

MAYOR'S REPORT

FEBRUARY 29, 2012

Much has happened since my last full report in December. Construction for the new tissue machine at Gorham Paper & Tissue is a bit ahead of schedule, as is the Burgess Biopower power plant on the old pulp mill site. AVRDD is now sending its landfill leachate to the Berlin Pollution Control facility and will become a significant new customer to the city. Mr. David Presby of Sugar Hill, a reknown inventor and successful business entrepreneur, has purchased the Isaacson Steel warehouse business located at Maynesboro Industrial Park. I've been very fortunate to have had many conversations with Mr. Presby and I find him to be very honest and astute. He cares deeply about the health of Coos County's overall economy and job retention. Berlin is very fortunate to have David Presby as a new local employer, and Presby Steel, LLC will do very well as the employees rebuild the former Isaacson Steel warehouse business.

It is becoming increasing clear, however, that the future of Isaacson Structural Steel is very much in doubt. We are fast approaching deadlines for entities to submit proposals to the bankruptcy court. No one as yet has made any formal presentation although there remains some interest. With the construction industry's doldrums and Canadian competition, layoffs seem unavoidable. The City of Berlin is working with DRED Commissioner George Bald and North Country Representative Beno Lamontange to find a buyer who will keep as many folks working as we can. No one will win with a liquidation sale, not the least the banks. The City of Berlin remains totally committed to ensuring there are no barriers to a sale to any potential new operators.

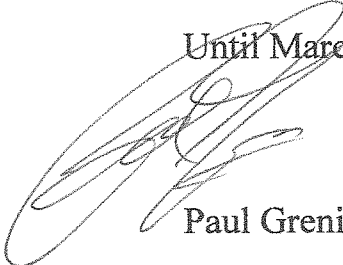
Doesn't upper Main Street look a bit naked? With Rite Aid removing these old eyesores, there now creates the opportunity for total re-development. It will be the task of the very capable Berlin Planning Board to ensure that any development will fit the recently completed Master Plan. There is a huge business opportunity to be had and I'm hoping that re-development will complement the beautification and effort at putting our new face forward in Downtown Berlin.

The new Berlin City Council is about 5 weeks into our new term. I've been involved in local government for 20 years and the current makeup of this City Council to a person is among the best I've ever served with. Every person brings strength, and no one has a personal agenda. It is very refreshing and when you see a City Council member on the street, thank them. The work is tireless, decisions are tough, the commitment is all encompassing. As I say this, we are about two weeks away from deliberating a new fiscal year budget for Berlin. The challenges

are always very difficult, especially when the Legislature, recently polled by UNH as the second biggest problem in NH, keeps downshifting costs to counties and municipalities. We are mindful of the difficulties we all face here in Berlin and will do our very best to keep costs in line.

Finally, I want to take a moment to thank the student athletes of the BHS boys hockey team. These young adults played with heart, skill and never gave up. Most of us are still very upset at the very shortsighted and very damaging decision to drop to Division III for next year. Your play proves without a shadow of a doubt your skill level is way above Division III. To the NHIAA hockey committee and the NHIAA Executive Director Corbin, to tell me in a private letter to revisit the issue then publically announce the time had passed to review an appeal speaks to "Good Ole Boyism". Shame on you... If you would like to see Berlin's future hockey stars, the Berlin Youth Hockey Association will host the New Hampshire State Bantam Tourney this weekend at the Notre Dame Arena. Berlin's first game will be played on Friday evening at 6 PM as they take on Nashua. The Berlin Sabres will again lace up the skates for an 8 AM encounter against the Manchester Monarch Iis. These athletes put on a great effort and they too represent our proud city very well. Congratulations also goes to Curtis Arsenault for being the all time leader scorer in Berlin High School basketball history. Former BHS hoop star Reggie Marquis was very proud to give up his 40+ year mantle to such a classy athlete!!

Until March,

A handwritten signature in black ink, appearing to read 'Paul Grenier', is written over the typed name. The signature is stylized and cursive.

Paul Grenier