

# Memo

To: Mayor and Council  
cc: Department Heads  
From: Pat MacQueen  
Date: May 3, 2010  
Re: Manager's Report

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## **East Milan Road Bids**

Bids for the East Milan Road project were opened on Thursday. Four bids were received, and all the bids all came in below the Engineer's estimate of \$6.1M. They are currently being reviewed by our Engineer Wright Pierce to develop an award recommendation. The apparent low bidder is Sargent Corporation from Stillwater, ME in the amount of \$5,422,834.80.

Oddly, we still have not heard from Rural Development on our application for funding to the WWTF. We have been expecting to hear any time on that for some time now. We have been told that we have to do Value Engineering on this project because it is over \$10M. However, we cannot begin the Value Engineering on the project until we know we have sufficient funding. The delay is also holding up the design for the improvements to the WWTF which may end up affecting the overall BOP schedule.

## **Granite Street Property Demolition**

The demolition for the Granite Street demolition project has been delayed because the low bidder AD Drouin has backed out of the bid. The bid has now been re-awarded to the next high bidder which is Gleason. Because of this, the date for demolition has been moved from April 19 to May 11<sup>th</sup>.

### **Budget Inn Sign Down**

After several years of trying and working with the State DOT, the Budget Inn sign which graced the entrance to the City has come down. It was taken down by the State in their regulatory capacity of overseer of "scenic highways." Like with so much of the demolition work we have done, once it is gone, it is hard to believe it was ever there until you look at a picture and realize how bad it looked.

### **Sgt. Rosenberg Memorial Ceremony**

The Memorial Dedication for Sgt. Rosenberg is planned for Memorial Day, Monday May 31<sup>st</sup> at the Unity Street Park Gardens on Hutchins Street at from 10am to 11am. All are invited to attend.

### **IRS Audit**

As previously indicated, we have had an ongoing audit by the IRS. The amount of money being demanded from the IRS has come down from an original \$47k to about \$14k and we are still working on to see how much lower we can get it. About \$3k of the amount is because the IRS feels we should have been withholding on certain employee benefits. The vast majority of it had to do with not requiring W-9's from all of vendors and that is the part we are working on reducing by getting out the proper forms to these vendors.

### **Beacon Communities**

As you know Berlin is one of three Beacon Communities in the State which will share in \$10M in ARRA energy improvement funds. Besides Berlin, the other two communities are Plymouth and Nashua. Attached is a flier from Senator Shaheen's office which helps to describe the program.

### **Time Warner Changes**

Attached is a flier from Time Warner reviewing changes they are making to their programming.

### **Legislative Matters**

- SB 465 would extend education funding

I have attached a flier from The Coalition Communities which is based in Portsmouth. Based on this and information on the web, Senate Bill 465 would extend the transition phase of the

education funding formula by an additional year and would establish a study committee to determine if the full formula is financially sustainable over the long term. They point out that if this extension is not made, that Berlin stands to lose about \$467,970 in Education Aid in July of 2011. They also point out that if the extension is not made that the full formula would not only cost Berlin the \$467k but also would cost the state an additional \$70M with \$42M of that going to Nashua and Manchester as of July 1, 2011. Councilors are urged to contact our state representatives to favor the passage of Senate Bill 465.

- Pole Tax Exemption Killed

After years of trying the lobbyists were finally beaten as the pole tax exemption for the telecom companies was finally killed. This of course does not mean that they will not try to bring it back as they undoubtedly will. Continued vigilance and effort will be required to keep it off the books.

- State Budget

SB 450 is in the House Finance Committee which is trying to deal with the state budget deficit of over \$200M. The Rooms and Meals distribution to municipalities may be reduced by amendment to SB450 by another \$6.1M. Last year it was reduced by \$5M. Also under consideration is the further reduction of the State contribution to teachers, police and fire retirement from 25% to 20%. This year it already reduced its contribution from 30% to 25%. Now the Legislature wants to play with the LGC's Health Trust as well as the Primex Health Trust. Under the guidance and continued leadership of the State Legislature, the State Retirement system is pushing the State seriously toward bankruptcy and the Legislature is doing little or nothing even now to change that. Now the State Legislature wants to tell the Health Trusts how to manage their risk pools. There is something really wrong with this picture.

### **PW Monthly Report**

Attached.

### **City Manager Time-keeping**

Attached.