day notice because we are adopting a new policy.

Councilor Rozek questioned when the policy becomes effective and Mr. Wheeler explained that the policy mirrors Federal regulations and we have essentially been following it in cases of FMLA. Our old policy was from 1995 and there were many federally adopted changes that were not in the policy. Mr. Wheeler assured the Council that this does not take away any benefit. Councilor Berthiaume reiterated that it is federal law. Councilor Remillard asked to see the old policy so that she could compare it with the new. Mr. Wheeler explained that there is not a redlined version because the old policy was so inadequate, we did not use it as a base.

He added that there are FMLA references in all the collective bargaining agreements; however when the Council adopts a CBA, they only vote on the cost items.

Legislative Update

HB 700

Mr. Wheeler stated that this is the bill that follows from the HB24 commission after work done by the ASB regarding finding a compromise solution for valuing utilities. All commission recommendations are in this bill. ASB came up with a formula of 75% of original cost plus 25% of net book. Utilities want 100% net book. All the work went to the commission and they recommended 70% original cost and 30% net book. We don't have the dollar value impact to Berlin yet. Mayor Grenier suggested an amendment that would have the utilities drop their law suits for the 70/30 split.

HB57 proposes to do away with utility property tax or 83f tax. Senator Obrami is the writer of the bill and it states that utilities would not pay the State Education tax, in Berlin's case \$2.04 of the tax rate. This is designed to mirror the reductions in state education aid. This is one to oppose.

HB392 FN is proposed by Representative Edith Tucker and would allow for a PILT payment to the city by the State Correctional Facility. It estimates to generate \$430,000. Councilor Rozek asked how strongly is this bill supported. Mayor Grenier reasoned that if this passes other communities that have state property will be asking for a PILT. This Legislation is one more opportunity to bring Berlin's situation before the Legislators. He added that we appreciate the work that went into Representative Tucker's request and we will need her support throughout the legislative season. Mr. Wheeler added that there is a letter of support for the committee. Councilor Otis moved with a second from Councilor Morgan Allain to send a letter in support of HB392 to the House Finance Committee. So moved, the motion carried unanimously. Mayor Grenier will testify in support of the bill.

Berlin Airport Contract

The Berlin Airport Authority authorized the City Manager to enter into a logging contract with Chris Ouellette to do a timber harvest at the Berlin Airport. Mr. Ouellette was the high bidder at \$44,000.

Non Public Session

Councilor Rozek moved with a second from Councilor Morgan Allain to go into non-public session per RSA91-A:3II(d) Land Matters. So moved, the motion carried unanimously by roll call.

Land matters were discussed.

Councilor Rozek moved with a second from Councilor Morgan Allain to out of nonpublic session. So moved, the motion carried.

Councilor Rozek moved to seal the minutes until the property changes hands as releasing them would render the action taken ineffective; Councilor Morgan Allain seconded and the motion carried unanimously by roll call.

Other

George Stanley Action

Mr. Wheeler reported that Fire, Code and Health gave Mr. Stanley time to clean up his property on Hillsboro Street. There was so much debris, that the home could not be properly inspected. There was a court hearing last week and Mr. Stanley did not show up. The judge indicated that she would get back fairly quickly. The action would be to enter, clean and condemn the property.

There being no further business in work session, Mayor Grenier went 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.