

Memo

To: Berlin City Council
From: Jim Wheeler, City Manager
Date: 06-20-2016
Re: City Manager's Report

1. Bids were opened Thursday June 9th for the demolition of 24 Birch Street and 339 Goebel Street. Cross Excavating was the low bidder for both buildings. The work is expected to start sometime this week. Copies of the bid sheets are attached.
2. There is a bid due June 30th for the construction of a fuel distribution system at the Public Works Garage.
3. The City received bids and awarded the following contracts:

Contract 2016-04 Electrical Service to Vaillancourt Electric
Contract 2016-06 Local Delivery Propane to CN Brown for 1.159 per gal.
Contract 2016-07 Boiler Services to Mechanical Services
4. KRT Appraisal reviewed all of the abatement applications and has submitted a recommendation to the Board of Assessors for each contested parcel. The Board has made a ruling on roughly half of the applications and will be meeting this coming Tuesday, June 21st to review the remaining submissions. The Board will have their decisions made ahead of the July 1st deadline and they appreciate the public's patience with the abatement process as they seek to ensure that all taxable properties are being accurately reported and properly assessed.
5. The Annual NH Municipal Manager's Meeting was held from June 8th – June 10th in Lincoln, NH. I was able to attend the meeting on June 10th. Cordell Johnston, NHMA attorney, gave a presentation on the 2016 Legislative Review. A copy of his presentation handout is attached.
6. The City's Joint Loss Prevention Committee (JLPC) has issued an updated version of the JLPC Manual. The Manual is required by the Department of Labor and it outlines safety practices. The Manuals will be distributed to employees in the coming weeks.

LOCAL DELIVERY PROPANE**Contract 2016-06****Bid Results**

Date	Bidder	Option I	Option II
6/7/2016	Franconia Gas	\$ 1.39	.30/.72
6/7/2016	Irving Energy	1.421	.887/.4863
6/7/2016	CN Brown	1.159	.34/.6539

BOILER SERVICES BID**Contract 2016-07****Bid Results**

Date	Bidder	Total Bid
6/7/2016	Mechanical Services	\$8,543

ELECTRICAL SERVICES BID**Contract 2016-04****Bid Results**

Date	Bidder	Total Bid
6/7/2016	Vaillancourt's Electric	\$26,205

CITY OF BERLIN
Demolition of 24 Birch Street
June 9, 2016

<u>Susan Tremblay</u> <u>James Wheeler</u> 	
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BIDDER	BID AMOUNT	DATE/TIME	OTHER
3 All-Ways Recycling/Wrecking	\$17,450	June 6, 2016 10:00 a.m.	
1 Cross Douglas W. Jones Inc	\$9,440	June 8, 2016 9:05 a.m.	
4 Milan Excavating Inc	\$21,024.88	June 9, 2016 Noon	
2 Hammond Grinding & Recycling	\$10,590.	June 9, 2016 1:36 p.m.	

CITY OF BERLIN
Demolition of 339 Goebel Street
June 9, 2016

<u>Susan Tremblay</u> <u>James Wheeler</u> 	
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BIDDER	BID AMOUNT	DATE/TIME	OTHER
5 All-Ways Recycling/Wrecking	\$13,079	June 6, 2016 10:00 a.m.	
1 Cross Douglas W. Jones Inc	\$5,500	June 8, 2016 9:05 a.m.	
2 Fortier & Associates	\$7,333	June 9, 2016 8:35 a.m.	
4 Milan Excavating Inc	\$12,736	June 9, 2016 Noon	
3 Hammond Grinding & Recycling	\$9,068	June 9, 2016 1:36 p.m.	



2016 New Hampshire Legislative Review

June 10, 2016

Cordell Johnston
Government Affairs Counsel
New Hampshire Municipal Association

Public Records/ Right-to-Know Law

Long-Term Storage of Electronic Records. HB 1395 provides that for municipal records that are required to be retained for ten years or longer, the records may be stored in portable document format archive (PDF/A), as an alternative to paper or microfilm, so long as they are on a storage medium from which they are readily retrievable. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective 60 days after signed.

Non-Public Session to Review Advice from Counsel. HB 285 allows a public body to enter non-public session for “consideration of legal advice provided by legal counsel, either in writing or orally, to one or more members of the public body, even where legal counsel is not present.” This is in addition to the provision of current law that exempts a “consultation with legal counsel” (where legal counsel is present) from the Right-to-Know Law. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective upon signature.

No Charge if No Copies Made. HB 606 provides that “[n]o fee shall be charged for the inspection or delivery, without copying, of governmental records, whether in paper, electronic, or other form. If a citizen merely inspects a record without requesting a copy, or if the public body delivers a record electronically without copying it onto a separate medium, no charge may be made. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective upon signature.

Content of Non-Public Session Minutes. HB 1418 amends RSA 91-A:2, II, describing what information must be included in a public body’s meeting minutes. The new law states that non-public minutes must contain the same information as public minutes—specifically, the names of members present, names of persons appearing before the public body, and a brief description of the subject matter discussed and final decisions. **Status at 6-10-16:** Signed by governor. Effective 1-1-17.

Non-Public Session Minutes Must Indicate How Members Voted. HB 1419 states that minutes of a non-public session “shall record all actions in such a manner that the vote of each member is ascertained and recorded.” This does not require that the minutes show a roll call vote on all actions. If the minutes indicate that a motion was approved unanimously, that is sufficient to ascertain each member’s vote (because the minutes already must indicate who was present). If a vote was 4-1 or 3-2, the minutes should record that tally and, at the least, identify the persons who voted in the negative, thus enabling the reader to determine who voted in the affirmative. **Status at 6-10-16:** Signed by governor. Effective 1-1-17.

Killed: HB 1611, which would have allowed a public body or agency to recover a portion of the labor cost of responding to Right-to-Know Law requests.

Land Use

Municipalities Must Permit Accessory Dwelling Units. SB 146 requires any municipality with a zoning ordinance to allow accessory dwelling units (ADUs) in all districts where single-family dwellings are permitted. ADUs must be allowed either as a matter of right or by special exception or conditional use permit. If the ordinance does not address ADUs, they will be permitted as a matter of right, without condition.

Other provisions of the new law include the following:

- A municipality is only required to allow one ADU per single-family dwelling.
- A municipality may require that either the principal unit or the ADU be owner-occupied.
- Minimum and maximum size limits may be imposed, but the maximum size may not be less than 750 square feet.
- An ADU may not violate setback, lot coverage, or similar requirements.
- A connecting door may be required between the units, but the municipality may not require that it remain unlocked.
- Adequate off-street parking may be required.
- Adequate provision must be made for water supply and sewage disposal, but separate systems may not be required for the principal and accessory units.
- A municipality may establish design standards “for the purpose of maintaining the aesthetic continuity with the principal dwelling unit as a single-family dwelling.”
- The municipality may not require a familial relationship between the occupants of the principal unit and the occupants of the ADU, and may not limit an ADU to only one bedroom.

Status at 6-10-16: Signed by governor. Effective 6-1-17.

Agritourism Permitted Wherever Agriculture Is Permitted. SB 345 includes “agritourism” within the definition of “agriculture” and provides that a municipality may not prohibit

agritourism on any property where the primary use is for agriculture. "Agritourism" is defined as "attracting visitors to a farm to attend events and activities that are accessory uses to the primary farm operation, including, but not limited to, eating a meal, making overnight stays, enjoyment of the farm environment, education about farm operations, or active involvement in the activity of the farm." The establishment of an agritourism use may be made subject to special exception or other local land use board approval, such as site plan review. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective upon signature.

Municipal Liability

Killed:

- **HB 1687**, which would have made municipalities liable for certain injuries resulting from the use of playground equipment.
- **HB 1688**, which would have expanded municipal liability for injuries in negligence actions to include those not arising from the ownership or use of motor vehicles or premises.
- **SB 421**, which would have increased statutory limits on municipal liability for damages.

Revenue/State Budget

Water Trust Fund. **SB 380** establishes a drinking water and groundwater trust fund, using proceeds from the state's lawsuit against Exxon Mobil related to MTBE contamination. (The total amount received is \$307 million, of which 90 percent is to be deposited in the trust fund.) The purpose of the trust fund is to address widespread and persistent contamination of the state's drinking water and groundwater through on-site treatment, expansion of drinking water infrastructure, and other alternatives, including cost-sharing grants to municipalities and water utilities. **Status at 6-10-16:** Signed by governor. Effective 3-31-16.

Funding for Wastewater Projects. **HB 1428** provides funding for eight wastewater projects (three in Littleton, two in Portsmouth, and one each in Exeter, Hanover, and Rochester) on the Department of Environmental Services' "delayed and deferred" list for state aid. All of the projects received local financing approval before the legislative moratorium cutoff date of December 2008, but were not funded in the current state operating budget. Payments for these projects will be funded from excess money in the state's clean water revolving loan management account. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective 7-1-16.

Funding for Police Standards and Training Council. **HB 1428** also addresses a shortfall in funding for the Police Standards and Training Council. Rather than funding the council with penalty assessments, it diverts those funds into the state's general fund and makes a general

fund appropriation of \$3.5 million to fund the PSTC's anticipated expenses through June 30, 2017. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective upon signature.

Governance/ Town Meeting/Elections/Clerks

Charter amendments. **HB 1293** makes changes to the procedure for amending a municipal charter. It makes a clearer separation between the procedures for an amendment initiated by the municipal officers and an amendment initiated by citizen petition. It also reduces the number of signatures required to get a petitioned amendment on the ballot, and removes the requirement that a proposed amendment be approved by an attorney licensed in the state. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective 60 days after signature.

Killed:

- **SB 346**, which would have required that polling places be open at least from 6:00 a.m. to 8:00 p.m. for all state elections.
- **SB 349**, which would have required a city council or board of aldermen to elect someone other than the city clerk to serve as chief elections officer if the clerk is not a registered voter in the city.

Property Taxes—Assessment, Exemptions and Credits, Collection

Optional All Veterans' Tax Credit. **HB 430** allows any municipality, by vote of the legislative body, to adopt the "all veterans' credit," which is a property tax credit available to all honorably discharged veterans with more than 90 days of active service who are not otherwise eligible for the existing veterans' tax credit or the tax credit for service-connected total disability. If a municipality adopts the all veterans' credit, the amount of the credit will be the same as the amount adopted by the municipality for the standard or optional credit under RSA 72:28.

Status at 6-10-16: Passed by both houses, not yet signed by governor. Effective 60 days after signature.

Valuation of Telephone Poles and Conduits. **HB 1198** establishes a statutory valuation formula for telephone poles and conduits for purposes of property tax assessment, based on the replacement cost new of the pole or conduit, less depreciation calculated on a straight-line basis for a period of 40 years, with a residual value of 20 percent. The Department of Revenue Administration will annually provide every municipality with a schedule of replacement cost new amounts, using national standard cost data guides calculate annually using a 5-year rolling average. **Status at 6-10-16:** Passed by both houses, not yet signed by governor. Effective 9-1-16.

Reduction/Elimination of Penalty on Sale of Tax-Deeded Property. HB 1219 repeals the 15 percent penalty charged when a former owner repurchases a tax-deeded principal residence from the municipality. For properties other than a principal residence, or where the property is purchased by a third party rather than repurchased by the owner, the penalty is retained but is reduced to 10 percent of the assessed value of the property. **Status at 6-10-16:** Signed by governor. Effective 7-2-16.

New Hampshire Retirement System

Lower Assumed Rate of Return Affects Future Employer Retirement Rates. Although not a legislative action, this has a significant impact on municipalities. In May the New Hampshire Retirement System (NHRS) Board of Trustees voted to adopt revised actuarial assumptions based on the recent five-year experience study conducted by its consulting actuary. The Board also approved a reduction of the retirement system's investment assumption, lowering the assumed rate of investment return from 7.75% to 7.25%.

Investment earnings account for a majority of the system's revenues. The other sources of revenue are employer contributions and employee contributions. Because employee contribution rates are set by statute, when the assumed investment return decreases, employer contribution rates must *increase* to ensure that the system remains actuarially sound in accordance with Part I, Article 36-a, of the New Hampshire Constitution. Thus, employer contribution rates will increase for the two-year period beginning July 1, 2017.

The NHRS Board will not officially vote on the new employer rates until the fall. However, preliminary projections from the actuary indicate the following increases from current rates. These rates are shown as a percentage of pensionable compensation:

	Current Rates	Projected Rates	% Increase
Political Subdivision Employees	11.17%	11.38%	1.88%
Teachers	15.67%	17.36%	10.78%
Police	26.38%	29.43%	11.56%
Fire	29.16%	31.89%	9.36%.