Memo

To: Berlin City Council
From: Jim Wheeler, City Manager
Date: 10/01/2018
Re: City Manager's Report

1. Construction work on the skate park continued over the past two weeks.   The Public Works Dept. and Berlin Water Works are working together on the City's in-kind portion of the earthwork.   Spohn Ranch is scheduled to be on-site on 10/8/18.

2. Mayor Grenier accepted an incentive rebate check from Eversource for $91,750.00 on September 21st from Eversource Representative Randy Perkins.   In addition to the rebate, the City's project has other energy savings.   Attached is the Eversource "Green Page" which estimates the electricity savings and environmental benefits of the project.

3. The Hillside Avenue Bridge is substantially complete.   It was open for the BHS Homecoming weekend. It will have to be closed for the final top course paving which is planned for this week.

4. Bids are currently being requested for a tractor with a snow blower attachment for the Wastewater Treatment Plant.   Bids are due on October 11, 2018.

5. Attached is an article that appeared in the NH Business Review discussing the statistics of property poor municipalities in NH.   Among other statistics the article claims that 87% of the acreage in Berlin is taxed at less than full value.   A significant portion of which is of course tax exempt.   Of course the National Forest contributes to this number.

6. NHRS Trustees voted at their September 11, 2018 meeting to reduce Employer Contributions for Employee, Police and Fire rates beginning July 1, 2019.   The reductions will be 0.21%, 1.00% and 1.80% respectively.   Teacher rates will have an increase of 0.44%.

7. Fire Department statistics are attached.

THE GREEN PAGE

City of Berlin
168 Main Street
Berlin, NH 03570
LED Street Light Project

Congratulations! You've replaced older equipment with newer, energy efficient equipment! Your project not only improves the energy efficiency of your business, saves money and enhances your bottom line... it also helps the environment.

You've helped the environment by eliminating the need to generate electricity (kWh). Everesource estimates the impact of your project to be as

transition & default energy charge effective 04-16-12, emissions updated 5/04

Estimated Energy Savings for Rate EOL Customers

274,768 kWh	X	15.00 year measure life	=	**4,121,520** Lifetime kWh Savings	
X $ 0.12010 per kWh				$ 0.12010	
$ **33,000** annual energy savings				$ **494,995** Lifetime energy savings	

Reduced Oil Consumption

274,768 kWh   X   0.069 gallons of oil/kWh =   **18,959** gallons/year

Reduced Power Plant Emissions

CO2 (a "greenhouse" gas)
274,768 kWh   X   1.107 lbs/kWh   =   **304,168** lbs/year

SO2 (a cause of acid rain)
274,768 kWh   X   0.00175 lbs/kWh   =   **481** lbs/year

NOx (a cause of acid rain)
274,768 kWh   X   0.00054 lbs/kWh   =   **148** lbs/year

The above calculations assume fossil fuels are burned to provide incremental energy to the PSNH distribution system.
(Nuclear power plants provide baseload energy and their operation would not be affected by this energy efficiency project.)
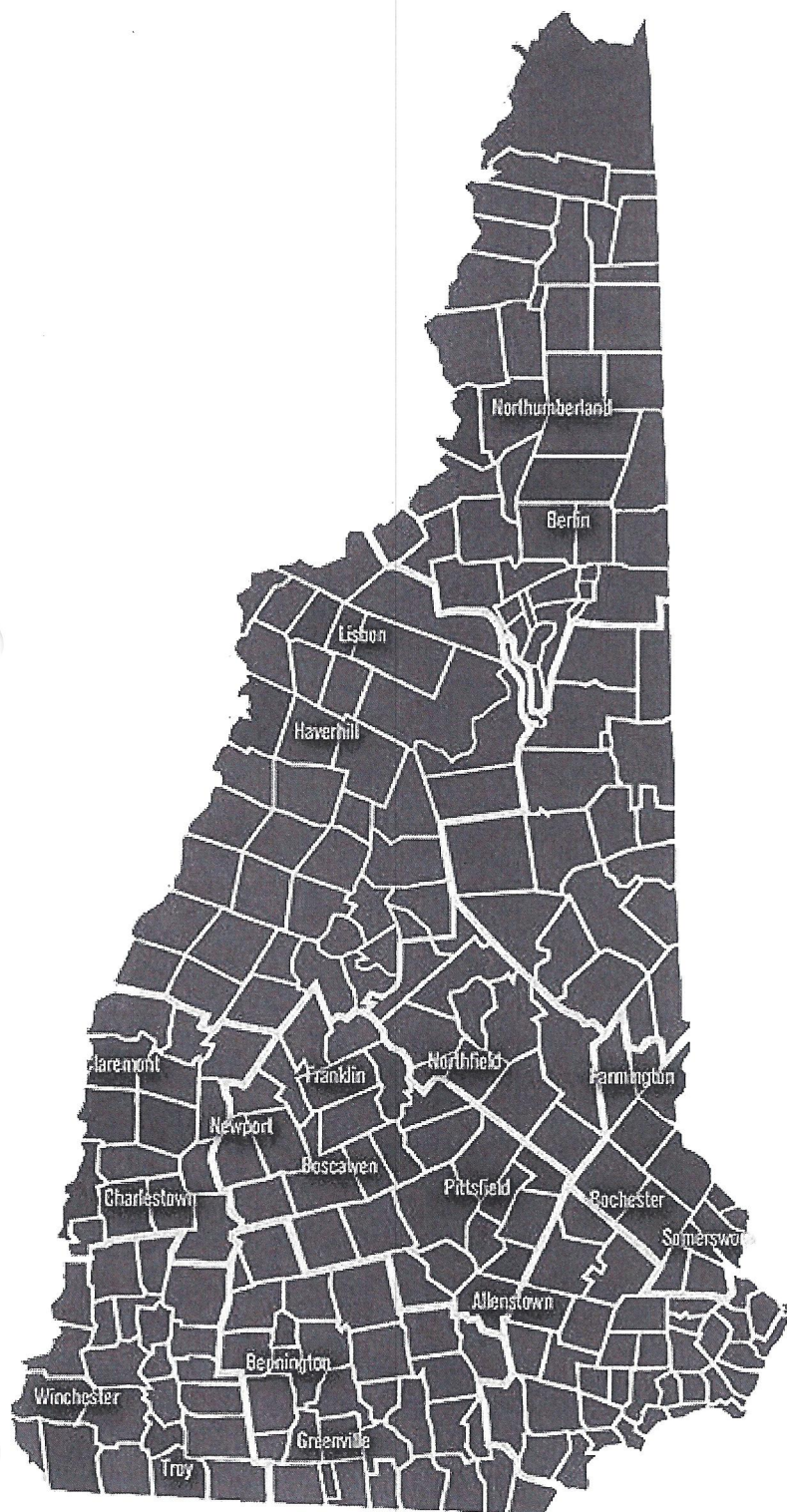
Thank You.

Randy J. Perkins

EVERSOURCE

The other New Hampshire

The state of the state's 19 largest 'property-poor' communities

BY MICHAEL KITCH

I n Claremont, the property tax rate is $42.66 per $1,000 of valuation – the highest in the state. Households earn a median income of $47,555, less than 70 percent of the statewide median. More than one in 10 residents live in poverty, one in five receive food stamps and more than one in four are enrolled in Medicaid.

In 2013, Ross Gittell, chancellor of the Community College System of New Hampshire, identified and quantified the two New Hampshires – one "metro," consisting of Hillsborough, Merrimack, Rockingham and Strafford counties, and the other "rural," consisting of Belknap, Carroll, Cheshire, Coos, Grafton and Sullivan counties. The "metro" counties account for nearly three-quarters of the state's population and employment while their residents enjoy higher levels of income and education and lower rates of aging and poverty than their rural counterparts.

In August, the NH Fiscal Policy Institute issued a more refined analysis — "Measuring New Hampshire's Municipalities: Economic Disparities and Fiscal Capacities." The report surveys the disparate fiscal capacities of cities and towns throughout the state, together with social and economic characteristics associated with them, to suggest there are not just two but a handful of "New Hampshires," each found in almost every corner of the state.

In New Hampshire, where property taxes fund some 60 percent of municipal expenditures, assessed valuation per capita measures the fiscal capacity of cities and towns to fund public services, facilities and amenities. Municipalities with relatively low property valuations are hard-pressed to raise funds for these public investments, especially public schools, without placing ever more onerous burdens on property owners.

These municipalities lie beyond easy reach of metropolitan Boston and outside the corridors carrying the turnpike and interstate highway systems. Nor, with few exceptions, are they situated amid the seaside, lakes and mountains where retirement and seasonal homes have drawn affluent residents and added property wealth to many rural communities.

Meanwhile, saddled with high property taxes, challenged school systems, limited economic opportunities and aging populations, these municipalities face greater burdens in trying to expand their tax bases, balance their demographic profiles and build social and economic capital and by attracting residential development and commercial investment.

Property valuations

Any quantitative criterion for identifying "property-poor" municipalities is liable to be questioned as either too narrow or too broad. Here "property-poor" refers to those cities and towns with more than 1,000 residents where the assessed property value per capita is less than 65 percent of the statewide median.

Applying the 2017 municipal property valuation reported by the NH Department of Revenue Administration and the 2016 municipal population estimates reported by U.S. Census Bureau, the median local assessed valuation per capita of the 234 municipalities, excluding unincorporated places, was $117,336. Among the 185 municipalities with populations of more than 1,000, the assessed valuation per capita was less than 65 percent of the statewide median in five cities and 14 towns (see chart).

While evaluations have rebounded since the Great Recession in most municipalities, in 2017 they remained below their peak in 2008 in 16 of these 19 municipalities: in Greenville by 27 percent, in Northumberland by 20 percent, in Berlin and Pittsfield by 15 percent, in Boscawen by 12 percent and in Haverhill and Newport by 11 percent.

In FY 2017, total public school expenditures in New Hampshire were $2.9 billion, easily the largest single municipal expense. Property taxes of $2.2 billion — local and state — represented 71.7 percent of the revenue funding public schools. In 10 of these same 19 municipalities, the equalized property value per pupil was less than half the statewide average of $983,646 and was less than 60 percent of the average in the rest.

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Furthermore, commercial property represents less than 30 percent of the total evaluation of all 19 municipalities. Commercial property accounts for 28 percent of the tax base in Somersworth,

27 percent in Claremont and Newport and 24 percent in Rochester, but no more than 20 percent in the remaining municipalities and only 10 percent in Berlin and 13 percent in Farmington and Franklin.

Shrinking populations

New Hampshire, as we know it today, is the result of four decades of robust population growth between 1960 and 2000, when the population more than doubled from 606,921 to 1,235,786. But, the four southeastern counties — Hillsborough, Rockingham, Merrimack and Strafford — accounted for 80 percent of the population growth as well as most of the investment in residential, commercial and industrial development it has generated.

While most of the 19 municipalities gained residents, the population in Berlin, Claremont, Northumberland and Lisbon either shrank or stalled.

Between 1960 and 2010, the population of Berlin has fallen at every census and has dropped by more than 40 percent, from 17,821 to an estimated 10,413 in 2016. In Claremont the population was 13,563 in 1960 and 12,957 in 2016. Among the cities, Rochester, which swelled from 17,938 to 29,752, and Somersworth, which grew from 8,529 to 11,766, posted the strongest growth while among the towns, populations doubled in Allenstown and Farmington and increased significantly in Boscawen, Charlestown, Pittsfield and Winchester.

Population growth stalled throughout the state at the turn of the century. Estimates for 2016 indicate that populations in 15 of the 19 property poor municipalities have either fallen or risen only marginally since 2000. Projected population growth through 2040, prepared for the Office of Strategic Initiatives, indicate numbers will fall in Berlin, Greenville, Northumberland, Claremont, Allenstown and Newport.

While the state population is projected to grow 8.8 percent, just six of the 19 property-poor municipalities — Boscawen, Farmington, Haverhill, Northfield, Pittsfield and Rochester — are expected to match or top this pace. Since deaths will far exceed births in the coming years, migration from outside the state will account for the projected growth.

New Hampshire's 'property-poor' municipalities

Municipality	Value per Capita	% of Median	Tax Rate
Berlin	$39,412	34	$39.19
Greenville	$46,961	40	$31.08
Northumberland	$49,776	42	$35.18
Troy	$53,631	46	$34.19
Claremont	$53,856	46	$42.66
Charlestown	$56,169	48	$36.50
Boscawen	$60,720	52	$29.97
Lisbon	$62,155	53	$30.49
Pittsfield	$64,273	55	$33.46
Winchester	$64,283	55	$33.30
Farmington	$65,682	56	$27.81
Franklin	$66,907	57	$25.56
Allenstown	$67,230	57	$32.11
Newport	$67,505	57	$30.00
Northfield	$70,576	60	$21.98
Somersworth	$72,209	61	$33.09
Bennington	$74,525	62	$31.94
Haverhill	$74,740	64	$31.04
Rochester	$75,455	64	$26.33

Source: NH Dept. of Revenue Administration

All of the 19 property-poor municipalities are aging rapidly. The Census Bureau estimates the state median age at 42.4 years. Only in Somersworth is the median age under 40. The median age in Northumberland (46.7), Charlestown (45.7), Newport (44.8), Greenville (44.3), Pittsfield (43.4) all top the state median age of 42.4.

Median household incomes in all these municipalities are below the $68,485 figure for the state. Median household incomes range from a low of $36,654 in Northumberland to a high of $65,690 in Northfield, with a median for the group of $51,866, or 75 percent of the statewide median.

Poverty rates

Nor are residents of these municipalities wealthy, measured by home values, which generally represent about 40 percent of household net worth.

In May, the NH Association of Realtors reported that the median home price in the state had reached $284,000, topping the record of $280,000 set a year earlier. According to data compiled by Zillow, the median home price is $86,500 in Berlin, $122,100 in Claremont, $139,500 in Lisbon, $145,100 in Newport, $146,300 in Winchester, $176,900 in Franklin. With median prices of listed homes of $249,900 and $230,000, Somersworth and Rochester posted the highest home values among the 19 municipalities.

While the statewide poverty rate of 7.3 percent is the lowest in the country, the Census Bureau reported that in 2016 the poverty rates in 16 of the 19 cities and towns exceeded the statewide rate.

In Berlin, Lisbon and Franklin nearly one in five residents lived in poverty while the number was more than one in 10 in 11 other municipalities.

At the same time, relatively high proportions of residents in these municipalities were receiving food stamps through the Supplemental Nutrition Assistance Program, or SNAP. In 15 of the municipalities at least one in 10 residents received food stamps, while the numbers approached one in five in Berlin, Claremont, Winchester, Franklin and Newport.

Likewise, the number of schoolchildren who qualify for the free and reduced price lunch program in all of the property-poor municipalities well exceeds the state average of 26 percent. In the 2017-2018 school year, more than half the students qualified in Berlin, Claremont, Charlestown, Franklin, Pittsfield, Winchester, Farmington and Newport.

While the aggregate population of the 19 municipalities represents less than 10 percent of the statewide total, these cities and towns account for about 15 percent of Medicaid enrollment in New Hampshire. Medicaid enrollment amounts to 28 percent of the population in Claremont, 26 percent in Berlin and Franklin, 25 percent in Newport and Winchester and between 20 and 25 percent in nine of the other 14 municipalities and more than 15 percent in the remaining five.

Cuts in state aid

In addition, public policies that serve to reduce the fiscal capacity of cities and towns while adding to the costs of municipal governments have weighed disproportionately on property poor municipalities.

Municipal tax bases are diminished by the extent of land area enrolled in the current use program, protected by conservation easements or held in public ownership, which is either taxed at a discounted rate or exempt from taxation altogether.

According to the Department of Revenue Administration more than half the acreage of 17 of these 19 property-poor municipalities is taxed at less than its full market value or not taxed at all.

The portion of discounted or non-taxable acreage in Berlin is 87 percent, in Northumberland 85 percent, in Winchester 81 percent, in Haverhill and Lisbon 79 percent, in Boscawen 78 percent, in Allentown 76 percent, in Troy 73 percent, in Newport 73 percent, in Claremont and Pittsfield 68 percent and in Bennington, Northfield and Greenville 66 percent.

Moreover, since 2009 the state has increased fiscal pressures on cities and towns by withholding state aid from them and transferring state obligations to them.

Revenue-sharing was suspended, depriving municipalities of some $200 million in aid since 2010. At the same time, the distribution of receipts from the rooms and meals tax was reduced by $58 million during the same period. And the state eliminated its contribution of 35 percent to the cost of pensions for police officers, firefighters and school teachers. These reductions in state funding shifts costs to local property taxpayers, a burden that weighs especially heavily on property-poor cities and towns.

The most substantial cuts came in 2017, when the Legislature began reducing state aid to public schools by phasing out the so-called "stabilization grants," which since 2012 had replaced "fiscal disparity aid" of $1,250 to $2,000 per student to municipalities with low property values and median family incomes. The grants were introduced to hold districts harmless from these changes, which weighed especially heavily on property-poor districts.

Berlin, Northumberland, Newport, Greenville, Pittsfield and Haverhill are among the 10 municipalities most severely affected by the reduction and elimination of the stabilization grants. Meanwhile, Claremont, Charlestown, Franklin, Northfields, Pittsfield and Allentown have formed a coalition to reverse the policy.

While distinctions between "metropolitan" and "rural" communities and between regions within the state must not be ignored, they tend to mirror distinctions common to most, if not all, states. More telling are the disparities in fiscal capacity arising from differences in property wealth, which are exacerbated and perpetuated by tax and public policies peculiar to New Hampshire.

Equalized value per pupil

Municipality	Value per Pupil	% of Average
Berlin	$282,760	29
Northumberland	$334,988	36
Greenville	$377,533	38
Troy	$395,841	40
Winchester	$391,535	40
Claremont	$412,059	42
Charlestown	$427,325	43
Pittsfield	$433,316	44
Lisbon	$481,435	49
Newport	$480,983	49
Farmington	$498,041	51
Franklin	$504,758	51
Allenstown	$503,348	51
Northfield	$518,793	53
Somersworth	$563,872	57
Bennington	$562,646	57
Haverhill	$555,334	56
Rochester	$569,553	58

Source: NH Dept. of Revenue Administration

September 11, 2018

FROM: NHRS Board of Trustees
          George P. Lagos, Executive Director

TO: Political Subdivisions, including Municipalities, School and Village Districts, Counties,
          and others

SUBJECT: **EMPLOYER CONTRIBUTION RATES – MUNICIPAL**
          EFFECTIVE JULY 1, 2019 – JUNE 30, 2021

Pursuant to RSA 100-A:16, III, and the actuarial valuation of June 30, 2017, the New Hampshire Retirement System Board of Trustees at its September 11, 2018, meeting certified the following employer rates of contribution due the retirement system beginning July 1, 2019, and ending June 30, 2021. Employers shall ensure that these rates are implemented for Earnable Compensation paid on and after July 1, 2019.

EMPLOYER CONTRIBUTION RATES
EFFECTIVE JULY 1, 2019 – JUNE 30, 2021

	Pension Percentage	Medical Subsidy Percentage	Total Employer Percentage
GROUP I			
Employees	10.88%	0.29%	11.17%
Teachers	15.99%	1.81%	17.80%
GROUP II			
Police	24.77%	3.66%	28.43%
Fire	26.43%	3.66%	30.09%

The employer contribution rates must be applied to the covered payroll for each respective membership classification.

Please refer any questions regarding this memo to: info@nhrs.org

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
1 Fire				
100 Fire, Other	2	2.46%	$0	0.00%
113 Cooking fire, confined to container	1	1.23%	$0	0.00%
141 Forest, woods or wildland fire	1	1.23%	$0	0.00%
160 Special outside fire, Other	1	1.23%	$0	0.00%
	5	6.17%	$0	0.00%
3 Rescue & Emergency Medical Service Incident				
311 Medical assist, assist EMS crew	7	8.64%	$0	0.00%
322 Motor vehicle accident with injuries	2	2.46%	$0	0.00%
340 Search for lost person, other	1	1.23%	$0	0.00%
	10	12.34%	$0	0.00%
4 Hazardous Condition (No Fire)				
411 Gasoline or other flammable liquid spill	2	2.46%	$0	0.00%
420 Toxic condition, Other	1	1.23%	$0	0.00%
440 Electrical wiring/equipment problem, Other	1	1.23%	$0	0.00%
442 Overheated motor	1	1.23%	$0	0.00%
445 Arcing, shorted electrical equipment	1	1.23%	$0	0.00%
460 Accident, potential accident, Other	2	2.46%	$0	0.00%
462 Aircraft standby	4	4.93%	$0	0.00%
463 Vehicle accident, general cleanup	2	2.46%	$0	0.00%
480 Attempted burning, illegal action, Other	1	1.23%	$0	0.00%
481 Attempt to burn	1	1.23%	$0	0.00%
	16	19.75%	$0	0.00%
5 Service Call				
500 Service Call, other	10	12.34%	$0	0.00%
510 Person in distress, Other	1	1.23%	$0	0.00%
511 Lock-out	1	1.23%	$0	0.00%
522 Water or steam leak	1	1.23%	$0	0.00%
531 Smoke or odor removal	2	2.46%	$0	0.00%
550 Public service assistance, Other	3	3.70%	$0	0.00%
551 Assist police or other governmental agency	1	1.23%	$0	0.00%
553 Public service	1	1.23%	$0	0.00%
561 Unauthorized burning	1	1.23%	$0	0.00%
571 Cover assignment, standby, moveup	1	1.23%	$0	0.00%
	22	27.16%	$0	0.00%

6 Good Intent Call

City of Berlin Fire Department

Incident Type Report (Summary)

Alarm Date Between {09/01/2018} And {09/30/2018}

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
6 Good Intent Call				
600 Good intent call, Other	3	3.70%	$0	0.00%
	3	**3.70%**	**$0**	**0.00%**
7 False Alarm & False Call				
700 False alarm or false call, Other	2	2.46%	$0	0.00%
730 System malfunction, Other	5	6.17%	$0	0.00%
733 Smoke detector activation due to	8	9.87%	$0	0.00%
734 Heat detector activation due to malfunction	1	1.23%	$0	0.00%
735 Alarm system sounded due to malfunction	2	2.46%	$0	0.00%
736 CO detector activation due to malfunction	2	2.46%	$0	0.00%
740 Unintentional transmission of alarm, Other	1	1.23%	$0	0.00%
743 Smoke detector activation, no fire -	1	1.23%	$0	0.00%
	22	**27.16%**	**$0**	**0.00%**
9 Special Incident Type				
9001 Special type of incident, Pre Plan	1	1.23%	$0	0.00%
1 Citizen complaint	2	2.46%	$0	0.00%
	3	**3.70%**	**$0**	**0.00%**

Total Incident Count: 81   Total Est Loss: $0