

Memo

To: Berlin City Council
From: Jim Wheeler, City Manager
Date: 9-18-2017
Re: City Manager's Report

1. At the urging of the City Council during the last budget process, the Library Trustees have increased fees for non-resident use of the Library from \$25.00 to \$35.00.
2. A reminder that the Governor's Advisory Commission on Intermodal Transportation (GACIT) District 1 Public Hearing will be tomorrow Tuesday September 19th in the City Hall Auditorium. Public documents related to the Ten Year Plan can be viewed at:
<http://www.nh.gov/dot/org/projectdevelopment/planning/typ/index.htm>
3. A reminder that the US EPA, NH Department of Environmental Services and the City of Berlin will be holding an informational meeting Tuesday, September 19, 6:30 to 8:30 p.m. at City Hall, for residents who would like to learn about the latest progress on site investigations at the Chlor-Alkali Superfund Site.
4. At their September 13th meeting, the Governor and Council authorized the Bureau of Construction to enter into a contract with Ray's Electric and General Contracting Inc. of Berlin, NH, for placement of a gateway sign, an interpretive sign, benches, historical district street signs, landscaping, and construction of a playground area in Berlin, on the basis of a single bid of \$228,579. They further authorized a contingency in the amount of \$22,857.90 for payment of latent conditions which may appear during the construction of the project. This work is historic mitigation work associated with the Rte. 110 Reconstruction Project.
5. Responses for the Request for Proposals for the Riverwalk Project are due Wednesday September 20th.
6. I attended a presentation by George Lagos, Executive Director of the New Hampshire Retirement Systems on Friday September 15th at the NH Municipal Managers meeting in Concord. I've attached two of the handouts from Mr. Lagos' presentation. One

includes information on Employer contributions and another citing various fund financial metrics.

7. I will be at the Assessing Standards Board meeting on Friday September 22nd at which HB324 will be an agenda topic. HB324 includes the move for municipalities to be required to use NHDRA 83F utility valuations. In Berlin this would likely result in a decrease of utility values by almost 40% and a corresponding tax rate increase of approximately \$10. The ASB will be providing its findings the House Science, Technology and Energy Committee.
8. There will be a Berlin Recreation Hockey Development Meeting Hockey Tuesday, September 26th at Berlin Recreation Center starting at 6:00 p.m. Registrations for the upcoming 2017-18 season will be taken. There will be a hockey equipment swap, and there will be coordinators available to answer any questions about the hockey program. Berlin Recreation Hockey is open to any child age five to 15. Further details of season will be discussed on the 26th.
9. The PD statistics as reported to the Police Commission for July are attached.

5 facts on employer contributions

There's a lot of information out there regarding the New Hampshire Retirement System, some of it fact and some of it fiction. This document, along with others in the "NHRS Now You Know" series, is designed to provide you with straight facts about the retirement system.

New Hampshire Retirement System employer contribution rates for fiscal years 2018 and 2019 were certified by the Board of Trustees in September 2016. Here are five things to know about employer rates:

1. Employer contribution rates are determined every two years pursuant to RSA 100-A:16, III. The contribution rates for fiscal years 2018 and 2019 are based on the actuarial valuation as of June 30, 2015. In the aggregate, employer contributions for Group I (Employee, Teacher) and Group II (Police, Fire) are increasing by 7 percent over 2016-17, however the changes in employer rates vary widely among the four individual member groups based on their respective demographics.

2. The 2018-19 rate increase was largely the result of recommended changes to the actuarial assumptions used to value the pension plan that were adopted by the Board of Trustees in May. The most significant drivers of the rate increase were the reduction of the assumed rate of investment return from 7.75 percent to 7.25 percent, the adoption of updated post-retirement mortality assumptions, and a reduction in the payroll growth factor. The employer contribution rate for Group I Teachers was additionally impacted by the adoption of a payroll growth assumption reflecting the projected ongoing decline in the state's school-age population.

3. The Board of Trustees has no discretion in setting employer rates. State law requires that the Board certify actuarially sound rates necessary to keep the retirement system on track to meet its long-term obligations; the New Hampshire Constitution (Part I, Article 36-a) requires employers to pay those rates in full.

4. There are three components to employer contribution rates: the normal cost, the unfunded actuarial accrued liability (UAAL), and the Medical Subsidy. The normal cost reflects the estimated actuarial cost of pension benefits as those benefits are earned each year by members. This cost is shared by the employers and the members, with members paying the majority of the normal cost. The UAAL is the estimated value of NHRS benefits that have been earned in the past, but have not yet been funded. This liability, which is being paid down through 2039, is

5 facts on employer contributions

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borne solely by the employers. Overall, the unfunded liability accounts for the majority of the total employer rate in fiscal years 2018 and 2019 as detailed in the chart below.

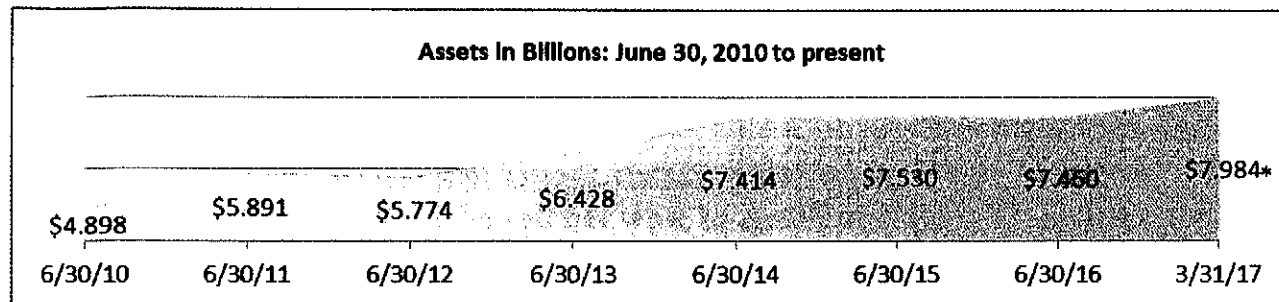
MEMBER CATEGORY	PENSION: NORMAL COST	PENSION: UAAL	UAAL AS A % of TOTAL PENSION COST	MEDICAL SUBSIDY	TOTAL EMPLOYER RATE
Employee – State	2.16%	8.92%	80.5%	1.07%	12.15%
Employee – P. Sub.	2.16%	8.92%	80.5%	0.30%	11.38%
Teacher	2.07%	13.63%	86.8%	1.66%	17.36%
Police	5.67%	19.66%	77.6%	4.10%	29.43%
Fire	7.05%	20.74%	74.6%	4.10%	31.89%

Member contribution rates set by statute: Group I – 7%; Group II Police – 11.55%; Group II Fire – 11.8%

5. Political subdivision employers have paid 100% of the employer rates for teachers, police officers and firefighters since fiscal year 2013. When RSA 100-A:16 was enacted in 1967, the state was responsible for 40 percent of the employer contribution for Teacher members employed by political subdivisions. The statute was amended in 1977, requiring the state to pay 35 percent of the employer contributions for Teacher, Police, and Fire members employed by political subdivisions. RSA 100-A:16 was amended in 2009 to reduce the state's share to 30 percent in fiscal year 2010 and 25 percent in fiscal year 2011. The 2009 amendment also restored the state contribution to 35 percent in fiscal year 2012, however, the statute was amended again in 2011 to eliminate the state's percentage share of employer contributions altogether. The 2011 amendment also included a one-time appropriation of \$3.5 million in an effort to offset political subdivision employer contributions in fiscal year 2012. Employers sued the state over these reductions. The New Hampshire Supreme Court in 2012 upheld the state's action and ruled that the decrease in the state's contribution was not an unfunded mandate in violation of the New Hampshire Constitution (Part I, Article 28-a).

TRUST FUND ASSETS

3rd Quarter FY 2016: \$7,298 billion*	3rd Quarter FY 2017: \$7,984 billion*
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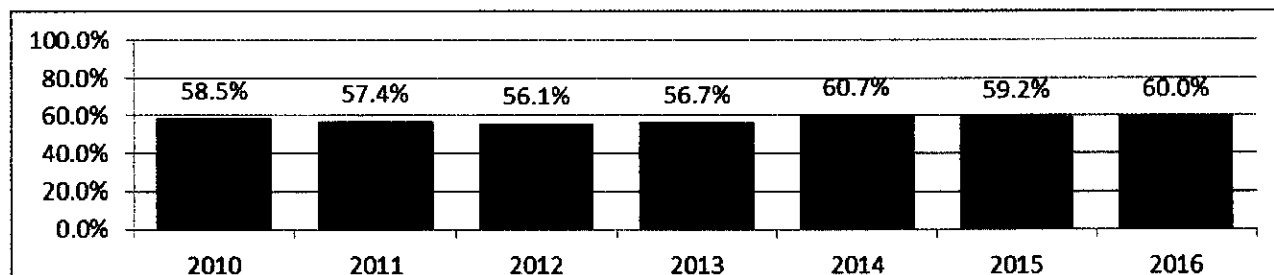
* Unaudited

INVESTMENT PERFORMANCE

Net-of-fees returns: 3/13/17*	FYTD	1 year	3 year	5 year	10 year
Total Fund Composite	9.1%	11.6%	5.9%	8.5%	5.8%
Peer comparison (percentile)	41%	30%	11%	8%	17%

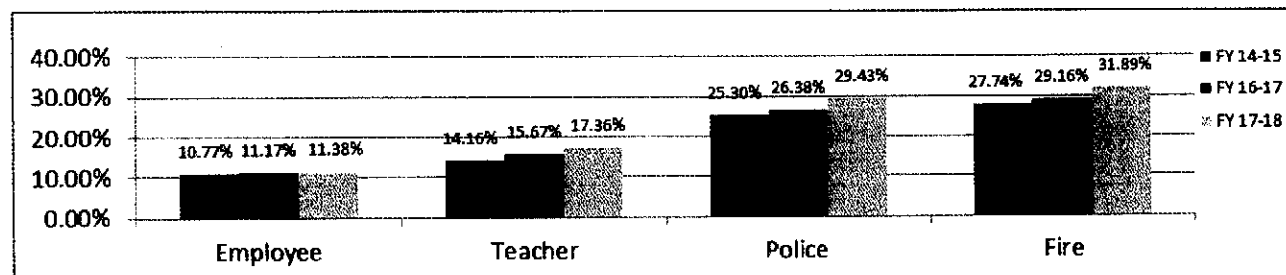
Assumed Rate of Return: 7.25%; * Valuation of real estate and alternative investments lagged 3 months.

FUNDED RATIO



Funded ratio impacted by reductions to assumed rate of return and new actuarial assumptions in 2011, 2016

EMPLOYER CONTRIBUTION RATES



FY 17-18 rates impacted by reduction to assumed rate of return and new actuarial assumptions in 2016

Our Mission: To provide secure retirement benefits and superior service.

Berlin Police Department
September 2017 Commissioner's Meeting
- July 2017 Activity Report -

	July 2017	Year To Date 1/1 - 7/31/2016	Year To Date 1/1 - 7/31/2017	Difference %
Total Calls for Service	2008	11297	13583	20.24%
Milan Calls for Service	94	379	573	51.19%
Total Arrests	59	388	440	13.40%
Protective Custody Arrests	6	37	37	0.00%
Felonies	10	104	94	-9.62%
Misdemeanors	84	509	581	14.15%
Thefts	24	176	154	-12.50%
Burglaries	3	39	22	-43.59%
Vandalism/Criminal Mischief	16	125	110	-12.00%
Criminal Threatening	4	90	56	-37.78%
Sexual Assaults	2	19	30	57.89%
Assaults	9	71	58	-18.31%
Domestic Violence Incidents	25	113	128	13.27%
Verbal Arguments	11	59	43	-27.12%
Restraining/Stalking Orders	8	58	51	-12.07%
Drug Complaints	22	114	148	29.82%
Motor Vehicle Stops	327	2156	2114	-1.95%
Motor Vehicle Violations	47	224	252	12.50%
Motor Vehicle Warnings	188	1621	1384	-14.62%
OHRV Complaints	10	79	48	-39.24%
OHRV Stops	7	72	47	-34.72%
OHRV Accidents	3	10	9	-10.00%
DWI Violations	4	24	26	8.33%
Accidents	18	94	126	34.04%
Accidents Within an Intersection	6	24	26	8.33%
Parking Tickets	0	187	129	-31.02%
Dog Complaints	40	232	213	-8.19%
Animal Complaints (other)	19	129	125	-3.10%
Assists to other Berlin Departments	25	304	209	-31.25%
Assist to Berlin Ambulance	74	529	553	4.54%
Assists to Gorham PD	9	43	43	0.00%
Assists from Gorham PD	4	20	25	25.00%
Juvenile Incidents	37	112	122	8.93%
Juvenile Arrests	7	20	33	65.00%
Officers issued 0 parking ticket for the following reasons:				