

MAYOR'S REPORT

AUGUST 27, 2015

Boy does time really fly by! It has been about 4 months or so since my last Mayor's Report to the community. I have a few items that I'd like to bring to your attention. First of all, Berlin schools will be re-opening soon and I can't stress enough how important it is to exercise extra caution. Youngsters tend to be excited to get back to school and see friends they haven't been in contact with for a few months. It is easy for them to get carried away and forget dangers that lurk. It is vitally important that we motorists check, double and triple check around bus stops and schools. We can prevent a needless tragedy from happening with extra care.

Although it was very disappointing to hear we could not get NH DOT to approve the upper Hutchins Street project in time for this construction season, the silver lining is we will get very favorable pricing when we issue two bids this winter, with the other being the Main Street reconstruction project. The Main Street project is being worst case estimated at about 5 million dollars. Since we will have close to \$2M put aside, we will have to issue a \$3M bond to do the work. The PILT agreement between the city and Burgess Biopower calls for increasing payments every year for the next 18 years. With Jericho Wind Power starting to pay taxes next year, we will be able to pay for this huge project without raising taxes to make the bond payments. In fact, if you look at all the work we've done within the city the last two years, most of the revenues have come from Burgess Biopower . We are very fortunate that the voters some years ago supported those of us who had the vision and the courage to build a better Berlin. We aren't close to being finished, but where would we be without the \$1.3 Million that Burgess is paying all city departments this year alone! We would be in a world of hurt for sure with no pathway to make our city better.

I want to take a moment to welcome a new employer to our great city. Capone Iron Corporation, who purchased the old Hexaport building at the BIDPA Industrial Park, is eager to begin production. CIC principal Stephen Capone and BIDPA Chairman and Berlin business man Mike Caron have been working for about two and a half years to make this new venture successful in Berlin. With many former Issacson Structural Steel employees still living in the area, CIC should get people with a wealth of skill and knowledge to quickly get the business rolling here. Also, a big thank you to NH Employment Security's Diana Nelson

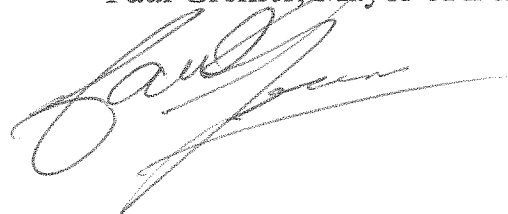
who really outdid herself (again!!) to organize the employee interview process for CIC. Mr. Capone, we welcome you to the City of Berlin and look forward to many years of collaboration to ensure the success of your operations here in Berlin.

Now that we are two months into our FY 2016 budget, figures are in from our auditors Vachon & Cluckay for FY 2015. Our audit results have shown that we have been very careful, have put aside in undesignated fund balance over \$1.5M or nearly the amount the state DRA says is a healthy amount. I was raised as a pay as you go fiscal conservative and the city's finances reflect that. Our City Council is also very financially conservative and they really deserve a pat on the back.

I want to comment a bit on our recent purchase of Heritage Park. First of all, the City of Berlin has for the last 5 to 6 years been building a pretty significant tourist economy as we wean from the paper industry. Without Heritage Park, Berlin would not have the important asset to promote ourselves to the outside world. I did not particularly think Tri-County CAPs board negotiated in good faith when it raised the price from \$50,000 to \$75,000 during the time we were talking with them. They did incur debt when they acquired the park from the 501 (c) 3 board that operated the park. I felt it was important enough to keep the asset whole for future generations, so I bit the bullet. I was afraid that someone else would have come in and sold off the buildings and leave yet another empty eyesore with no real place in Berlin to hold community functions. The \$75,000 came from funds we appropriated some years ago to make physical improvements to our downtown. Downtown folks I have spoken to felt it was important to keep Heritage Park intact as we continue to develop a very successful to date OHRV economy. With the Androscoggin Valley Chamber of Commerce slated to operate the park, we will see many more activities during the summer. With the Chamber assuming the day to day expenses, we have in effect teamed up with the very energetic people who have put Berlin on the map!

Finally, I want to thank Elaine Tremblay and Sue Warren for their many years of service to the city. You've seen Elaine behind the tax collector's counter and handled all the city's business from sewer bills to car registrations. Sue Warren had one of the more important jobs, that of Administrative Assistant to the Board of Assessors. Sue was the glue to the department for many years and has worked for countless mayors and City Managers. Both of you gals shall be sorely missed.

Paul Grenier, Mayor of Berlin

A handwritten signature in black ink, appearing to read 'Paul Grenier', with a long horizontal flourish extending to the right.