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CITY OF BERLIN, NH  
**1999**  
**Annual Report**



**“Turning Over a New Leaf”**



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# Turning Over a New Leaf

*Fiscal Year July 1, 1998 to June 30, 1999*



## *Mayor and City Council*

*Richard D. Huot, Mayor*

### Ward I

*Timothy P. Donovan, Sr.  
Henry W. Coulombe*

### Ward II

*Merle S. Cole, Sr.  
Richard A. Casfleur*

### Ward III

*David D. Morin  
James P. Wiswell*

### Ward IV

*Paul R. Grenier  
Richard E. Roy*

*Robert C. Th  berge, City Manager*

## LOCAL GOVERNMENT OFFICES



City offices include:

AIRPORT	449-2168	<i>Eric Kaminsky, Airport Manager</i>
ASSESSOR'S	752-5245	<i>Susan Warren, Assessor Supervisor</i>
CITY CLERK	752-2340	<i>Debra Patrick, City Clerk</i>
CITY MANAGER	752-7532	<i>Robert Théberge, City Manager</i>
COMMUNITY SERVICES DIVISION		<i>Laura Lee Viger, Community Services Director</i>
▪ HEALTH	752-1272	
▪ RECREATION	752-2010	
▪ WELFARE	752-2120	<i>Annette Langevin, Welfare Director</i>
▪ LIBRARY	752-5210	<i>Yvonne Thomas, Head Librarian</i>
ENGINEERING	752-8551	<i>James Wheeler, Public Works Director/City Engineer</i>
▪ PUBLIC WORKS	752-4450	
▪ GARAGE	752-1460	
FINANCE/COLLECTIONS	752-1610	<i>Aline Boucher, Finance Director</i>
FIRE DEPARTMENT	752-3131	<i>Paul Fortier, Fire Chief</i>
<b>EMERGENCY</b>	<b>911</b>	
▪ INSPECTION DIVISION	752-3135	<i>Maurice Lavertue, Building Inspector</i>
PLANNING	752-1630	<i>June Hammond Rowan, City Planner</i>
POLICE DEPT	752-3131	<i>Alan Tardif, Police Chief</i>
<b>EMERGENCY</b>	<b>911</b>	
POLLUTION CONTROL	752-8563	<i>Mickey Therriault, Superintendent</i>
SCHOOL DEPT	752-6500	<i>R. Bruce MacKay, Superintendent</i>
WATER WORKS	752-1677	<i>Albin Johnson, Superintendent</i>

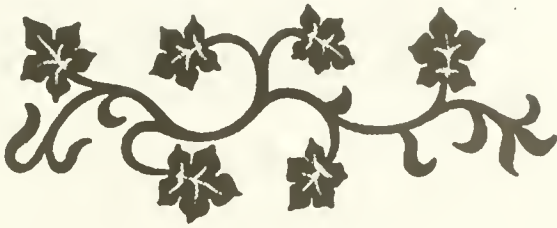
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ANNUAL REPORT PREPARED BY:  
Susan Tremblay, Administrative Assistant  
City Manager's Office  
Photo Credits to: Eric Kaminsky, Laura Viger

Report printed by: Berlin High School Graphic Arts, Senior and Junior Classes





## MAYOR'S REPORT

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It is obvious that this City and its citizens are "Turning Over a New Leaf". All that has to be said about this is demonstrated by the fact that many people are experiencing new pride and awareness of what is happening in Berlin. That, my friends, all starts with our volunteers. I would like to take this opportunity first to congratulate the many volunteers of our City. The business of managing the City is without argument conducted by the City Council, the City Manager and the dedicated staff but the heartbeat of the City keeps pulsating by the volunteers.

The volunteers of our community are totally committed to whatever it is that has their attention and the job at hand does not get done half baked! During my administration as Mayor of Berlin, I was extremely fortunate to have dozens of citizens come forward to be appointed to the many boards, commissions and authorities. Also remembered are the many, many people that volunteer for the schools, Scouts, United Way, Main Street Program, Northern Forest Heritage Park, Jericho Lake Committee, Neighborhood Reinvestment Committee and Zoning Re-write Committee. There are also the adults who participate in coaching our young athletes on every level we can imagine. How many of our children are kept busy and off the streets through their efforts? Then there are those that work tirelessly to maintain our recreational trails in our vast woodlands. How about RSVP, AVH Volunteers, Big Brothers & Big Sisters Program and I'm missing some

volunteers that I can't think of at this moment but believe me it is not intentional because I have too much respect for all of you. I don't think I will ever be able to show just how grateful I am to the people that donate their time to serve the citizens of this great City. I believe, with every bone in my body, that these are the people that deserve the pat on the back because without these individuals, there would be no heartbeat in Berlin and therefore no pulse.

We are a pulsing City and we have to show that we are alive by picking ourselves up by our own bootstraps and not waiting for someone else to do it. We have to carry on the attitude that we can do it. We must develop our own plan of prosperity and work with what we have today. The highway system is often pointed to as a barrier to Berlin's salvation. The perception is that we can be nothing until we convince the State and Federal government that we need a four lane highway to Berlin. We have many businesses within our City that do extremely well in spite of the fact that these are the only roads that we have. Why is that? It's because these businesses have the desire to succeed and they developed their own plan, then pulled themselves up by their bootstraps and decided that, yes, they could and that they would do it. These are the roads that we have, this is what we must use in our favor. There are many towns along Interstate 93 that have not prospered by their geographical location, close to the Interstate. The communities that have bettered themselves have done so through their own efforts. They mustered up a strong desire to succeed and they did so regardless of their location.

There are other barriers that we face because of the remoteness from Concord, but energy spent on who is to blame for those barriers or who should have or could have done

something different is wasted. The energy has to be directed in a positive way that will produce results for us, the people of Berlin. I encourage all of the citizens to make their feelings known in a constructive and organized manner that will give our City Council direction as to where you want Berlin to be and how you want to get there. That would be "Turning Over a New Leaf"!

We have had our share of successful events of which we, as a City, can be proud. We have resolved the Crown Vantage tax case which has been a key barrier. This was solved because we wanted to solve it. When we decide that we can and we will do something, it gets done because I have seen with my own eyes that several goals have been accomplished.

The Airport comes to mind as an example to what can happen if a plan is put together properly. We, the City of Berlin, accomplished this on our own. We have turned the Airport around so that it is almost a stand alone operation needing very little subsidy from the taxpayer. This was achieved in spite of the fact that many only saw eminent failure. This, I proudly use as a standard that we decide to live by. We wanted to do it. We decided that we could do it and we did it! This is certainly a paradigm of "Turning Over a New Leaf."

The citizens of Berlin want more than what is offered here in the form of jobs and shopping and they deserve it, we all do! The fact of the matter is that the State isn't going to do it, Milan and Gorham aren't going to do it for us either. If our City can become a better place to live then we have to do it ourselves. We must work with what we have, proving all the way that we are resourceful, strong willed people and we have that burning desire to make our mark upon the State of New

Hampshire and that Berlin is and will be a City that we can be proud of, today and for generations to come.

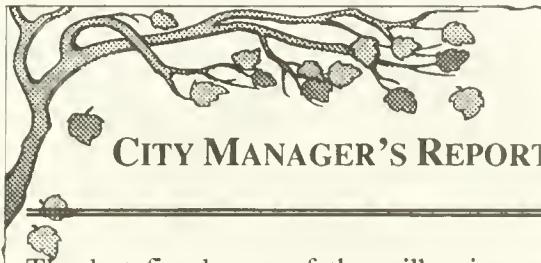
A resolution is needed that Berlin admits and recognizes that we stand alone to remove our barriers and that only we can resolve our issues by:

- Organizing and developing a plan to prosperity using the studies that we paid for as a tool.
- Adapting the successes of other communities by using their best efforts as examples.
- Recognizing that dealing with the issues realistically and resolving these issues on our own, in time, will attract the attention of the influential people that can help.

This will lead us, the citizens of Berlin and our City to new heights of success and will demonstrate to the entire State that in fact Berlin has "Turned Over a New Leaf."







## CITY MANAGER'S REPORT

The last fiscal year of the millennium certainly emphasizes the fact that the City has indeed "turned over a new leaf." Most notably was the settlement agreement between the City and our largest employer, Crown Vantage. With this settlement a large dark cloud which loomed over Berlin and inhibited economic growth, dissipated. The settlement also made possible the sale of Crown Vantage to American Tissue Corporation and a new name was chosen, e.g. Pulp & Paper of America, for the local mill.

Unfortunately, the current City Manager, Mr. George MacMahon fell ill and a new replacement was immediately sought to fill this critical administrative position. With the selection of a new City Manager came numerous changes in the way in which the City was administered. New goals and objectives, which aligned themselves with the City's Vision, were established. An Economic Development Advisory Board was created comprising of dynamic citizens. As a result, and in a timely but well thought out manner, changes began to occur.

A dynamic change in the overall mood of the City's citizens was clearly evident and underway. More citizens than in previous years, volunteered and were nominated to various boards and commissions. An equally dynamic change which parallels the City's optimistic outlook was noted with numerous not-for-profit civic and community service organizations.

The entire community as a whole is poised, not only to "turn over a new leaf," but to write the first chapter of the first volume for a new tome and anxiously embrace the new millennium with greater hope and excitement than ever before in the City's history.

*Cette année dernière fiscale du millenium certainement souligne l'effet que la Ville à "touner une feuille nouvelle." Plus notamment était l'accord amical entre la ville et notre employeur majeur. Avec cet accord un nuage assombrissant qui menacait la ville a disparue. Également, l'accord a rendue possible la vente de la corporation James River à la corporation American Tissue qui a choissi comme nom nouveau pour le moulin local, Pulpe et Papier d'Amérique.*

*Malheureusement, le courant gérant de la ville, M. George MacMahon a tombé malade et un remplacement nouveau fut mis en place dans les meilleurs delais pour ce post administratif clef. Avec l'identification d'un nouveau gérant de la ville plusieurs changegment ont eu lieu dans la façon donc laquelle la ville est gérée. Des objectifs et buts nouveaux, accouplement en parallèle la Vision de la Ville, fut établient. Un Conseil Consultatif Économique pour le Développement fut créé compronent de citoyens dynamiques. De plus en plus que dans les années précédentes, des bénévoles fut nommés pour divers commissions. Un changement égal et dynamique, mis en parallèle avec la perspective optomistique de la ville, fut noté entre divers organizations nombreuses et bénévolantes.*

*La communauté entière dans son ensemble est planée en l'air nonseulement pour créer une page nouvelle mais aussi pour dériger la première chapitre du volume au but d'un tome nouveau et embrace anxieusement ce nouveau millenium avec plus d'espoir et surexcitation qu' auparavant..*

Submitted by:  
**Robert Théberge**  
City Manager

## CITY CLERK'S DEPARTMENT



"Turning Over a New Leaf" is the current attitude Berlin citizens have as we advance toward the new millennium. Our thoughts are more positive and we have an awareness of pride toward our community.

The City Clerk is the official record keeper of the history of our community. Recently, this office has seen a heightened interest in voter registrations. Many new families are moving into the area due to increased jobs. These families are buying property, paying taxes and participating in community sponsored events.

"Turning Over a New Leaf" and Berlin's new perspective stems particularly from the encouragement and trust of new, upbeat City Leaders. Never before have so many people stepped forward to volunteer their services in making Berlin a better place to live, work and play.

The following Resolutions and Ordinances which govern city policy were passed:

### RESOLUTIONS

- 1998.15: Cascade Bridge Replacement
- 1998.16: Legal Services - \$27,085.
- 1998.17: ISTE A Sidewalk Project
- 1998.18: NCEF Archival Services
- 1998.19: Zoning Case Application Fee Increased
- 1998.20: Community Field Skate Park Developed
- 1998.21: '96 CDBG Funds used for '97 Project
- 1998.22: \$435,000. State Aid to the School Dept.
- 1998.23: Segregated Funds
- 1998.24: NH DES Loan Agreement
- 1998.25: 1998 CDBG Grant Application
- 1998.26: Legal Services - \$62,669.
- 1998.27: Amend Police Dept. FY'99 Budget
- 1998.28: NCC to Rewrite Zoning Ordinance
- 1998.29: Legal Services - \$4,323. .
- 1998.30: Fire Dept Car / Cap Improve Pumper
- 1998.31: 1999 CDBG Application
- 1998.32: Development Dept. Deficit Eliminated
- 1998.33: Tax Anticipation Notes 1998/99
- 1998.34: Legal Fees - \$38,048.
- 1998.35: Legal Fees - \$15,328.
- 1998.36: PWD Snow Blower
- 1998.37: ICMA Retirement Plan Participation
- 1998.38: BIDPA Loan Payment for Guitabec Bldg.
- 1998.39: Sewer Connection Payment for Glen Ave.
- 1998.40: CDBG Code of Ethics Policy
- 1998.41: Additional Admin. Personnel Costs
- 1998.42: PSNH \$45,000. CDBG Grant Request

- 1999.01: 1999 CDBG Grant Application
- 1999.02: Legal Services - \$2,148.
- 1999.03: Legal Services - \$24,942.
- 1999.04: BWW/EPA \$2 million Grant Application
- 1999.05: Berlin's Vision Statement
- 1999.06: CDBG Economic Development Grant
- 1999.07: All CBA's Amendment
- 1999.08: Extend DRA Assessor Contract
- 1999.09: Legal Services - \$7,827.
- 1999.10: COPS Universal Hiring Program
- 1999.11: PD Highway Safety Project Grants
- 1999.12: Heritage Tour Signs by Highland Signs
- 1999.13: Plan NH Design Assistance Grant
- 1999.14: Route 110 Improvement Program
- 1999.15: FAA Airport Improvement Program
- 1999.16: \$2.5 Million Bond CV Settlement
- 1999.17: Ice Storm Community Forestry Grant
- 1999.18: Transfer of Unspent CDBG Funds
- 1999.19: Legal Services - \$23,078.
- 1999.20: Legal Services - \$18,689.
- 1999.21: \$5.1 Million Bond from CV Litigation
- 1999.22: Expend Sewer User Cost Replace. Funds
- 1999.23: Transfer \$60,000 for Retaining Walls
- 1999.24: Legal Services - \$14,438.
- 1999.25: Decrease \$2,808 for Education Projects
- 1999.26: Fiscal Year 2000 Budget Approval
- 1999.27: Legal Services - \$4,833.

### ORDINANCES

- 1998.06: Planning Board Alternate Members
- 1998.07: Cemetery Trustee Compensation
- 1998.08: BIDPA Membership Reduced
- 1998.09: Main Street No Parking near UBCU
- 1998.10: 264 Pleasant Street No Parking Zone
- 1998.11: Derrah/Lancaster Street Stop Sign
- 1999.01: Junk Dealer Statutes Adopted
- 1999.02: BIDPA Membership Increased

### VITAL RECORDS

Vital Records is perhaps the most integral function of the City Clerk's Office. Births, deaths and marriages are recorded there and certified copies of such are issued through that department.

YEARS:	96/97	97/98	98/99
Marriages	62	57	61
Births	122	117	136
Deaths	182	169	160

Respectfully submitted,  
Debra A. Patrick, City Clerk



## ASSESSOR'S OFFICE

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A year has passed since the revaluation update and the numbers of appeals have greatly decreased. The City and Crown Vantage have shown that they are "Turning over a new leaf" by resolving the Crown tax appeal. A Settlement Agreement and Mutual Release was contracted and the Court approved the settlement at the beginning of 1999. This litigation had been pending since 1994 and the agreement will remain in force until fiscal year 2002.

We, the Board of Assessors, continue to maintain our open door policy for taxpayers with questions or problems regarding assessments and assessment procedures. In order to address issues involving fair assessment and the revaluation, the Board of Assessors meets regularly. Only twenty-one 1998 appeals were filed at the local level. They were reviewed by the DRA appraiser supervisor and recommendations were made to the Board of Assessors. It is unknown at this time how many will pursue their case further to the Board of Tax & Land Appeals or Superior Court as the filing deadline is September 1, 1999.

All deeds received from the Registry of Deeds in Lancaster, subdivisions and lot mergers approved by the Planning Board, notices of demolitions and new construction are sent to Cartographics for updating of the City tax maps and the data base

maintained by them. Any map with a physical change is then printed and sent to us. These maps are used by this office, with copies given to the Engineering and Planning Departments. These maps are available for public use as well as for all City Departments.

Arthur J. Bergeron, Jr., who served as Chairman of the Board of Assessors, resigned this year. Mr. Bergeron served on the Board for approximately twenty (20) years. His knowledge and experience will be missed by other Board members and the City.

Leo Vallee was appointed to the Board of Assessors in November of 1998 and Paul Croteau was appointed to the Board of Assessors in April of 1999. James Coulombe was voted to act as Chairman of the Board upon the resignation of Arthur J. Bergeron, Jr. The Board embodies three members and some of their duties include maintaining property records, assuring that all taxable property is being accurately reported and properly appraised, reviewing applications for current use, elderly and blind exemptions and veteran tax credit.

The Board of Assessors is committed to quality and excellence in government and will continue to respond to requests for changes that occur due to budgetary constraints, public needs, and new legislation.

Sincerely,  
BOARD OF ASSESSORS  
James Coulombe, Chairman  
Leo Vallee, Member  
Paul Croteau, Member  
Susan Warren, Assessor Supervisor



**SUMMARY INVENTORY OF TAXABLE PROPERTY - APRIL 1, 1998 & 1999**

<b>TYPE</b>	<b>APRIL 1, 1998</b>	<b>APRIL 1, 1999</b>
Land	\$ 27,247,698.	\$ 27,216,799.
Building	228,147,770.	242,140,760.
Public Utilities	58,429,974.	69,881,000.
<b>GROSS VALUATION</b>	<b>\$ 313,825,442</b>	<b>\$ 339,238,559.</b>
Blind Exemptions	401,200.	356,200.
Elderly Exemptions	4,011,388.	4,079,247.
Physically Handicapped Ex	25,600.	28,000.
Water/Air Poll. Cont. Exem.	36,657,209.	35,865,168.
<b>TOTAL EXEMPTIONS</b>	<b>\$ 41,095,397.</b>	<b>\$40,328,615</b>
<b>NET VALUATION</b>	<b>\$ 272,730,045.</b>	<b>\$ 298,909,944.</b>

**EXEMPTIONS GRANTED**

<b>TYPE</b>	<b>APRIL 1, 1998</b>	<b>APRIL 1, 1999</b>
Elderly	210	210
Blind	27	24
Physically Handicap	6	6
Water/Air Poll. Cont.	5	5
Veterans	869	842

**OTHER ACTIVITIES**

<b>TYPE</b>	<b>APRIL 1, 1998</b>		<b>APRIL 1, 1999</b>	
Resident Tax	5893	\$ 58,930.00	5988	\$ 59,880.00
Yield Tax	24 <sup>1</sup>	25,891.50	20 <sup>2</sup>	19,907.65
Property Transfers Processed	275		373	

Please note that the April 1, 1998, numbers reflect the Crown settlement numbers which were not known when the Annual Report was printed last year.

<sup>1</sup> Yield Tax covers 4-1-97 to 3-31-98 <sup>2</sup> Yield Tax covers 4-1-98 to 3-31-99



**PUBLIC WORKS,  
ENGINEERING AND  
POLLUTION CONTROL**

Pollution Control Facility

The Pollution Control Facility treated 657.18 million gallons of sanitary sewer flow, and 228,150 gallons of septage waste during the fiscal year. 1404 tons of municipal sludge were generated at the Pollution Control Facility and were deposited at the Mt. Carberry Landfill.

Sanitary Sewer Collection System

The City's general contractor, Methuen Construction, completed repairs to the municipal sanitary sewer and drain systems. The repairs were targeted by the 1994/1995 Inflow and Infiltration Study. The total project cost of construction was \$859,583.45. Over 5,500 feet of pipeline was installed during this project. The project is eligible for a 20% grant from the New Hampshire Department of Environmental Services for which final application will be made.

Solid Waste

The East Milan Road Landfill closure was substantially completed in October of 1996. Closure of the landfill launched the 39 year post closure monitoring program. Groundwater quality and methane gas production was monitored in accordance with the program.

Cates Hill Landfill continued to receive demolition debris throughout the year.

**Transportation**

Street Markings

Center lines, edge lines, railroad crossings and crosswalks were painted as they are every year. The cost of this work was approximately \$4,860.00. The work included approximately 200,000 linear feet of striping and 17 railroad crossings.

Street Restoration

Approximately 2,670 square yards of Denmark St. were ground, reshaped and paved. Approximately 200 tons of asphalt were placed. This work was performed in coordination with a water main replacement project.

Approximately 55 tons of asphalt were placed on Johnson Road in coordination with a water main replacement project.

Approximately 165 tons of asphalt were placed on Fifth Avenue in coordination with a drain line replacement project.

Approximately 90 tons of asphalt were placed on Wood Street in coordination with a drain line repair and sanitary sewer replacement project.

Utility Infrastructure Upgrades

There were significant water main replacements during the fiscal year. These projects are predominantly administered through the Berlin Water Works. Because the water main replacements impact sewers, drains, sidewalks and streets, there is a significant amount of time required by the Engineering and Public Works Departments. Most of this time is spent answering questions about existing utilities and reviewing repair work on damaged facilities.

Unity Street Tree & Shrub Plantings and Undergrowth Clearing

The City, with grant money from the Berlin Recreation Fund, hired a landscaping contractor to plant 60 trees and 40 shrubs at the Unity Street Park and along the Unity Street sidewalk constructed last year. The cost of this project was \$15,940.00.

The City, with its Public Works Dept. and the New Hampshire Job Training Council Summer Youth Program cleared undergrowth along Unity Street to open up views of the Androscoggin River.



Public Works in General

The Public Works Department provides a number of services to the citizens of Berlin. They include: the maintenance of approximately 60 miles of streets and many more miles of sidewalks that need to be swept, patched and overlaid. We also provide snow removal, street stripping, street marking, the fabrication and installation of street and traffic signs. We construct retaining walls, install guard rails and guard fence. We provide the City with daily garbage removal and an annual clean-up week in the spring. We maintain the Cates Hill Landfill, and five cemeteries. We also maintain sewerage and storm water collection systems.

We provide equipment maintenance for all of the Public Works Department, Fire Department, Recreation Department, Health, Police Department, Engineering Department, and the Berlin Municipal Airport. We maintain gas and fuel distribution. We also provide 146 sand and salt barrels for winter use. The Public Works Department collects paper, glass, plastics, tin, aluminum and cardboard for recycling. We linseed-oil concrete sidewalks, retaining walls and bridges. Members of the Department also provided utility information and project inspection for water and sewer capital improvement projects.



ITEMIZED LIST OF VARIOUS WORK AND MATERIAL ITEMS

Repaired catch basins & manholes	28
Rebuilt manholes & catch basins	25
New catch basins & manholes	7
Adjusted Manhole Frames and Covers	30
Replaced drain lines & new drain lines	285'
Replaced sewer lines	377'
Replaced service lines	13'
Televised Sewer and Drain Lines	5400'
Catch basins cleaned by machine	206
Salt for winter use	1,849.62 tons
Sand for winter use	2,859.84 tons
Cover for Cates Hill Landfill	11,500 c.y.
Spring Clean Up Week	4 weeks worked
Fall Clean Up Week	4 weeks worked
Responded to Private Sewer Calls	20

Respectfully submitted by,

*James A. Wheeler, P.E.*  
Director of Public Works/City Engineer

## BERLIN WATER WORKS

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W a t e r  
Commissioners for  
this report period  
were, Alfred H.  
Legere, Richard P.  
Fournier, Joan C.  
Merrill, Robert A.  
Delisle, and ex-  
officio members

Mayors Robert J. DePlanche and Richard M. Huot. Joan Merrill was appointed to a four year Board term ending May 1, 2003 to represent Ward 1. The FY 1999 Budget provided for \$1,316,600. for operations and \$1,129,266. for bond debt. A grant sum of \$226,703.38 was received from the State for their share of water bond debt required for surface water treatment rule infrastructure improvements. This was less than budgeted due to an adjustment for overpayments made by the State in previous years. Total water entering the distribution system was 590,420,078 gallons for an average day use of 1.62 million gallons. The run water program to prevent freezing of water pipes started January 4, 1999 and ended April 8, 1999 with Water Works staff receiving nine frozen water calls. Conversion of water meters from visual read to touch read continues. All hydrants were flushed in the fall and spring. Debris from the January 1998 ice storm was removed from the pipeline maintenance road to Godfrey Dam Reservoir using Federal and State disaster funds. Our lead and copper water sampling program has revealed that we must modify our present corrosion control program to further reduce first draw lead levels in the water taken at faucets having no flow for a period of at least six hours. All customers received a Lead Alert Notice with their October 1998 water bill. Water sampling will occur again in late 1999 to determine if lead levels still remain high.

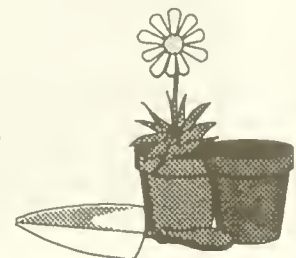
National Drinking Water Week, May 2 to May 8, 1999, was celebrated again with an open house held at the Ammonoosuc Treatment Plant. Mayor Huot signed a proclamation to

honor National Drinking Water Week. Berlin Water Works participated in a Water Fair held at the National Guard Armory in Littleton. Mr. Johnson and Richard Skarinka from New Hampshire Department of Environmental Services appeared on the local talk show to provide information and answer questions about drinking water.

Customer Rules and Regulations and Application Form for a water service connection were revised, updated and approved by the Board. The Board also approved operating rules for the Board of Water Commissioners and established new procedures to permit paper reduction. The Board reviewed, updated and approved the Procurement Policy and Non-Union Employee Vacation Policy.

In December, the Board signed the Working Agreement with Local #1444 with effective date of July 1, 1996 to June 30, 2001. A 1999 USEPA Needs Survey for water infrastructure improvements for the next 20 years, prepared by the Superintendent, listed twenty projects at an estimated cost of \$34.6 million.

Using Community Development Block Grant (CDBG) funds, water mains were replaced on Lancaster, Derrah, Watson, Monti, Ottawa, Rockingham, East Mason Streets and on Brown Street as well as on Fourth and Second Avenue using funds from the January 1998 CDBG. The January CDBG application for \$500,000 to replace water mains did not receive funding. The Board requested the City Council resubmit the January application for the next round of CDBG eligible projects. The city chose to submit a revised application in July 1999 for work on three streets involving water main, sewer, drain and sidewalk work. Water main replacement occurred on Elm, Ruby and Bret Streets using Rural Development funds. Water Works employees replaced about 660 feet of water main along the east side of Glen Avenue Park between Monti and



Diana Streets and about 525 feet of water main on Twelfth Street between Sweden and Denmark Streets. They also eliminated an old six inch water main along Hutchins Street between Wood and Walsh Streets and along old Hutchins Street between Gauthier and Hutchins Street by connecting water service lines and hydrants to the newer 16 inch main.

As a result of the new correctional facility being built in Berlin, the Board met with U.S. Department of Commerce, Economic Development Administration (EDA) area representative and North Country Council, Inc. (NCC) to discuss the possibility of receiving federal assistance to help build the Lancaster Street water storage tank. A formal application prepared by NCC was submitted to EDA in December. In June, EDA representative Rita Potter presented the Board with documents to sign to secure up to \$900,000. in grant funds for the water tank project. NCC has been retained to provide administration services to the Board for this grant.

On June 29, 1998, Senator Judd Gregg announced formally that he would include \$2.0 million in EPA's budget appropriation for small diameter water main replacement/improvements for Berlin. In January, a formal application was submitted to EPA and in June the City Manager signed the EPA grant assistance agreement. SFC Engineering Partnership, Inc. of Manchester, NH was selected by the Board to provide professional engineering services on this grant project.

Applications were submitted and loan agreements have been executed to secure NH State Revolving Loan funds for small diameter water main replacement/improvements and for the Lancaster Street 2.0 million gallon water storage tank. Earth Tech of Concord, NH was selected to provide professional engineering services on these projects with construction start scheduled for late 1999 and substantial completion by the end of 2000.

Submitted by:

Albin Johnson, P.E.  
Superintendent & Chief Engineer







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## PLANNING DEPARTMENT

In 1999, the City of Berlin's Planning Department focused its efforts on a number of planning projects ranging from Planning Board applications to projects which help to improve land use in Berlin.

The Planning Board has the authority to oversee and regulate the subdivision of land. The Board has Subdivision Regulations which set the procedures and specify the information required for a subdivision application. The Board approved four minor subdivision applications in 1998.

The Planning Board also reviews and approves site plan review applications. Site plan review is required for any new non-residential construction, for changes from residential uses to commercial uses, and for additions to nonresidential structures. The goal of the site plan process is to assure that development is consistent with the City's Master Plan and that sites are used in an attractive manner which meets the needs of both the business and the community. This process involves many details related to construction and site development. This year the Board continued to refine the design for the proposed new Rite Aid store in downtown Berlin which is scheduled for construction in 2000. The Board also reviewed two governmental use site plans to assure conformity with Berlin's Site Plan Regulations. The Planning Board's attention to the many details is outstanding and their commitment to the process is important for the redevelopment of the City.

The Planning Department worked with the Planning Board on several transportation initiatives. These included hosting a regional transportation meeting which was well attended

by representatives from surrounding communities. In the winter, the City Planner wrote a grant for funding for improvements to Route 110 between Second and Third Avenues which will help improve the traffic flow and truck route on Route 110. The City Planner also worked throughout the year at obtaining easements necessary for a sidewalk construction project on Riverside Drive and Wight Street which will be built in the fall of 1999.

The Planning Department is also involved in other infrastructure improvement projects such as the replacing of old, small diameter water lines. The City Planner continues to administer public facility Community Development Block Grants with a total value of 1 ½ million dollars.

The Planning Department is also the home of the Zoning Board of Adjustment (ZBA), and Berlin Industrial Development and Park Authority (BIDPA). The ZBA has been growing in interest and experience and continues to hear cases regarding variances and special exceptions from the Zoning Ordinance. The City Planner, Planning Board and Zoning Board have been working on a complete rewrite of Berlin's Zoning Ordinance. The new ordinance should be completed in 1999 and will be a major advancement for guiding land use in the City. BIDPA manages the Maynesboro Industrial Park and has been working on various projects related to industrial development.

In June of 1999, the Planning Department moved to a new office in the Courthouse at 220 Main Street. The newly renovated office is shared with the Berlin Main Street Program which should enhance future collaboration on projects. Public input is always welcome in the Department's efforts and we encourage citizens to stop by, review projects, and become involved.

City Planner: June Hammond Rowan  
Zoning Officer (part-time): Ron Baillargeon  
Planning Board Chair: Lucien Langlois  
ZBA Chair: Robert Tremblay  
BIDPA Chair: Bernard Buzzell  
Berlin Planning Department: 220 Main Street,  
752-1630, Fax 752-8553, [planning@ncia.net](mailto:planning@ncia.net)

## BERLIN HOUSING AUTHORITY



The first housing authorization bill since 1992 was signed into law October 21, 1998. Formally known as the Quality Housing Work Responsibility Act, it contains a number of provisions that will change the way public housing authorities (PHAs) do business. Chief among them are: a) the merger of the Section 8 rental certificate and voucher programs; b) the requirement that PHAs develop five year plans (together with annual operating plans); and c) the requirement that HUD undertake a study to determine alternative methods for evaluating the performance of public housing agencies. Since 1992, HUD's measured our performance (and that of the nation's several thousand other PHAs) annually through use of the Public Housing Management Assessment Program (PHMAP); each year under PHMAP we've been designated a High Performer and, as such, have been granted some relief from HUD oversight of our day to day operations. Among the many other measures contained in the Act is one that eliminates the three month waiting period for re-issuing recaptured certificates and vouchers, a rule that had been in effect since February 1966.

Rental assistance payments made in 1998 to owners of Berlin residential properties participating in our Section 8 certificate, voucher and moderate rehabilitation programs totaled almost \$653,000, down \$37,000 from the total paid out in 1997. That was due to fewer Section 8 units being under lease in 1998 than the year before. So far this decade, rental assistance payments have amounted to some \$6.4 million.

Program utilization, (units under lease) at year's end stood at 94 percent, down significantly from prior years. The decreases in program utilization and rental assistance dollars paid out were due in large part to the mandatory three month delay in the re-issuance of certificates and vouchers spoken of above. With the repeal of the aforesaid three month rule, it is expected that Section 8 program utilization will climb back to historically high levels in the coming year.

At December 31, all but one of the 97 apartments in either public housing or St. Regis House were occupied.

Winnifred McLaughlin of Maynesboro Street was appointed to the Board December 7, 1998. She filled the seat vacated by Denis P. Fortier in November. He has served the Authority with distinction since 1983.

Assets		
Assets	1997	1998
Cash	\$83,374.00	\$221,472.00
Security deposits	\$6,469.00	\$7,229.00
Accounts Rec St. Regis House	\$1,333.00	\$1,348.00
Investments	\$496,056.00	\$516,740.00
Debt amortization funds HUD receivable	\$78,323.00	\$78,323.00
Prepaid insurance	\$3,412.00	\$818.00
Land structures & equipment	\$1,442,925.00	\$1,440,713.00
<b>TOTAL ASSETS</b>	<b>\$2,111,892.00</b>	<b>\$2,266,643.00</b>
Liabilities		
Liabilities	1997	1998
Accounts Payable HUD Other	\$3,867.00	\$58,706.00 \$6,385.00
Accrued Liabilities	\$12,782.00	\$13,590.00
Notes Payable	\$719,910.00	\$689,102.00
Prepaid HUD contributions (net)	\$19,388.00	\$70,029.00
<b>TOTAL LIABILITIES</b>	<b>\$755,947.00</b>	<b>\$837,812.00</b>
Equity		
Operating reserves	\$554,608.00	\$598,896.00
Cumulative HUD contributions (net)	\$801,337.00	\$829,935.00
<b>TOTAL EQUITY</b>	<b>\$1,355,945.00</b>	<b>\$1,428,831.00</b>
Total		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,129,033.00</b>	<b>\$2,111,892.00</b>

## COMMUNITY SERVICES DIVISION HEALTH DEPARTMENT

The Berlin Health Department has had a very active and energized past year. The ongoing public health program, public health nursing clinic, and visiting nurse program have been busy all through the year.

The visiting nurse program, because of major changes in Medicare and Medicaid and other private insurance, have done exceptionally well in continuing to provide supportive home care services to 222 local clients. The Home Health industry in America was impacted by major changes in Medicare guidelines due to the Federal governments Balance Budget Act. Although this act made positive inroads in some human service areas, in home health, this act sought to address the question of fraud in the Medicare funded home health industry. Because of the ever expanding 55-plus population in this country, home health has expanded and with this expansion some industry fraud has become clear. The BBA changes have added per patient caps for Medicare home health services, payments per unit rather than per hour or visit, and a variety of other technical changes that have changed the face of home care and have challenged the ability of agencies to provide consistent service. Across the country many agencies have closed due to the financial impact of the BBA. The Berlin Health Department Visiting Nurse program has held strong and provided quality service to clients. Through good nursing services, careful monitoring of statistical and financial matters, and the consistent support of the City Council, we have been a success in meeting the BBA challenges of the past year. This active part of our organization provided 3,697 home visits in the past year.

The Walk In Clinic held at our City Hall offices has provided quality service to the community all year long. Our offices, open Monday through Friday, 8:30 to 4:00, and the site for many preventive health activities such as blood pressure screening, cholesterol screening, and chronic medical condition management. Adults and children enjoy coming to our clinic for assistance with a wide variety of concerns. Immunization, public health screening, work related immunizations and testing, are all provided by our quality nurses. Under the direction of nursing supervisor, Polly Tourangeau, the clinic plays an important role in the health of the City.

The Public Health Officer was involved in a variety of projects and activities throughout the year. Building inspections, emergency response work, dilapidated building work, and many more services were provided through her services. Working with other community departments and many State agencies this part of our service has been able to assist citizens in issue of providing safety for the public health.

<b>Medical Clinical Services</b>	
Office Patients	433
Office Visits	673

<b>Immunizations and Tests</b>	
DT	0
DTAP	11
DPT	0
Hepatitis B - Infants	3
Hepatitis B- Adolescent	33
Hepatitis B - Adult	13
Hib Vac	7
IPV	5
Mantoux (TB) tests	408
MMR	6
OPV	6
Td	6
Varicella	6

<b>Clinic Attendance Record</b>	
Flu Vaccine	378
Immunization Clinic	61
Cholesterol Clinic	229
Immunization BJHS	210

<b>Public Health Nursing Services</b>	
Home Nursing Visits	3697
Home Nursing Patients	222
Physical Therapy Visits	285
Occupational Therapy	142
Speech Therapy Visits	14
Home Health Aide Visits	5,347

<b>Walk-In Clinic</b>	
Blood Pressure Check	149
Diabetes Screening	107
Head Checks-Lice	161
General Walk-In Clinic	760

Submitted by: *Laura Viger*  
Community Services Director

## COMMUNITY SERVICES DIVISION

### WELFARE DEPARTMENT

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As mandated by the State of New Hampshire Statutes, all cities and towns must relieve and maintain persons who are unable to support themselves. The City Welfare Department provides General Assistance to individuals who do not have adequate resources for their basic needs, temporarily, or longer-term if they are ineligible for State or Federal aid. Assistance is administered according to written guidelines adopted by the City Council and granted in the form of purchase orders and not by direct cash payments. The Department also provides information, direction, and referrals to appropriate agencies.

The Work Program, established in 1982, continues to be an important part of the administration of General Assistance. Recipients who are physically and mentally able to work are assigned to City departments or non-profit organizations to work off the cash value of the assistance provided on a weekly basis. Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act in August of 1996, the emphasis on work is also central to welfare reform programs of the State and Federal Governments.



"Turning Over a New Leaf", an increase in economic activity in the north country, produced more job opportunities and is reflected in the following statistics for the fiscal year July 1, 1998 through June 30, 1999:

Activities	
Office Visits	1,488
Cases Interviewed	188
Welfare Orders Issued	478
Assisted Singles	45
Assisted Families	12
Assisted Cases Over 1 Year	30
Assisted Cases Less than 1 Year	27
Cases Eligible for Work Program	18
Hours worked on Work Program	1,927

The Department was successful in recovering a total of \$3,445. from eight cases which was returned to the General Fund.

I wish to take this opportunity to thank workers of local agencies and volunteers of church organizations for their continued cooperation with this department.

Respectfully submitted,  
*Annette Langevin*  
Administrator of Welfare



## RECREATION & PARKS

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Under the care and effort of the staff of the Berlin Recreation & Parks Department, community leisure, sport, and recreational programs flourished in this past fiscal year. With the special support of our talented office staff person Terry Letarte, we have seen attendance numbers in all variety of programs remain high. Sports leagues were very well received in this past year. Children and adults alike participated in traditional sports.

Children and adult special events were offered all year long in the community. With the community turning over a new leaf to a brighter future, it seemed that everyone in the City celebrated our community through a special event or activity. The department sponsored a variety of special activities and assisted with the ISSI Corporate Golf Challenge, the Drive into the 50's, the Annual Cancer Walk, the Annual Heart Walk, the Northern Forest Halloween program, the United Brotherhood Credit Union Concerts in the Glen Avenue Park, the Logger's Competition, the Christmas Festival of Lights, and many other special activities.

Along with providing service to the community, the Department and the City benefitted from the effort of endless volunteers who give heart and soul to the goals and needs of this department. As times change and the design of the Recreation & Parks Department has changed, volunteers are more important every day. Volunteer coaches, volunteer

officials, volunteer instructors, and more have made this past year a great success for the Recreation & Parks Department.

Recreational infrastructure improvements were also impacted by the bright light of volunteerism shown through in the efforts of the Berlin High School Backers and BHS Athletic Director Tim Forestall, the BRPD Commissioners and the departmental maintenance division, under the direction of Paul Blais, in coordinating improvements at the Berlin Community Running Track on Madison Avenue. Working as a team, this group has secured a number of site improvements at the track. This is just one example of the generous support of individual, corporate, and business volunteerism that has made all our programming possible.

Always looking to offer a new twist to our programming schedule, we have expanded our leisure programs to include adult and children's craft classes. Under the instruction of our Craft instructor, Sylvia Ramsey, a wide variety of fun craft activities have gone on throughout the year.



**RECREATION & PARKS DEPARTMENT  
PROGRAM SUMMARY JULY 1996- JUNE 1997**

<b>Summer</b>		
Program Title	ATT	VOL
Beginners Baseball	47	2
Babe Ruth Baseball	55	25
Farm League Baseball	1125	30
Instructional Softball	22	2
Basketball Camp	31	6
Girl's Softball	80	30
Bus Trips (8 trips)	40	
Jericho Day Camp	65	
Jericho Shelter Rental (groups)	8	
Seniors Picnics	30	3
Jericho Daily Visits 7 Camping	122	
Jericho Swim Days	71	
Community Gardens	21	
Tennis	22	
Summer Playgrounds	300+	

<b>Fall</b>		
Program Title	ATT	VOL
Craft Fair	21 groups	1
Little Tykes	20	1
Grade 1 & 2 Soccer	66	
Grade 3 & 4 Soccer	81	12
Slimnastics	16	
Senior Walking, Exercise	30/day	2/day
Adult Craft Classes	18	

<b>Winter</b>		
Program Title	ATT	VOL
Grade 1 & 2 Basketball	57	2
Grade K-2 Anything Goes	22	
Grade K-2 Kickball	20	
Grade 3 & 4 Boy's Basketball	53	20
Grade 3 & 4 Girls Basketball	26	3
Jogging	23	
Hockey	109	20
Little Tykes	45	1
Grade 3-6 Ski Program	108	112
Slimnastics	31	
Adult Volleyball	120	
Senior Walking/Exercise	30/day	30/day
Craft of the Month	25	
Indoor Yard Sale	11 groups	

<b>Spring</b>		
Program Title	ATT	VOL
Basketball Tourney	120	15
Easter Egg Hunt	400-500	10
Little Tykes	39	
Slimnastics	39	
Special Olympics	250	150
Senior Walking, Exercise	30/day	2/day

<b>Other</b>		
Program Title	ATT	VOL
Gym Rentals	64 groups	
Open Gym	3200	
Youth Craft Classes	768	
Craft Fair Shoppers	200+	





## COMMUNITY SERVICES DIVISION LIBRARY DEPARTMENT

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“Turning Over a New Leaf” was the theme for this past year at the Berlin Public Library. The year was filled with activity and momentum, infrastructure and people, were some of the key areas of progress during the 1998/99 year. Many beneficial improvements have been made to our Library as we continue to enhance the way in which we access information.

This year, we concentrated on updating the infrastructure of the building, although a very historical building, the time had come to refurbish and refresh. With difficulties and a slow down of the City’s renovation efforts, this project went forward and the Berlin Public Library now has a new lighting system, and new ceiling fans to help in the circulation of hot and cold air.

The Berlin Public Library staff members have also benefitted by the installation of a new security system, tied directly to the Police Department. This was a system that was badly needed, as the librarians work every evening until eight thirty, and they did not feel adequately protected.

In autumn of 1998, the Berlin Public Library presented a book discussion series entitled “Jane Austen” in conjunction with the New Hampshire Community Technical College at Berlin. This was made possible through a grant provided by the New Hampshire

Humanities Council. This was a four part series presenting the works of Jane Austen. In the spring of 1999, we presented “Short Story/Film”, a comparison of the book with the film, and the merits of either or both of these mediums. This was also presented with a grant provided by the New Hampshire Humanities Council.

The 1999 Summer Reading Program theme in the juvenile department was “Once Upon a Summer Reading”. The focus for this summer reading program was fairy tales and their meaning. This was a very successful program with eighty-seven children registered.

This year’s program provided activities every Wednesday for six consecutive weeks. In conjunction with the Summer Reading Program, the library, with a grant from the Kids Books and the Arts, presented a performance by “Stories and Stuff” which was held at the Berlin City Hall Auditorium on August 6<sup>th</sup>. We are very grateful to our many volunteers who so graciously give of their time each and every year. The Children’s Department also presents a Story Hour every Thursday morning that is very well attended. The Librarian reads to the children and prepares a few crafts for their enjoyment.

A literacy program entitled “Connections” is presented every year to benefit adult readers with a literacy problem. This project is funded by the New Hampshire State Library. This is a much needed program that provides a service to area communities and encourages literacy among adults.

Submitted by:

*Yvonne Thomas*  
Head Librarian



**Library Statistics 1998-99**

Topics	Adult	Juvenile	Total
Generalities	127	58	185
Philosophy	226	60	286
Religion	124	61	185
Social Sciences	643	568	1,211
Languages	24	41	65
Natural Sciences	146	1,161	1,307
Useful Arts	1,067	653	1,702
Fine Arts	547	546	1,393
Literature	232	227	459
History	70	266	336
Travels	363	168	531
Biography	218	308	526
Videos	24,923		24,923
Re & Comm Spr	63		63
Periodicals	3,017	138	3,155
Fiction	19,872	8,018	27,890
Cassettes	6,580		6,580
Compact Discs	650		650
Screen Projector	1		1
Paperbacks	4,527		4,527
<b>Totals</b>	<b>63,420</b>	<b>12,273</b>	<b>75,693</b>



## FIRE DEPARTMENT

The Berlin Fire Department stands ready to be at your service twenty-four hours a day, seven days a week, three hundred sixty-five days a year. The professional staff of Officers and Firefighters pride themselves in the many services that they provide to the citizens of Berlin. The Department responds to fire, rescues of all types, hazardous material and natural emergencies. The Inspection Division is responsible for life safety and building code compliance, and provides many public education programs throughout the City in local businesses, schools and health care facilities. The City's fire alarm system and electrical systems are in fine working order as the Electrical Systems Superintendent maintains a busy schedule. The continued training of the staff as well as their dedication to duty insure a well prepared and professional fire department committed to customer service.

Fire Prevention Bureau Inspections	
Places of Assembly	23
Oil Burners	110
L.P. Gas	5
New Construction	75
Wood Burner/Chimney	6
Health Care	8
Complaints Investigated	1
Industrial	6
Foster Homes	10
Day care	1
Alarm Inspections	45
Misc. Inspections	34
Public Education	22

BFD Calls for FY98	
Assist Police	4
Bomb Scare	1
Chimney Fire	5
Dangerous Situation	19
DHART	22
Electrical Fire	7
Electrical Problem	14
False, Malicious	15
False, Unintentional	58
Furnace Problem	3
Leak/Spill	78
Lock Out	5
Medical Aid	6
Outside Fire	36
Rekindle	2
Rescue	13
Smoke Scare	13
Sprinkler Problem	1
Structure Fire	24
Vehicle Accident	27
Vehicle Fire	12
Water Problem	20
<b>Total</b>	<b>385</b>



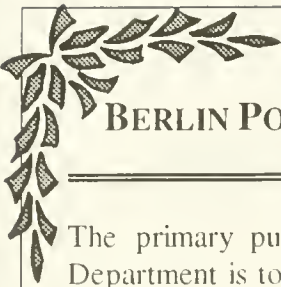
Permits Issued and HUD Inspections	
New Single Family Houses	1
Signs	13
Temporary	7
Sheds, Barns, etc.	10
Pools, Retaining Walls	10
Siding	22
Residential Alterations	81
Residential Additions	40
Commercial Additions	4
Commercial Alterations	36
New Industrial	1
Industrial Additions	1
Non-Residential & Non Housekeeping	8
Residential Garages	20
Institutional Additions or Alterations	4
Demolition, Residential Buildings	1
Other Demolitions and Tank Removals	14
Electrical	74
Plumbing	7
Mechanical	6
Occupancy Permits	6
Public Works & Utilities	2
New Mobile Homes	1
Conversions	1
Total	375

Housing Inspections	
Initial Inspections	23
Annual Inspections	312
Re-inspections	233
Total	568

Submitted by: **PAUL FORTIER**  
Fire Chief



Drawing by: Jessica Willette, Grade 7



## BERLIN POLICE DEPARTMENT

The primary purpose of the Berlin Police Department is to preserve peace and protect life and property, in a manner consistent with the freedoms secured by the Constitution.

Our goal is to become a more pro-active department, while protecting the community from crime, assisting those who have been victimized, and apprehending those who have committed crime. Although attaining this goal has become increasingly difficult, with the consistent rise in calls for service and limited resources at hand, the Department remains committed to addressing the community's problems and providing the best services possible with the resources available.

This year, we extended our best wishes to Captain Nadeau, as he retired after having served nearly twenty years of service with the Police Department. Some of the Captain's accomplishments while working for the City include the institution of Berlin's first Neighborhood Watch program; the aggressive pursuit and acquisition of several government grants, which enabled the Department to conduct speed, bicycle, and undercover patrols; and the development of numerous training programs, which he instructed within the Department as well as for various agencies in the community. With City Council's approval, he was authorized to apply for and receive federal funding for three patrolman positions; we are in the process of searching for a patrolman to fill one of the positions, as funded by Council. The Captain also brought the Department several steps closer towards accreditation. His service to the community through his work at the Police Department was invaluable, and he is certainly missed.

Lt. Barney Valliere, a nineteen year veteran of the Police Department, has since been promoted to Captain, and Cpl. Peter Morency was promoted to the position of lieutenant, having spent eight years working undercover with the NH Attorney General's Drug Task Force.

Belinda Guay, Telecommunications Manager, relocated and is currently working for a police department in Arizona; her position has been filled by Josee Robinson, who has been with the Department for three years. This year also brought about the development of full-time dispatcher positions, after having lost a multitude of our part-time dispatchers to full-time positions in other agencies.

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### UCR PART ONE REPORTED CRIMES 1998

RAPE .....	33
AGGRAVATED ASSAULT .....	26
BURGLARY .....	28
LARCENY .....	170
MV THEFT .....	16
ARSON .....	5
SIMPLE ASSAULT .....	203
FORGERY .....	2
FRAUD .....	5
CRIMINAL MISCHIEF .....	220
WEAPONS-POSSESSION .....	2
DRUG OFFENSES .....	23
FAMILY OFFENSES .....	14
DWI ARRESTS .....	59
LIQUOR LAWS .....	67
DISORDERLY CONDUCT .....	22
DRUNK/DISORDERLY CUSTODY .....	4
ALL OTHER CRIMES .....	385

Submitted by:  
*Alan Tardif*  
Police Chief



## BERLIN PUBLIC SCHOOLS

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The New Hampshire Frameworks and K-12 coordinator continue to drive curriculum revision. All Berlin schools have been State approved, and the High School is preparing for its October, 2000 evaluation by the New England Association of New England Schools.

The third year of our Technology Plan has been completed. Professional development has been ongoing and additional equipment and wiring has been secured.

The Berlin Public School System is committed to providing a safe and learning environment for all students. Many of our staff have completed a safety program and certain safety procedures have been implemented. This process will continue.

Renovations at the Hillside, Junior High Building, and the High School have continued. It is anticipated that most of the construction will be completed during the next school year. The many improvements will improve our existing facilities and prolong their use for many years.

The complex and controversial State funding formula has increased uncertainties for many communities. The Berlin School System must and will continue to work with all the other entities of our community to provide the best possible education for all our students.

### Vision Statement for SAU #3

The Berlin Public Schools are committed to the belief that all students must be given appropriate opportunities to achieve clearly defined, meaningful and rigorous standards which include, but are not limited to those outlined in the New Hampshire Curriculum Frameworks. We further believe that the learner is the focus of all of our efforts and that the evolution of our programs will be guided by data that reflect what

each learner knows and is able to do.

Each of the programs in the Berlin Public Schools will emphasize depth of understanding and the active participation of students in the learning process. We will capitalize on the power of technology as a motivational information source and as a problem solving tool by integrating appropriate technologies within each program area.

Our vision cannot be attained if the Berlin Public Schools must act alone. We and our students are part of a larger learning community. Parents and the community at large must share in the responsibility to educate our youth. The community must provide the resources necessary to support the schools and must also help students value learning in all its contexts--within school and outside the formal educational setting. Community members can best help students see that the process of becoming a competent member of the local and global communities is one of continuous progress that lasts a lifetime.

### *Berlin High School Mission & Expectations* **MISSION**

*Our mission, in partnership with parents and the community, is to provide a safe and educational environment that motivates all students to become responsible, educated, self-directed, contributing members of an ever-changing global society.*

### **STUDENT EXPECTATIONS**

*Academic. The Berlin High School graduate will become competent in each of the standards of the New Hampshire Frameworks, and the recognized standards of other disciplines, as appropriate to the individual's goals.*

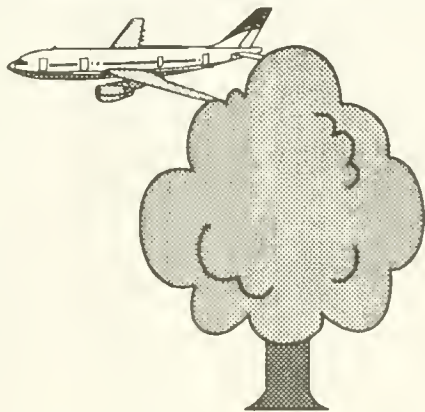
*Social. The Berlin High School graduate will understand the importance of lifelong learning, good health and work habits, responsibility and respect.*

*Civic. The Berlin High School graduate will understand and demonstrate a sense of community, cultural diversity and global awareness.*

Submitted By:  
R. Bruce MacKay  
Superintendent of Schools

## BERLIN MUNICIPAL AIRPORT

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The Berlin Municipal Airport, 'YOUR AIRPORT' continues to be a vital transportation resource not only for the Berlin area but for the whole North Country. Autumn, with its grand colors is not only a time for reflection but also a time for looking ahead.

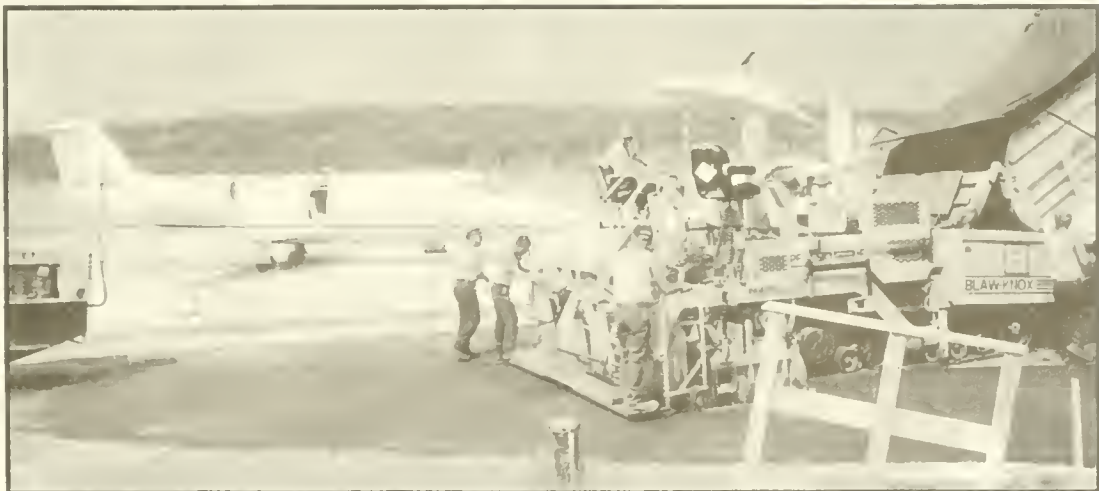
The past year at the Berlin Airport has been as busy as ever. Three big projects continue to be in the works. The ramp rehabilitation project is ongoing and is on schedule. This project entails the removal of the old paved areas of the ramp where airplanes park, installing new and adequate drainage and the resurfacing of the whole ramp. The physical part of the project started June 1, 1999 and will be completed by September. Our second

endeavor of this year is the purchase of a brand new plow truck. This new truck will replace a 1962 road grader which is currently used to plow snow with. This final project is a security fence on the easterly side of the runway. This is currently underway and will help detour wildlife from walking onto the runway. With all three of these projects, federal and State grant monies will be used to fund up to 95% of the activity.

Fuel sales continue to be strong and well ahead of a seven year historical average. The bulk of fuel sales are in Jet-A aviation fuel used by turbine powered aircraft. While two corporate aircraft are based at the Berlin Airport, many others utilize the airport facilities and purchase Jet-A fuel. The presidential race will soon be upon us this fall and we look forward to being an active participant providing service to future political leaders. This increased activity has a potential to increase fuel sales.

The Berlin Municipal Airport is excited about the future and continued growth. As the area economy grows so will the airport and we look forward to meeting the community's needs. With the year 2000 upon us, we stand ready to meet future aviation needs of New Hampshire's North Country.

Submitted by:  
*Eric Kaminsky*  
Airport Manager





In January, 1999, the City through its negotiating team, Councilman Paul Grenier, Councilman Dave Morin, Aline Boucher, City Comptroller, Leo Vallee, City Assessor, Mayor Richard Huot, and City Manager, Robert Théberge, negotiated a tax settlement with Crown Paper after five years of ongoing litigation. As part of the settlement to waive most of the past tax delinquencies, the City had a \$5,100,000.00 shortfall. To cover this deficit, the Mayor & City Council authorized a Bond Issue in the amount of \$5,100,000.00 which was received in July, 1999. The Bond is to be paid over a period of ten years.

The Finance and Collection Department is responsible for the accounting and record keeping of all financial transactions of the City's General Fund, as well as all other funds. The City's auditors, Vachon, Clukay & Co., PC, Manchester, New Hampshire, audited the City books and the City's detail financial reports for the General Fund, Special Revenue Funds, Capital Projects Funds, Property Fund Types, all Trust and Agency Funds, and General Long-Term Obligations are in their accompanying Audit Report for the year ended June 30, 1999. In the past year, during the six-month illness of our prior City Manager, I assumed full responsibility and coordination with City Council on all Finance matters, budget for 1998-99, as well as coordinated with attorneys on legal matters for the City.

This Department is responsible for the timely filing of all federal and state financial and tax reports, as required by the Federal Government and the State of New Hampshire. The City's financial records are maintained on the AS400 System. This Department is responsible for the following processes, and where applicable, indicates approximate number of annual transactions or parcels as well as amounts.

PROCESSES	TRANSACTIONS	AMOUNT	OTHER PROCESSES
Accounts Payable	6222	\$28,527,396.14	General Ledger Tax Lien Redemptions all Years
Purchase Orders Issued	1505		Cash Revenues UCC's
Payroll - 1998	15241	\$10,591,066.13	Appropriation Ledger (Budget) Real Estate Collections
General Revenues other than Taxes		\$8,023,386.31	Financial Reporting Resident Tax Collecting
Real Estate Warrants - 1998	4502	\$13,743,084.00	Debt Service Departmental Revenues
Resident Tax Warrants - 1999	5893	\$59,880.00	Investment of Funds Other Tax Revenues
Sewer Warrant - 1999 (Incs SW)	3417	\$1,069,404.00	Personnel Files
Special Warrants/RE & Sewer	10	\$4,430.00	Voter Registration Records
Tax Lien Process - 1998	330	\$430,756.00	Sewer User Collections
Motor Vehicle Registrations	10909	\$975,727.00	

In addition to the above, the Finance Department administers Health Insurance for the City Employees, Water Works, Cobra Extension, as well as for the City's retirees, (total employees covered - 135 members). The Finance Department also administers Life Insurance, Short Term Disability Insurance, NH Retirement System Pension, billings and collections from City Departments, retirees and COBRA extension. This Department also prepares requests for proposals for insurances for City employees.

This Office is responsible for the Central Services Purchasing and billing of gas, office supplies, copies and other purchases for City Departments and some State agencies. This Department is responsible for the record keeping of the Berlin Airport Authority, including sales of all gas and financial reporting to the Authority. The Finance Department is also responsible for the mail service of all incoming and outgoing mail for all City Hall Departments, Planning Department, as well as large bulk mailings for all other City Departments. This Department also serves, when needed, as central telephone agency for other departments. In the past year, the Finance Department has upgraded its computer system and continues the process of networking to replace the current system.

The Finance/Collection Department has a staff of six full time employees and one part time employee (21 hours). In addition to the Comptroller/Tax Collector, staff includes the following personnel: JoAnn Therrault, Account/Billings Clerk; Jeannette Laflamme, Supervisor Computer Division/Payroll; Lucille Lavore, Accounts Payable Clerk; Jennifer Valerino, Collections Clerk; Elaine Tremblay, Senior Collection Clerk, and Anita Valliere, City Accountant.



# TAX COLLECTOR'S REPORT

The Following is the Tax Collector's Report for the period ending June 30, 1999

	1999 Real Estate Taxes	1998 Real Estate Taxes	1998 Tax Liens	1997 Tax Liens	Prior Years' Tax Liens	Sewer User Taxes	1999 Resident Taxes	1998 Resident Taxes
7/1/98 Uncollected Balance	-0-	4,010,276.	-0-	6,301,587.	5,013,073.	188,985.	59,880.	37,550.
Conversion to Lien	-0-	(330,450.)	430,756. <sup>5</sup>	-0-	-0-	(63,720.)	-0-	(480.)
Tax Warrants	6,009,779. <sup>1</sup>	6,862,340.	-0-	-0-	-0-	1,069,404.	-0-	-0-
Collections/Redemptions	(3,296,488.)	(5,383,420.)	(90,922.)	(202,454.)	(1,284,103.)	(997,572.)	(22,310.)	(24,620.)
Refunds/overpayments	-0-	17,002.	552.	10.	-0-	9,627.	30.	80.
Liens-RSA-72:38A	-0-	(2,571.)	-0-	(2,058.)	(3,824.)	(447.)	-0-	-0-
Abatements/Deeds/Discounts	97.	(5,173,892.) <sup>2</sup>	-0-	(5,890,898.) <sup>3</sup>	(3,464,210.) <sup>4</sup>	(12,321.)	-0-	-0-
Reserve-Uncollectibles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Uncollected Balance 6/30/99	2,713,194.	(715.)	340,386.	206,187.	260,936.	193,956.	37,600.	12,530.

## OTHER TAXES/INTEREST COLLECTED

Special Warrants/RE & Sewer	4,430.
Uncommitted Taxes	12,230.
Interest - Delinquent Taxes - All Years	62,577.
Interest - Tax Liens - All Years	89,022.
Resident Taxes - Penalties	708.
Sewer Taxes - Interest	9,627.
Yield Taxes	1,578.
Boat Taxes	1,243.
Excavation Tax	2,086.

<sup>1</sup> Warrant 1/2 Year

<sup>2</sup> Includes Crown Paper Abatement 5,158,031.

<sup>3</sup> Includes Crown Paper Abatement 5,887,444.

<sup>4</sup> Includes Crown Paper Abatement 3,463,495.

<sup>5</sup> Includes 1998 Real Estate Taxes, Resident Taxes, Sewer Taxes, Interest, Costs and Fees

Submitted by:

ALINE BOUCHER  
CITY COMPTROLLER/TAX COLLECTOR

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# Vachon, Clukay & Co., PC

Certified Public Accountants

45 Market Street

Manchester, NH

(603) 622-7000

FAX (603) 622-7000

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Council and Manager  
City of Berlin, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Berlin, New Hampshire as of and for the year then ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Berlin, New Hampshire's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note I, the general purpose financial statements referred to above do not include the financial statements of the Public Works Pension Trust Fund, which should be included to conform with generally accepted accounting principles. The Public Works Pension Trust Fund utilizes a different year end. The amounts that should be recorded in the Public Works Pension Trust Fund as of August 31, 1999 and for the year then ended is unavailable.

As more fully described in Note I, the general purpose financial statements referred to above do not include the financial statements of the General Fixed Asset Account Group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Asset Account Group is not known.

In our opinion, except for the effects on the general purpose financial statements of the omission described in the preceding paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Berlin, New Hampshire as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.



In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 1999 on our consideration of the City of Berlin, New Hampshire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Berlin, New Hampshire taken as a whole. The combining financial statements listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Berlin, New Hampshire. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

Vachon, Chubbey & Co. P.C.

August 27, 1999

EXHIBIT A  
CITY OF BERLIN, NEW HAMPSHIRE

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1999

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects				Enterprise	Trust & Agency
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,789,584		\$ 496,729		\$ 123,819		\$ 30,699	\$ 1,944,102
Investments	2,125,867				458,372		1,122,097	4,203,065
Taxes receivable, net	3,285,831							3,285,831
Accounts receivable, net	1,116,998	\$ 23,655	\$ 213,109				50,023	1,403,785
Due from other governments		437,494	128,575				324,237	1,333,481
Prepaid expenses	142,338		755					143,093
Due from other funds	339,179	62,792	1,508,425	1,200				3,388,880
Advance to other fund			200,000					200,000
Restricted assets - cash	2,432							2,432
Inventory		7,214		20,257			219,559	247,030
Property, plant and equipment, net				23,099,923			17,871,092	40,971,015
Prepaid financing costs							40,844	40,844
Bond fund receivables							1,218,261	1,218,261
Amount to be provided for retirement of general long-term obligations								
<b>Total Assets</b>	<u>\$ 8,802,229</u>	<u>\$ 531,155</u>	<u>\$ 2,648,329</u>	<u>\$ 24,939,903</u>	<u>\$ 583,391</u>	<u>\$ 12,228,242</u>	<u>\$ 20,876,812</u>	<u>\$ 70,610,061</u>
<b>LIABILITIES AND FUND EQUITY</b>								
Liabilities:								
Accounts payable	\$ 215,568	\$ 138,309	\$ 327,750	\$ 59,333			\$ 343,567	\$ 1,084,527
Accrued liabilities	240,738	522	75,375	75,375			316,352	632,987
Retainage payable	5,400	13,471	77,435	26,275			61,045	183,626
Deferred revenue	6,898,338			107,171			7,005,509	7,005,509
Due to other governments	875,169						875,169	875,169
Due to other funds	3,048,500	252,128	79,688	200,000	\$ 8,564		3,388,880	3,388,880
Advance from other fund							200,000	200,000
Due to student groups					117,997		117,997	117,997
Payable from restricted assets	2,432						2,432	2,432
Bond anticipation note payable	1,800,000						1,800,000	1,800,000
Notes payable				140,940			140,940	140,940
General obligation debt payable						\$ 9,091,836	9,835,000	18,926,836
Capital lease payable						371,163	371,163	371,163
Accrued compensated absences payable						1,680,119	1,680,119	1,680,119
Estimated liability for landfill closure and postclosure care costs						1,085,124	1,085,124	1,085,124
<b>Total Liabilities</b>	<u>13,086,145</u>	<u>404,430</u>	<u>484,873</u>	<u>609,094</u>	<u>126,561</u>	<u>12,228,242</u>	<u>10,555,964</u>	<u>37,495,309</u>
Fund Equity (Deficit)								
Contributed capital				22,235,978			3,529,337	25,765,315
Retained earnings				2,094,831			6,791,511	8,886,342
Fund Balances:								
Reserved for endowments					134,328			134,328
Reserved for encumbrances	161,246							161,246
Reserved for prepaid expenses	142,338							142,338
Reserved for advances			200,000					200,000
Unreserved								
Designated	657,224	127,239	1,970,980	113,893			2,869,336	2,869,336
Undesignated	(5,244,724)	(514)	(7,524)	208,609			(5,044,153)	(5,044,153)
<b>Total Fund Equity</b>	<u>(4,283,916)</u>	<u>126,725</u>	<u>2,163,456</u>	<u>24,330,809</u>	<u>456,830</u>		<u>10,320,848</u>	<u>33,114,752</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 8,802,229</u>	<u>\$ 531,155</u>	<u>\$ 2,648,329</u>	<u>\$ 24,939,903</u>	<u>\$ 583,391</u>	<u>\$ 12,228,242</u>	<u>\$ 20,876,812</u>	<u>\$ 70,610,061</u>

See notes to financial statements

## EXHIBIT B

**CITY OF BERLIN, NEW HAMPSHIRE**

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental and Similar Trust Fund Types

For the Year Ended June 30, 1999

	Governmental Fund Types			Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Revenues:</b>					
Taxes	\$ 10,840,705				\$ 10,840,705
Licenses and permits	1,052,772				1,052,772
Intergovernmental revenues	4,619,658	\$ 873,614	\$ 1,277,720		6,770,992
Charges for services	1,186,450	568,996			1,755,446
Miscellaneous revenues	253,978	5,508	114,298	\$ 5,830	379,614
Total Revenues	<u>17,953,563</u>	<u>1,448,118</u>	<u>1,392,018</u>	<u>5,830</u>	<u>20,799,529</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	2,180,775				2,180,775
Public safety	2,258,885				2,258,885
Airport/Aviation center		129,139			129,139
Highways and streets	1,398,206	39,185			1,437,391
Health and welfare	310,725	140,157		3,443	454,325
Sanitation	337,761				337,761
Culture and recreation	310,917	52,957			363,874
Education	8,895,959	560,729		500	9,457,188
Food service		343,846			343,846
Capital outlay	730,446	239,647	3,266,520		4,236,613
<b>Debt service:</b>					
Principal of debt	1,590,000	16,643	56,703		1,663,346
Interest and fiscal charges	1,066,811	4,282	48,266		1,119,359
Intergovernmental	1,310,358				1,310,358
Total Expenditures	<u>20,390,843</u>	<u>1,526,585</u>	<u>3,371,489</u>	<u>3,943</u>	<u>25,292,860</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,437,280)</u>	<u>(78,467)</u>	<u>(1,979,471)</u>	<u>1,887</u>	<u>(4,493,331)</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	25,000	128,101			153,101
Operating transfers out	<u>(123,101)</u>	<u>(30,000)</u>			<u>(153,101)</u>
Total Other Financing Sources (Uses)	<u>(98,101)</u>	<u>98,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,535,381)</u>	<u>19,634</u>	<u>(1,979,471)</u>	<u>1,887</u>	<u>(4,493,331)</u>
Fund Balances (Deficit) - July 1	(1,767,001)	107,091	4,161,393	112,006	2,613,489
Residual Equity Transfer	18,466		(18,466)		-
Fund Balances (Deficit) - June 30	<u>\$ (4,283,916)</u>	<u>\$ 126,725</u>	<u>\$ 2,163,456</u>	<u>\$ 113,893</u>	<u>\$ (1,879,842)</u>

*See notes to financial statements*

EXHIBIT C  
CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Budgetary Basis) - General and Special Revenue Funds  
For the Year Ended June 30, 1999

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 12,076,427	\$ 6,618,546	\$ (5,457,881)			\$ -	\$ 12,076,427	\$ 6,618,546	\$ (5,457,881)
Licenses and permits	864,517	1,052,772	188,255			-	864,517	1,052,772	188,255
Intergovernmental revenues	4,746,725	4,511,166	(235,559)	\$ 636,717	\$ 690,077	53,360	5,383,442	5,201,243	(182,199)
Charges for service	1,302,284	1,186,450	(115,834)	175,000	214,342	39,342	1,477,284	1,400,792	(76,492)
Miscellaneous revenues	353,733	253,978	(99,755)			-	353,733	253,978	(99,755)
Total Revenues	19,343,686	13,622,912	(5,720,774)	811,717	904,419	92,702	20,155,403	14,527,331	(5,628,072)
Expenditures									
Current									
General government	2,385,388	2,180,965	204,423			-	2,385,388	2,180,965	204,423
Public safety	2,233,438	2,217,693	15,745			-	2,233,438	2,217,693	15,745
Highways and streets	1,448,759	1,402,697	43,062			-	1,448,759	1,402,697	43,062
Health and welfare	453,363	311,018	142,345			-	453,363	311,018	142,345
Sanitation	378,972	337,761	41,211			-	378,972	337,761	41,211
Culture and recreation	299,836	310,917	(11,081)			-	299,836	310,917	(11,081)
Education	8,775,952	8,853,229	(77,277)	489,317	557,221	(67,904)	9,265,269	9,410,450	(145,181)
Food service				322,400	343,846	(21,446)	322,400	343,846	(21,446)
Capital outlay	688,446	699,147	(10,701)			-	688,446	699,147	(10,701)
Debt service									
Principal of debt	1,638,553	1,590,000	48,553			-	1,638,553	1,590,000	48,553
Interest and fiscal charges	1,169,989	1,066,811	103,178			-	1,169,989	1,066,811	103,178
Intergovernmental	1,310,358	1,310,358	-			-	1,310,358	1,310,358	-
Total Expenditures	20,780,054	20,280,596	499,458	811,717	901,067	(89,350)	21,591,771	21,181,663	410,108
Excess of Revenues Over (Under) Expenditures	(1,436,368)	(6,657,684)	(5,221,316)	-	3,352	3,352	(1,436,368)	(6,654,332)	(5,217,964)
Other Financing Sources (Uses)									
Operating transfers in	25,000	25,000	-			-	25,000	25,000	-
Operating transfers out	(123,101)	(123,101)	-			-	(123,101)	(123,101)	-
Total Other Financing Sources (Uses)	(98,101)	(98,101)	-	-	-	-	(98,101)	(98,101)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,534,469)	(6,755,785)	(5,221,316)	-	3,352	3,352	(1,534,469)	(6,752,433)	(5,217,964)
Fund Balances - July 1, 1998									
Budgetary Basis	3,120,836	3,120,836	-	25,643	25,643	-	3,146,479	3,146,479	-
Residual Equity Transfer	18,466	18,466	-	-	-	-	18,466	18,466	-
Fund Balances (Deficit) - June 30, 1999	\$ 1,604,833	\$ (3,616,483)	\$ (5,221,316)	\$ 25,643	\$ 28,995	\$ 3,352	\$ 1,630,476	\$ (3,587,488)	\$ (5,217,964)

EXHIBIT D

**CITY OF BERLIN, NEW HAMPSHIRE**

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

All Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 1999

	Proprietary Fund Types					Totals (Memorandum Only)	Reporting Entity
	Enterprise Funds						
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total		
Operating Revenues:							
Charges for service	\$ 1,097,744		\$ 40,647	\$ 54,798	\$ 1,193,189		\$ 3,309,942
Intergovernmental revenue		\$ 154,114			154,114		122,420
Miscellaneous revenue						\$ 16,455	154,114
Investment income						16,455	16,455
Total Operating Revenues	<u>1,097,744</u>	<u>154,114</u>	<u>40,647</u>	<u>54,798</u>	<u>1,347,303</u>	<u>16,455</u>	<u>3,602,931</u>
Operating Expenses:							
Personal services	389,826		10,316	26,707	426,849		939,341
Maintenance, operations and contractual services	157,765	19,193			176,958		456,406
Materials and supplies	151,979		1,780	513	154,272		154,272
Utilities	112,739		12,201	1,097	126,037		126,037
Depreciation	699,998	55,627			755,625		1,150,796
Amortization							2,646
Water supply							364,497
Miscellaneous			1,384	2,257	3,641	9,721	12,922
Total Operating Expenses	<u>1,512,307</u>	<u>74,820</u>	<u>25,681</u>	<u>30,574</u>	<u>1,643,382</u>	<u>9,721</u>	<u>3,220,279</u>
Net Operating Income (Loss)	<u>(414,563)</u>	<u>79,294</u>	<u>14,966</u>	<u>24,224</u>	<u>(296,079)</u>	<u>6,734</u>	<u>382,652</u>
Non-Operating Revenues (Expenses):							
Interest, net	(12,864)	(20,072)		22,462	(10,474)		(439,795)
Other income							70,812
Loss on disposal of asset							(1,567)
Bequests							2,375
Total Non-Operating Revenues (Expenses)	<u>(12,864)</u>	<u>(20,072)</u>	<u>-</u>	<u>22,462</u>	<u>(10,474)</u>	<u>2,375</u>	<u>(368,175)</u>
Net Income (Loss)	<u>(427,427)</u>	<u>59,222</u>	<u>14,966</u>	<u>46,686</u>	<u>(306,553)</u>	<u>9,109</u>	<u>14,477</u>
Add depreciation on plant assets acquired by grants externally restricted for capital acquisitions that reduces contributed capital							
Increase in Retained Earnings/Fund Balances	101,857	59,222	14,966	46,686	222,731	9,109	543,761
Retained Earnings/Fund Balances - July 1	780,673	524,508	89,002	477,917	1,872,100	333,828	8,685,518
Retained Earnings/Fund Balances - June 30	<u>\$ 882,530</u>	<u>\$ 583,730</u>	<u>\$ 103,968</u>	<u>\$ 524,603</u>	<u>\$ 2,094,831</u>	<u>\$ 342,937</u>	<u>\$ 9,229,279</u>

EXHIBIT I  
**CITY OF BERLIN, NEW HAMPSHIRE**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Funds  
 For the Year Ended June 30, 1999

	Proprietary Fund Types					Fiduciary Fund Types	Totals (Memorandum Only)		Reporting Entity	Totals (Memorandum Only)	
	Enterprise Funds						Non-Expendable Trust Funds	Primary Government			Component Unit
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total						
Cash Flows from Operating Activities:											
Cash received from services	\$ 1,090,597	\$ 144,321	\$ 39,949	\$ 61,321	\$ 1,336,188	\$ 16,455	\$ 1,336,188	\$ 1,749,364	\$ 3,085,552	\$ 16,455	
Cash received on trust investments	(785,819)	(19,193)	(25,465)	(30,351)	(860,828)	(9,721)	(870,549)	122,420	122,420	122,420	
Cash received from State of New Hampshire	304,778	125,128	14,484	30,970	475,360	6,734	482,094	(1,108,988)	(1,979,537)	(1,979,537)	
Cash paid to suppliers and employees								762,796	1,244,890	1,244,890	
Net Cash Provided by Operating Activities											
Cash Flows from Capital and Related Financing Activities:											
Principal paid on bond payable		(273,210)			(273,210)			(605,000)	(605,000)	(605,000)	
Interest paid on bond payable		(20,072)			(20,072)			(555,429)	(555,429)	(555,429)	
Principal paid on note payable											
Interest paid on note payable	(40,000)				(40,000)					(40,000)	
Principal paid on advance from other fund	(12,864)				(12,864)					(12,864)	
Interest paid on advance from other fund	(946,858)	(135,242)			(1,082,100)			(1,648,414)	(2,730,514)	(2,730,514)	
Acquisition of fixed assets	15,983				15,983			1,904,827	1,920,810	1,920,810	
Capital contributions								70,812	70,812	70,812	
Other non-operating revenues:											
Bequests										2,375	
Net Cash Provided (Used) by Capital and Related Financing Activities	(983,739)	(428,524)	-	-	(1,412,263)			(833,204)	(2,243,092)	(2,243,092)	
Cash Flows from Investing Activities:											
Net (increase) in investment securities											
Interest on investments				22,462	22,462	(11,020)	(11,020)	(37,824)	(48,844)	(48,844)	
Net Cash Provided (Used) by Investing Activities				22,462	22,462	(11,020)	(11,020)	114,478	136,940	136,940	
Net Increase (Decrease) in Cash and Cash Equivalents	(678,961)	(303,396)	14,484	53,432	(914,441)	(1,911)	(916,352)	6,246	(910,106)	(910,106)	
Cash and Cash Equivalents, July 1	1,304,742	526,267	89,760	470,956	2,391,725	8,221	2,399,946	24,453	2,424,399	2,424,399	
Cash and Cash Equivalents, June 30	\$ 625,781	\$ 222,871	\$ 104,244	\$ 524,388	\$ 1,477,284	\$ 6,310	\$ 1,483,594	\$ 30,699	\$ 1,514,293	\$ 1,514,293	

See notes to financial statements

**EXHIBIT E**  
**CITY OF BERLIN, NEW HAMPSHIRE**

Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Funds (Continued)  
 For the Year Ended June 30, 1999

	Proprietary Fund Types				Fiduciary Fund Types	Totals (Memorandum Only)	Reporting Entity		
	Enterprise Funds								
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total	Non-Expendable Trust Funds	Primary Government	Component Unit	Totals (Memorandum Only)
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities:									
Net Operating Income (Loss)	\$ (414,563)	\$ 79,294	\$ 14,966	\$ 24,224	\$ (296,079)	\$ 6,734	\$ (289,345)	\$ 671,997	\$ 382,652
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:									
Depreciation	699,998	55,627			755,625		755,625	395,171	1,150,796
Amortization								2,646	2,646
Change in assets and liabilities:									
(Increase) decrease in accounts receivable	(7,147)	(4,141)	(9)	6,523	(4,774)		(4,774)	2,515	(2,259)
(Increase) in due from other governments	3,581				3,581		3,581	(324,237)	3,581
Decrease in prepaid expenses	(3,511)				(3,511)		(3,511)	65,052	61,541
(Increase) decrease in inventory	8,562							(45,667)	(45,667)
(Increase) in bond fund receivables	17,858		216	223	18,297		18,297	(9,804)	(1,242)
Increase (decrease) in accounts payable		(5,652)	(689)		(6,341)		(6,341)	5,123	23,420
Increase in accrued liabilities									
(Decrease) in deferred revenue									
Net Cash Provided by Operating Activities	\$ 304,776	\$ 125,128	\$ 14,484	\$ 30,970	\$ 475,360	\$ 6,734	\$ 482,094	\$ 762,796	\$ 1,244,890
Noncash Transactions Affecting Financial Position:									
Amortization of contributions in aid	\$ 529,284				\$ 529,284		\$ 529,284	\$ 1,567	\$ 529,284
Net book value of disposed assets	26,275				26,275		26,275	385,281	411,556
Fixed asset additions included in year end liabilities	\$ 555,559	\$ -	\$ -	\$ -	\$ 555,559	\$ -	\$ 555,559	\$ 386,848	\$ 942,407

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 1999**

**NOTE I--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Berlin, New Hampshire conform to generally accepted accounting principles for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies:

***Financial Reporting Entity***

The City of Berlin, New Hampshire (the "City") was incorporated in 1829. The City operates under the City Council/City Mayor form of government and performs local governmental functions authorized by State law.

The accompanying financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary fund types and similar trust funds types.

Generally accepted accounting principles (Governmental Accounting Standards Board Statement No. 14) require that all component units for which the City maintains financial oversight be included in the general purpose financial statements. Oversight responsibility is derived from a number of criteria including financial interdependency, selection of governing authority, designation of management, ability to influence operations and accountability for fiscal matters. The relative importance of each criteria must be evaluated in light of specific circumstances.

Although the decision to include or exclude a component unit is left to professional judgment of local responsible officials, a positive response to any of the criteria requires that the specific reason for excluding the component unit be disclosed.

**Discretely Presented Component Unit**

The component unit columns in the combined financial statements include the financial data of the City's component unit, the Berlin Water Works. It is reported in a separate column to emphasize that they are legally separate from the City.

The Berlin Water Works, which was incorporated as a body politic in 1925, is included because the major, with confirmation of the City Council, appoints the Water Commissioners and debt is issued by the City on behalf of the Berlin Water Works. Debt issued is backed by the full faith and credit of the City.

Separately issued financial statements of the Berlin Water Works may be obtained by writing to their Board of Commissioners at 55 Willow Street, Berlin, New Hampshire 03570-1883.

***Fund Accounting***

The accounts of the City are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-



**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTFS TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

Individual funds and account groups summarized in the financial statements are classified as follows:

Governmental Fund Types

*General Fund* - used to account for all revenues and expenditures which are not accounted for in other funds or account groups.

*Special Revenue Funds* - used to account for specific restricted revenues and expenditures for various purposes. The following funds have been accounted for as Special Revenue Funds:

Community Development Fund	Federal Projects Fund
Food Service Fund	Health Department Fund
Airport Authority Fund	Carberry Fund
Recreation and Parks Programs Fund	PSNH Grant Fund

*Capital Projects Funds* - used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. The City accounts for the following construction projects in its Capital Projects Funds.

Wastewater Treatment Fund	East Milan Landfill Fund
City and School Capital Improvements Fund	Cascade Bridge Fund
Tondreau Recreation Bridge Fund	1993 Water Works Bond
1997 School Bond Fund	

Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows.

*Enterprise Funds* - These funds account for the operations of the City's Sewer Fund, Industrial Development and Park Authority Fund, Courthouse Fund and Cates Hill Landfill Fund, which provide service on a user charge basis.

Fiduciary Funds

Assets held by the City in a fiduciary capacity or as an agent for individuals, private organizations, and other governmental units, and/or other funds for various purposes. Receipts and expenditures of each fund are governed by statutes, local law, or the terms of the gift.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Trust Funds* - Expendable trust funds (Home Nursing Trust Fund, Berlin Trust Fund and Miles Scholarship Fund) are accounted for in essentially the same manner as governmental funds. The non-expendable trust funds are accounted for and reported as proprietary funds since capital maintenance is critical.

The Public Works Pension Trust Fund has a fiscal year ended August 31 and is audited and reported separately from other City funds. This fund unit should be included as part of the reporting entity in accordance with generally accepted accounting standards, but City officials have decided not to include it due to the different fiscal year of the entity.

*Agency Funds* - Agency funds are used to account for assets held by the City in a fiduciary capacity for various student groups.

*Account Groups*

Account groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of general fixed assets and general long-term obligations, respectively. The following is a description of the account groups of the City.

*General Fixed Asset Account Group* - The City does not record the acquisition of fixed assets in the General Fixed Asset Account Group, as required by generally accepted accounting principles. Fixed assets acquired or constructed for general government services are recorded as expenditures in the fund making the expenditure. Funds used to acquire general fixed assets and/or debt service payments on borrowings in connection therewith are accounted for as expenditures in the year payments are made.

*General Long-Term Debt Account Group* - used to record the outstanding long-term obligations of the City, except for amounts accounted for in Proprietary Funds.

***Basis of Accounting***

The accrual basis is used for all proprietary fund types and non-expendable trust funds. The measurement focus of these funds is determination of net income, financial position and cash flows ("capital maintenance" focus). The City has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989 in accounting and reporting for its proprietary operations.

Governmental funds utilize the modified accrual basis whereby revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City, therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available. (See Property Taxes for property tax accrual policies.)

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental funds and enterprise funds financial statements reflect such transactions as transfers. Non-expendable trust funds report these transactions as revenues and expenses.

*Total Columns on Combined Financial Statements*

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are intended to facilitate financial analysis. Interfund eliminations have not been made at arriving at the data and it is not intended to present financial position, results of operations or cash flows in accordance with generally accepted accounting principles.

*Budgetary Data*

The budget represents departmental appropriations as authorized by City Council. The City Council may transfer funds between operating categories as they deem necessary. The City adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differ somewhat from generally accepted accounting principles in that the focus is on the entire governmental unit rather than on the basis of fund types. Special revenue fund budgets are adopted only to the extent they interact with the general fund. Budgets for capital projects funds are adopted in the year the project is authorized and may extend over multiple accounting periods. Following is a reconciliation between the budget as presented for reporting purposes and the adopted budget.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Total Appropriations at June, 1998		
City Council Meeting		\$ 23,858,141
Supplemental Appropriations		1,071,121
Budgeted abatements netted with property tax revenues		(1,981,253)
Perspective Differences:		
Enterprise Funds		(1,175,038)
Timing Differences:		
Continued Appropriations - June 30, 1998		599,125
Continued Appropriations - June 30, 1999		<u>(657,224)</u>
General Fund	\$ 20,903,155	
Special Revenue Funds	<u>811,717</u>	
Total Budget - Report Basis		<u>\$ 21,714,872</u>

State law requires balanced budgets but permits the use of beginning budgetary basis fund balance to reduce the property tax rate. For the year ended June 30, 1999, the City applied \$1,574,102 of its unappropriated fund balance to reduce taxes.

*Reconciliation of Exhibit B to Exhibit C*

General Fund

Amounts recorded as budgetary amounts in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on the basis budgeted by the City. Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. General fund budgetary expenditures were adjusted for encumbrances and on- behalf payments for fringe benefits (see Note 6) as follows:

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
Exhibit B	\$ 17,978,563	\$ 20,513,944
Difference in property taxes meeting susceptible to accrual criteria	(4,222,159)	
Encumbrances, June 30, 1998		(163,001)
Encumbrances, June 30, 1999		161,246
On-behalf fringe benefits	(108,492)	(108,492)
Exhibit C	<u>\$ 13,647,912</u>	<u>\$ 20,403,697</u>

Special Revenue Funds

Generally accepted accounting principles require full budgetary presentation for all funds for which annual budgets are adopted. Under State regulation budgets for Special Revenue Funds are adopted only to the extent they interact with the General Fund. The accompanying financial statements therefore present only partial budgetary activity for the Special Revenue Funds. Consequently, Special Revenue

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Funds shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on a budgetary basis which differs from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental and Similar Trust Fund Types (Exhibit B), which is reported in accordance with generally accepted accounting principles, as follows:

	<u>Exhibit B</u>	Prior Year <u>Encumbrances</u>	Non- budgeted <u>Activity</u>	<u>Exhibit C</u>
Revenues	\$ 1,448,118		\$ 543,699	\$ 904,419
Expenditures	<u>1,526,585</u>	\$ (3,508)	<u>622,010</u>	<u>901,067</u>
Excess of Revenues Over (Under) Expenditures	<u>(78,467)</u>	<u>3,508</u>	<u>(78,311)</u>	<u>3,352</u>
Other Financing Sources (Uses):				
Operating Transfer In	128,101		128,101	-
Operating Transfers Out	<u>(30,000)</u>		<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>98,101</u>	<u>-</u>	<u>98,101</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	19,634	3,508	19,790	3,352
Fund Balance (Deficit), as restated-July 1, 1998	107,091	(3,508)	77,940	25,643
Fund Balance - June 30, 1999	<u>\$ 126,725</u>	<u>\$ -</u>	<u>\$ 97,730</u>	<u>\$ 28,995</u>

***Encumbrances***

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities and are detailed by fund type and function as follows:

	General <u>Fund</u>
General government	\$ 190
Public safety	7,195
Highways and streets	8,807
Health and welfare	544
Education	141,495
Capital outlay	3,015
	<u>\$161,246</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assets, Liabilities and Fund Equity*

Cash and Cash Equivalents - The City pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	<u>Cash</u>	<u>Interfund Receivables</u>	<u>Totals</u>
Enterprise Funds:			
Sewer Fund		\$ 625,781	\$ 625,781
Industrial Development and Park Authority Fund		222,871	222,871
Courthouse Fund		104,244	104,244
Cates Hill Landfill Fund		524,388	524,388
	<u>\$ -</u>	<u>1,477,284</u>	<u>1,477,284</u>
Non-expendable Trust Funds	6,310		6,310
	<u>\$ 6,310</u>	<u>\$ 1,477,284</u>	<u>\$ 1,483,594</u>

Investments - Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable - Taxes levied during the current fiscal year and prior and uncollected at June 30, 1999 are recorded as receivables net of reserves for estimated uncollectibles of \$409,717.

Prepaid Expenses - Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items.

Inventory - The City accounts for inventories under the purchase method on a first-in, first-out basis. Inventories are recorded at cost.

Property, Plant and Equipment - Property, plant and equipment are valued at cost. The City uses the straight line method for charging depreciation in the Enterprise Funds. The following are the estimated useful lives used in determining the annual charge for depreciation.

	<u>Years</u>
Sewer Fund:	
Sewer System	50
Vehicles and equipment	3-10
Industrial Development and Park Authority Fund:	
Plant and equipment	30

The City capitalizes interest costs during a project's construction period.

## CITY OF BERLIN, NEW HAMPSHIRE

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

#### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue - Deferred revenue consists of measurable but unavailable amounts including property taxes, grant revenues, and amounts collected in advance to be recognized in future periods.

Due to Other Governments - At June 30, 1999, \$875,169 was due to the Coos County for the county tax appropriation and accrued interest. The City has set aside funds to pay this obligation.

Bond Anticipation Note Payable - The City issued a \$1,800,000 bond anticipation note, which was received in varying increments from March through June 1999, with an interest rate of 3.75%. This bond anticipation note was paid in full on August 2, 1999.

Accrued Vacation and Sick Leave - Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to City personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick pay earned and, upon retirement, resignation or death will be compensated for such amounts at current rates of pay. The total estimated value of accumulated compensated absences at June 30, 1999 is \$1,680,119 and has been recorded in the General Long-Term Debt Account Group. The current portion, if any, is not material to these financial statements.

Contributed Capital - Federal and State grants for the purpose of constructing enterprise fund assets are recorded as contributions to equity.

Residual Equity Transfer - During the year, the 1994 Water Works/Fire Truck Bond Fund and 1995 Water Works Bond Fund, both Capital Projects Funds, were completed. Transfer of these balances is accounted for as a residual equity transfer.

#### *Revenues, Expenditures and Expenses*

Property Taxes - Taxes are levied on the assessed value of all taxable real property as of the prior April 1 (\$340,064,941 as of April 1, 1998) and are due in two installments on July 1, 1998 and December 1, 1998. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property is tax deeded to the City.

Property Taxes Collected for Other Governments - In accordance with State law, the City collects taxes for Coos County, an independent governmental unit, which are remitted to the County as required by law. Taxes appropriated to Coos County for the year ended June 30, 1999 were \$1,310,358. Actual taxes remitted during the year were \$1,048,286. Unpaid County taxes at year end are included in the balance due to other governments. The City bears responsibility for uncollected taxes.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Deficit Fund Balance*

*General Fund* - At June 30, 1999, the General Fund was in a deficit financial position in the amount of \$4,283,916. The City's management intends to rectify the condition through a bond issuance (see Notes 7 and 21).

*Special Revenue Funds* - At June 30, 1999, the following special revenue fund was in a deficit financial position:

Health Department Fund	<u>Amount</u> <u>\$ 514</u>
------------------------	--------------------------------

The City's management intends to rectify the condition by transferring funds from the General Fund to offset the deficit.

*Capital Projects Funds* - At June 30, 1999, the following capital projects fund was in a deficit financial position:

Cascade Bridge Fund	<u>Amount</u> <u>\$ 7,524</u>
---------------------	----------------------------------

The deficit in the various capital projects fund is the result of a temporary timing difference in expenditure and revenue recognition. The City intends to transfer funds from the General Fund to offset the deficit position.

**NOTE 3--RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 1999, the City was a member of the New Hampshire Worker's Compensation Fund. The City currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with generally accepted accounting principles.

The Compensation Fund was organized to provide statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$1,000,000. The program includes a Loss Fund from which is paid up to \$375,000 for each and every covered claim.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Generally accepted accounting principles require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years.



**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 3--RISK MANAGEMENT (CONTINUED)**

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 1999.

**NOTE 4--CASH AND INVESTMENTS**

The City has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfold balance.

The City's investment policy for governmental fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in federal depository insurance programs. Deposits are limited to demand deposits, money market accounts, certificates of deposit and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHDPDIP). Responsibility for the investments of the Trust Funds is with the Board of Trustees. Investments of the Student Activities Agency Funds are at the discretion of the School Principals.

At year end, the carrying amount of all the City's cash deposits, including Restricted Assets - Cash, was \$1,915,835 and the bank balance was \$1,548,344. Of the bank balance \$1,516,330 was covered by federal depository insurance or collateralized and \$32,014 was uninsured and uncollateralized.

The City's investments are categorized to provide an indication of the level of risk assumed by the City of Berlin. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 included uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

	Category			Carrying Amount
	1	2	3	
Repurchase agreements			\$ 1,396,362	\$ 1,396,362
Certificates of deposit	\$ 221,745			221,745
	<u>\$ 221,745</u>	<u>\$ -</u>	<u>\$ 1,396,362</u>	<u>1,618,107</u>
Investments in New Hampshire Public Deposit Investment Pool (NHPDIP)				<u>1,462,861</u>
Total Investments				<u>\$ 3,080,968</u>

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 5—PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS**

The following is a summary of changes in the Proprietary Fund property, plant and equipment for the year ended June 30, 1999:

	Balance <u>7/01/98</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/99</u>
<u>Sewer Fund</u>				
Land	\$ 22,663			\$ 22,663
Buildings and improvements	32,488,452			32,488,452
Vehicles and equipment	515,942			515,942
Construction in progress	139,242	\$ 808,413		947,655
	<u>33,166,299</u>	<u>808,413</u>	<u>\$ -</u>	<u>33,974,712</u>
Less: Accumulated depreciation	<u>(11,221,079)</u>	<u>(699,998)</u>		<u>(11,921,077)</u>
	<u>\$ 21,945,220</u>	<u>\$ 108,415</u>	<u>\$ -</u>	<u>\$ 22,053,635</u>
 <u>Industrial Development and Park Authority Fund</u>				
Land	\$ 219,794			\$ 219,794
Buildings and improvements	1,263,089			1,263,089
Vehicles and equipment	135,242			135,242
	<u>1,618,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,618,125</u>
Less: Accumulated depreciation	<u>(516,210)</u>	<u>(55,627)</u>		<u>(571,837)</u>
	<u>\$ 1,101,915</u>	<u>\$ (55,627)</u>	<u>\$ -</u>	<u>\$ 1,046,288</u>
 <u>Totals</u>				
Land	\$ 242,457			\$ 242,457
Buildings and improvements	33,751,541			33,751,541
Vehicles and equipment	651,184			651,184
Construction in progress	139,242	\$ 808,413		947,655
	<u>34,784,424</u>	<u>808,413</u>	<u>\$ -</u>	<u>35,592,837</u>
Less: Accumulated depreciation	<u>(11,737,289)</u>	<u>(755,625)</u>		<u>(12,492,914)</u>
	<u>\$ 23,047,135</u>	<u>\$ 52,788</u>	<u>\$ -</u>	<u>\$ 23,099,923</u>

**NOTE 6--DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 6--DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Funding Policy*

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to contribute at an actuarially determined rate. The City's contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 3.69%, 5.70%, 2.93%, and 4.16%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State of New Hampshire contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees. In accordance with generally accepted accounting principles (GASB #24), on- behalf fringe benefits contributed by the State of New Hampshire of \$108,492 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The City's contributions to the NHRS for the years ending June 30, 1999, 1998, and 1997 were \$320,371, \$296,466, and \$228,126, respectively, equal to the required contributions for each year.

**NOTE 7--GENERAL DEBT OBLIGATIONS**

Changes in Long-term Debt - The changes in long-term obligations for the year ended June 30, 1999 are as follows:

	Balance <u>7/01/98</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/99</u>
<u>Primary Government:</u>				
General obligation debt	\$ 10,150,182		\$ 1,058,346	\$ 9,091,836
Capital Lease payable	433,535		62,372	371,163
Compensated absences	1,699,555		19,436	1,680,119
Landfill closure and postclosure care costs	1,087,662		2,538	1,085,124
	<u>13,370,934</u>	<u>-</u>	<u>1,142,692</u>	<u>12,228,242</u>
<u>Component Unit:</u>				
General obligation debt	10,440,000		605,000	9,835,000
Total Reporting Entity	<u>\$ 23,810,934</u>	<u>\$ -</u>	<u>\$ 1,747,692</u>	<u>\$ 22,063,242</u>

*General Long-term Obligations*

General Obligation Debt - payable at June 30, 1999 is comprised of the following individual issues:

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 7—GENERAL DEBT OBLIGATIONS (CONTINUED)**

Primary Government:

\$3,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 - \$300,000 through July, 2004; interest at 8.214%	\$ 1,320,000
\$1,134,062 Landfill Closure Bonds due in annual installments of \$56,703 through November, 2016; interest at 4.48%	1,020,656
\$4,500,000 State Guaranteed School Improvement Bonds due in annual installments of \$300,000 through January, 2013; interest at 4.15% - 4.9%	4,200,000
\$1,500,000 School Improvement Bonds due in annual installments of \$100,000 through January, 2013; interest at 4.3% - 4.95%	1,400,000
\$1,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$80,000 through July, 2002; interest at 5.4% - 8.1%	320,000
\$435,000 State Guaranteed Water Construction Bonds due in annual installments of \$30,000 through June, 2002; interest at 5.65% - 7.6%	105,000
\$1,450,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 through January, 2003; interest at 5.75% - 7.75%	380,000
\$450,000 Fire Truck Bonds due in annual installments of \$45,000 through August, 2004; interest at 4.7% - 7.0%	270,000
\$69,275 Asbestos Grant Loan due in annual installments of \$5,000 through 2005 and \$1,775 in 2006	31,775
\$43,000 Airport Authority Notes due in monthly installments of \$872, including interest at 8.0%, through November, 2001	22,202
\$43,000 Airport Authority Notes due in monthly installments of \$872, including interest at 8.0%, through November, 2002	22,203
	<u>9,091,836</u>
<u>Component Unit:</u>	
Bond payable due in annual installments of \$150,000 through August, 2013; interest at 5.3% - 5.875%	2,250,000
Bond payable due in annual installments of \$150,000 through August, 2014; interest at 6.125% - 7.0%	2,400,000
Bond payable due in annual installments of \$305,000 through August, 2016; interest at 5.25% - 5.625%	5,185,000
	<u>9,835,000</u>
Total Reporting Entity	<u><u>\$ 18,926,836</u></u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 7—GENERAL DEBT OBLIGATIONS (CONTINUED)**

Interest expense for the year ended June 30, 1999 was \$1,066,811 and \$543,799 on general obligation debt for the City of Berlin and the Berlin Water Works, respectively.

*Capital Lease Obligations*

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. Following are the individual capital lease obligations at June 30, 1999:

Equipment, due in monthly installments of \$4,708, including interest at 6.5%, through February, 2005	\$ 330,424
Equipment, due in annual installments of \$15,141, including interest at 6.13%, through July, 1999	14,267
Equipment, due in annual installments of \$5,066, including interest at 6.239%, through November, 2001	13,932
Equipment, due in annual installments of \$4,180, with no stated interest rate, through September, 2001	12,540
	<u>\$371,163</u>

*Summary of Debt Service Requirements to Maturity*

The annual requirements to amortize all outstanding long-term obligations as of June 30, 1999, including interest of \$2,926,362 and \$4,497,775 in the primary government and the component unit, respectively are as follows:

Year Ending <u>June 30,</u>	General Long-Term <u>Debt</u>	Capital <u>Leases</u>	Component <u>Unit</u>	<u>Total</u>
2000	\$ 1,437,966	\$ 89,503	\$ 1,129,266	\$ 2,656,735
2001	1,388,442	76,388	1,097,804	2,562,634
2002	1,334,258	78,480	1,066,416	2,479,154
2003	1,277,451	71,394	1,035,029	2,383,874
2004	1,039,279	73,624	1,003,266	2,116,169
2005-2009	3,133,844	50,106	4,526,930	7,710,880
2010-2014	2,153,275		3,676,587	5,829,862
2015-2017	185,351		797,477	982,828
	<u>\$ 11,949,866</u>	<u>\$439,495</u>	<u>\$ 14,332,775</u>	<u>\$ 26,722,136</u>

The State of New Hampshire annually reimburses the City for its share of Sewer related debt service payments. For the year ended June 30, 1999, the reimbursement was \$294,429.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 7--GENERAL DEBT OBLIGATIONS (CONTINUED)**

Under state law, the City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City). Accordingly, this general obligation debt is recognized as a liability of the Berlin Water Works and is not recorded in the general long-term debt account group. The Commissioners of the Berlin Water Works have agreed to reimburse the City for the annual principal and interest payments on this debt. For the year ended June 30, 1999, the reimbursement was \$1,160,429, which consists of \$605,000 in principal and \$555,429 in interest.

*Authorized and Unissued Debt*

As of June 30, 1999, the City had the following debt authorized and unissued:

Deficit funding	<u>\$ 5,100,000</u>
-----------------	---------------------

**NOTE 8--NOTES PAYABLE**

The Berlin Industrial Development and Park Authority Fund is directly liable for several notes payable. The proceeds of the notes were used to construct buildings and improvements at the Industrial Park. Following is a summary of changes in notes payable for the year ended June 30, 1999:

Notes payable - July 1, 1998	\$414,150
Obligations retired	<u>(273,210)</u>
Notes Payable - June 30, 1999	<u>\$140,940</u>

Notes payable at June 30, 1999 is comprised of the following issues:

\$206,107 Note payable to Berlin Economic Development Council, Inc. secured by land and building due in monthly installments of \$1,500, including interest at 6.0%, through October, 2007	\$ 119,440
\$21,500 Note payable to Berlin Economic Development Council, Inc. secured by land and building due in a balloon payment in October, 2007, interest at 0%	<u>21,500</u>
	<u>\$140,940</u>

The annual requirements to amortize the notes payable as of June 30, 1999 are as follows:

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 8--NOTES PAYABLE (CONTINUED)**

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 11,137	\$ 6,863	\$ 18,000
2001	11,823	6,177	18,000
2002	12,553	5,447	18,000
2003	13,327	4,673	18,000
2004	14,149	3,851	18,000
2005-2008	77,951	6,245	84,196
	<u>\$ 140,940</u>	<u>\$ 33,256</u>	<u>\$ 174,196</u>

**NOTE 9--LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require that the City place a final cover on its two landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. An estimated liability has been recorded in the general long-term debt account group based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. These landfill closure and postclosure care costs are based on the amount of the landfills used. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,085,124 as of June 30, 1999, which is based on 100% usage of the East Milan landfill and 99% usage of the Cates Hill landfill. It is estimated that an additional \$7,985 will be recorded as closure and postclosure care costs between June 30, 1999 and the date the Cates Hill landfill is expected to be filled to capacity (fiscal year 2000). The estimated total current cost of the landfill closure and postclosure care of \$1,093,109 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfills were acquired as of June 30, 1999. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The closure costs of the East Milan landfill were financed through the issuance of debt under the State of New Hampshire, State Water Pollution Control Revolving Fund Program. The remaining closure and postclosure care costs are expected to be financed from the motor vehicle surcharge collected in the Cates Hill Landfill Enterprise Fund. The City has also entered into an intermunicipal agreement with surrounding communities for the reimbursement of their share of the landfill closure and postclosure costs.

**NOTE 10--DEFERRED REVENUE**

*General Fund* - The City has recorded deferred property and resident tax revenues as follows:

Semi-annual tax warrant due July 1, 1999	\$ 6,009,779
Resident Taxes due July 1, 1999	59,880
Taxes levied and not received within 60 day recognition period	828,679
	<u>\$ 6,898,338</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 10--DEFERRED REVENUE (CONTINUED)**

*Enterprise Funds* - Deferred revenue in the Enterprise Funds at June 30, 1999 consists of revenues collected in advance and recognizable in future periods as follows:

Sewer Fund	<u>\$107,171</u>
------------	------------------

**NOTE 11--INTERFUND BALANCES**

Interfund receivables/payables at June 30, 1999 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 339,179	\$ 3,048,500
Special Revenue Funds:		
Community Development Fund	23,020	
Federal Projects Fund		62,484
Food Service Fund		11,130
Health Department Fund		40,234
Airport Authority Fund		138,280
Carberry Fund	992	
Recreation and Parks Programs Fund	18,780	
PSNH Grant Fund	20,000	
Capital Projects Funds:		
Wastewater Treatment Fund	140,696	
East Milan Landfill Fund	166,067	
City and School Capital Improvements Fund	10,469	
Cascade Bridge Fund		14,920
Tondreau Recreation Bridge Fund	21,821	
1993 Water Works Bond Fund	1,169,372	
1997 School Bond Fund		64,768
Enterprise Funds:		
Sewer Fund	625,781	
Industrial Development and Park Authority Fund	222,871	
Courthouse Fund	104,244	
Cates Hill Landfill Fund	524,388	
Trust and Agency Funds:		
Home Nursing Trust Fund		8,064
Miles Scholarship Fund		500
Student Activities Agency Funds	1,200	
Total	<u>\$ 3,388,880</u>	<u>\$ 3,388,880</u>

**NOTE 12--ADVANCE TO/FROM OTHER FUND**

At June 30, 1999, \$200,000 was due to the Wastewater Treatment Capital Projects Fund from the Sewer Enterprise Fund. The Sewer Enterprise Fund makes annual principal payments of \$40,000 and interest.



**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 13--CONTRIBUTED CAPITAL - PROPRIETARY FUNDS**

Changes in the contributed capital accounts in the Sewer Fund and the Industrial Development and Park Authority Fund are summarized as follows:

	<u>Balance</u> <u>7/01/98</u>	<u>Contributions</u>	<u>Amortization</u>	<u>Balance</u> <u>6/30/99</u>
Sewer Fund	\$ 22,060,537	\$ 144,558	\$ (529,284)	\$ 21,675,811
Industrial Development and Park Authority Fund	<u>560,167</u>			<u>560,167</u>
Total	<u>\$ 22,620,704</u>	<u>\$ 144,558</u>	<u>\$ (529,284)</u>	<u>\$ 22,235,978</u>

**NOTE 14--NON-EXPENDABLE TRUST FUNDS**

The principal amounts of all non-expendable trust funds are restricted in that only income earned may be expended. Principal and income balances at June 30, 1999 are as follows:

	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Cemetery Funds	<u>\$ 134,328</u>	<u>\$ 208,609</u>	<u>\$ 342,937</u>

**NOTE 15--UNRESERVED DESIGNATED FUND BALANCES**

*General Fund*

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. Following are continuing appropriations at June 30, 1999:

General government	\$ 16,796
Public safety	5,036
Highways and streets	58,407
Sanitation	11,959
Education	24,048
Capital outlay	516,514
Debt service	24,464
	<u>\$657,224</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 15--UNRESERVED DESIGNATED FUND BALANCES (CONTINUED)**

*Special Revenue Funds*

Community Development Fund	\$ 23,020
Federal Projects Fund	5,557
Food Service Fund	23,438
Airport Authority Fund	36,194
Carberry Fund	250
Recreation and Parks Programs Fund	18,780
PSNH Grant Fund	20,000
	<u>\$127,239</u>

*Capital Projects Funds*

Wastewater Treatment Fund	\$ 140,696
East Milan Landfill Fund	166,067
City and School Capital Improvements Fund	10,469
Tondreau Recreation Bridge Fund	21,821
1993 Water Works Bond Fund	1,216,356
1997 School Bond Fund	415,571
	<u>\$ 1,970,980</u>

*Expendable Trust Funds*

Home Nursing Trust Fund	\$ 91,944
Berlin Trust Fund	2,000
Scholarship Fund	19,949
	<u>\$113,893</u>

**NOTE 16--NET WORKING CAPITAL**

The net working capital for the individual enterprise funds as of June 30, 1999 is as follows:

Sewer Fund	\$ 530,981
Industrial Development and Park Authority Fund	227,412
Courthouse Fund	103,968
Cates Hill Landfill Fund	524,603
	<u>\$ 1,386,964</u>

**NOTE 17--TOP TAXPAYERS**

The following are the five major property owners as they relate to the 1998 assessed property valuation of \$340,064,941:

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 17--TOP TAXPAYERS (CONTINUED)**

<u>Taxpayer</u>	1998 Property <u>Valuation</u>	Percentage of Total <u>Valuation</u>
Pulp/Paper of America LLC	\$ 79,995,700	23.52%
Public Service of New Hampshire	33,727,300	9.92%
Portland Natural Gas	8,419,800	2.48%
Individual taxpayer	1,717,500	0.51%
Doane-Ruggles Inc.	1,307,200	0.38%

**NOTE 18—RESTATEMENT OF FUND BALANCE**

At June 30, 1998, the City did not recognize a receivable due from other governments for the reimburseable portion of grant expenditures incurred in the Airport Authority Special Revenue Fund. Fund balance of the Special Revenue Funds as of July 1, 1998 has been restated as follows:

Fund Balance, July 1, 1998 (as previously reported)	\$ 30,919
Amount of restatement due to increase in receivables	<u>76,172</u>
Fund Balance, July 1, 1998 - as restated	<u><u>\$ 107,091</u></u>

**NOTE 19--CONTINGENT LIABILITIES**

*Litigation*

During the year ended June 30, 1999, there was a court rendered decision against the City regarding retirement benefits. Per the court, the City and New Hampshire Retirement System shall enroll each petitioner in the State's retirement system. In addition, within thirty days from the date of the Court order, the petitioners are to choose one of the following options. Under the first option, the City shall transfer the funds from the local pension plan to the State Retirement System and permit the petitioners to buy back any amount of years they can afford. The second option states that the City shall pay the petitioners the balance of the funds held in each petitioner's account with the local pension plan. The balance held in the Public Works Pension Trust as of June 30, 1999 is unavailable. Currently, the petitioners have filed an appeal with the New Hampshire Supreme Court to reverse the decision.

*Other Contingencies*

The City participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Environmental Protection Agency (EPA) of the federal government has disallowed certain expenses in connection with a prior sewer project based on a "close out audit" for approximately \$2,000,000. The EPA has requested certain follow up documentation to clear up any potential disallowed costs. The City is in the process of responding to the EPA's request and the City's special legal counsel for this matter anticipates that any

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1999**

**NOTE 19--CONTINGENT LIABILITIES (CONTINUED)**

amount which may be required to be reimbursed will be immaterial. The amount, if any, of other expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects amounts, if any, to be immaterial.

**NOTE 20—SETTLEMENT OF TAX DISPUTE**

The City and the City's major taxpayer entered into a settlement agreement in January, 1999 to settle its long standing real property tax assessment dispute. Under the terms of the agreement, no additional payments or refunds will be paid to either party for the tax years from 1993 through 1999 except for the additional payment due for 1998/1999 tax year from the taxpayer of approximately \$329,000. Under the terms of the settlement, the City and the taxpayer have agreed to a mutually satisfactory assessment for the years from 1999 through 2002 which range from \$70,000,000 to \$80,000,000, subject to changes for additions and deletions in taxable property as defined by the terms of this agreement. The City had reserved approximately \$6,250,000 for possible tax abatement. The terms of this agreement will require an additional abatement of approximately \$5,500,000 which increased the undesignated deficit fund balance of the City by this amount. The City will issue general obligation debt, as permitted by current state law, to fund the additional abatement (see Note 21). Repayment terms of this debt shall be as permitted by state law.

**NOTE 21--SUBSEQUENT EVENT**

During July 1999, the City retired its outstanding short-term obligations and issued a \$5,100,000 general obligation bond to fund its deficit financial position. This bond is payable in annual payments of \$510,000 through July 2009; interest at 4.50% - 5.25%.

## MAYORS OF THE CITY OF BERLIN

### The Honorable...

Henry F. Marston	1897-1899	Paul A. Toussaint	1947-1950
John B. Noyes	1899-1900	Aime Tondreau	1950-1957
Frank L. Wilson	1900-1901	Guy Fortier	1957-1958
Fred M. Clement	1901-1902	Laurier A. Lamontagne	1958-1962
John B. Gilbert	1902-1905	Edward L. Schuette	1962-1965
George E. Hutchins	1905-1908	Dennis Kilbride	1965-1966
Fremont D. Bartlett	1908-1910	Norman J. Tremaine	1966-1968
Daniel J. Daley	1910-1915	Earl F. Gage	1968-1970
George F. Rich	1915-1919	Norman J. Tremaine	1970-1972
Eli J. King	1919-1924	Sylvio J. Croteau	1972-1976
J.A. Vaillancourt	1924-1926	Laurier A. Lamontagne	1976-1978
Eli J. King	1926-1928	Leo G. Ouellet	1978-1982
Edward R. B. McGee	1928-1931	Joseph J. Ottolini	1982-1986
W.E. Corbin	1931-1932	Roland W. Couture	1987-1990*
O.J. Coulombe	1932-1934	Willard Dube	1990-1990
Daniel J. Feindel	1934-1935	Leo G. Ouellet	1990-1994
Arthur J. Bergeron	1935-1938	Yvonne Coulombe	1994-1996
Matthew J. Ryan	1938-1939	Richard P. Bosa	1996-1998
Aime Tondreau	1939-1943	Robert DePlanche	1998-1998
Carl E. Morin	1943-1946	Richard D. Huot	1998-2000
George E. Bell	1946-1947		

\* Change in election year and change in date oath of office is taken, as of October 5, 1987.



## CITY MANAGERS OF THE CITY OF BERLIN

Stanley Judkins	1962-1966
Joseph Burke	1970-1973
James C. Smith	1973-1978
Michael L. Donovan	1978-1983
Mitchell A. Berkowitz	1983-1998
George E. McMahon	1998-1998
Robert L. Théberge	1999-

A RESOLUTION

# CITY OF BERLIN

NEW HAMPSHIRE



In the Year of our Lord One Thousand Nine Hundred and Ninety-nine

A RESOLUTION Adopting a Vision Statement for the City of Berlin.

Resolved by the City Council of the City of Berlin as follows:

That from this day forward, the City of Berlin shall adopt "*Berlin is a thriving and desirable community where people work together: diversifying the economy, promoting spiritual and cultural heritage, protecting resources, increasing educational opportunities, building a positive self-image, and improving the quality of life*" as its Vision Statement.

This Resolution shall be in full force and effect from and after passage.

PASSED: February 1, 1999  
Date

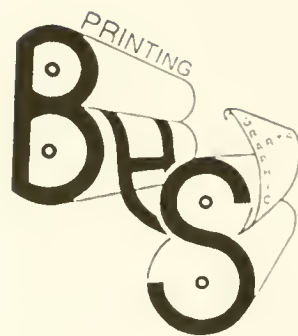
APPROVED: Richard Heat  
Mayor

ATTEST: Debra A. Patrick  
City Clerk

^ True Copy, Attest Debra Patrick

City Clerk  
Berlin, N.H.  
Date 11/17/99





*printed by: Berlin High School Graphic Arts Students*