LEBANON CITY COUNCIL
AUGUST 4, 2021 - 6:00 PM
COUNCIL CHAMBERS, CITY HALL OR REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE

6:00PM QUARTERLY BOARD/COMMITTEE REPORTS (2ND QUARTER 2021)

1. **Call to Order**

   To participate in this meeting, please join live via WebEx or call 415-655-0001 (access code: 1327 05 1626). If you have trouble accessing this meeting, please email Shaun Mulholland.

   The August 4, 2021 Lebanon City Council Meeting is hereby called to order.

2. **Pledge of Allegiance**

3. **Public Forum Announcement by the Mayor**

   Any member of the public who desires to speak on any item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. **(Note: Speakers are asked to state their name, ward of residence, and to use the microphone provided.)**

4. **Open to the Public**

5. **Recognitions: None**

6. **Approval of Minutes**

   A. A MOTION TO approve the minutes as presented in the August 4, 2021 agenda packet

7. **Appointments**

   A. Lebanon Energy Advisory Committee, Jonathan Chaffee (Reappointment Regular Member)
   Conservation Commission, Megan Smith (Alternate Member)

8. **Public Hearing Items: None**

9. **Old Business: None**

10. **New Business**

    A. Annual review and re-adoption of City Council Policy CC-100, Cash Management & Investment

    B. Annual review of City Council Policy CC-101, Fund Balance

    C. Annual review of City Council Policy CC-106, Capital Reserve Fund

    D. Review and Discussion of 2021 2nd Quarter Budget Reports and Release of Public Schools Impact Fees

    E. Review and re-adoption of City Council Policy CC-108, Ethics and

Conflict-of-Interest for Elected and Appointed City Officials

F. Review and re-adoption of City Council Policy CC-109, Grants

G. Review and adoption of City Council Policy CC-105, Community Revitalization Tax Relief Incentive Program Guidelines

H. Discussion & Set Public Hearing for September 1, 2021: Supplemental Appropriation in the amount of Eight Hundred Thousand Dollars ($800,000) for transfer from Unassigned Fund Balance to the Capital Improvements Fund for the 20 Spencer Street Cleanup Project

11. City Manager Report

12. Council Representatives to Other Bodies Report

13. Future Agenda Items

14. Non-Public Session

15. Adjournment

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

FUTURE BOARD/COMMITTEE/COMMISSION APPOINTMENTS

Board/Committee: Airport-Tech Park TIF Advisory Board
Position: Regular Member
Applicant: J. Archambeault
Assigned Councilor: E. Heistad
Assigned Date:07/07/2021

Board/Committee: Arts & Culture Commission
Position: Regular Member
Applicant: J. Clifford
Assigned Councilor: G. Sykes
Assigned Date:07/07/2021

Board/Committee: Board of Cemetery Trustees
Position: Regular Member
Applicant: F. Hanchett
Assigned Councilor: K. Zook
Assigned Date:07/21/2021

Board/Committee: Library Board of Trustees (Library Board makes recommendation to Council)
Position: Regular Member
Applicant: D. Hartford
Assigned Councilor: C. Below
Assigned Date:07/21/2021

Board/Committee: Pedestrian & Bicyclist Advisory Committee
Position: Regular Member
Applicant: J. Kelleher
Assigned Councilor: J. Winny
Assigned Date: 07/08/2021

Board/Committee: Lebanon Energy Advisory Committee
Position: Regular Member

Applicant: F. W. Rothe
Assigned Councilor: K. Hill
Assigned Date:07/21/2021

Board/Committee: Zoning Board
Position: Regular Member
Applicant: D. Newlove
Assigned Councilor: D. Whittlesey
Assigned Date: 07/08/2021

Note: While 1 City Councilor is officially assigned to interview each applicant, any City Councilor may interview any applicant for any position to better inform their decision.

PROPOSED FUTURE AGENDA ITEMS: Dates may be tentative and this list not considered all-inclusive.

AUGUST 18, 2021, 6:00 PM
PUBLIC HEARING ITEM:
A. A public hearing for the purpose of receiving public input on its draft Electric Aggregation Plan for Lebanon Community Power, which, if adopted by the City Council, would allow the City to become the alternative default energy service supplier for electricity customers within Lebanon on an opt-out basis. A presentation at 6:00 pm will precede the public comment period.

AUGUST 18, 2021, 7:00 PM
PUBLIC HEARING ITEMS:
A. BUILDING PERMIT ON CLASS VI ROAD – Public hearing for the purpose of receiving public input and taking action on a request by Joshua Patch/Patch Forest, LLC to construct a single-family dwelling on property identified as Tax Map 167, Lot 20, which is located on the Class VI portion of Barden Hill Road, Lebanon.
B. SUPPLEMENTAL APPROPRIATION & BOND ISSUANCE – Public hearing for the purpose of receiving public input and taking action to authorize a supplemental appropriation and the issuance of bonds or notes in the amount of Seven Hundred Seventy-Five Thousand Dollars ($775,000) for the purchase of 38 Maple Street, West Lebanon (Action on Public Hearing to take place September 15).
NEW BUSINESS:
A. Dog Licensing Civil Forfeiture Update
B. Request for Stop Signs: Commerce Ave, Old Pine Tree Cemetery Road, Cross Road
C. Discussion & Set Public Hearing for September 1, 2021: Ordinance #2021-08 to amend City Code Chapter 168, Vehicles & Traffic, §168-12, Stop Signs
D. Review of Proposed City Council Policy CC-107, Debt Management
E. Discussion and approval of lease agreement for 1B Airport Tech Park (TENTATIVE)

SEPTEMBER 1, 2021
PUBLIC HEARING ITEMS:
A. APPROPRIATION FOR 20 SPENCER STREET CLEANUP PROJECT – Public hearing for the purpose of receiving public input and taking action on a request for a supplemental appropriation in the amount of Nine Hundred Thousand Dollars ($900,000) to be transferred from Unassigned Fund Balance to the Capital Improvement Fund for the 20 Spencer Street Cleanup Project.
OLD BUSINESS:
A. Review and adoption of City Council Policy CC-107, Debt Management
NEW BUSINESS:
A. Review and Action on Properties Qualified for Tax Deeding
B. Review and adoption of City Council Policy CC-103, Purchasing

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

6. ACCEPTANCE OF MINUTES:

MINUTES TO BE ACCEPTED

- July 19, 2021 (Special Meeting)
- July 21, 2021 (Regular Meeting)
- July 21, 2021 (Non-public Session, RSA 91-A:3,II(d)
- July 21, 2021 (Non-public Session, RSA 91-A:3,II(a)

MOVED, to approve the minutes as presented in the August 4, 2021 agenda packet.

07/19/2021 Special Session Minutes

DRAFT

LEBANON CITY COUNCIL
MINUTES, SPECIAL HOUSING SESSION
Monday, July 19, 2020, 6:30 p.m.
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, George Sykes, Douglas Whittlesey, Devin Wilkie, and Jim Winny

MEMBERS ABSENT: Karen Zook

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager Paula Maville, City Clerk Kristin Kenniston, Director of Planning & Development David Brooks, Human Services Director Lynne Goodwin

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1. CALL TO ORDER: Mayor McNamara called the meeting to order at 6:32 p.m.

2. NEW BUSINESS:

A. HOUSING IN LEBANON – Discussion of current conditions, regulation changes, and possible options to further incentivize the development of affordable housing.

Included in agenda packet (**pages 2-9**):

- Information on Housing and Affordability in Lebanon Memo and data from City Manager Shaun Mulholland dated July 12, 2021

The Mayor McNamara called for this special meeting so the Council could devote an entire meeting to the topic of housing within the City of Lebanon and have access to the same data for future discussions. His motivators were:

1. There is a shortage of housing, in general, in the Upper Valley. In particular, there is a shortage of affordable housing, whether it is subsidized housing or whether it is just market rate rentals or houses for sale. Of the units that have been constructed over the last several years, the vast majority of them have been constructed in either Lebanon or Hartford, VT, but primarily in Lebanon. New housing is a good thing, but also carries a burden on infrastructure, school districts, and the property taxes associated with new housing that frequently do not carry the costs. He was not seeing a lot of the other towns in the Upper Valley, except for Hartford, doing much to step up and take their share of the burden, noting this is a regional problem and solving it requires a regional approach.

2. Most of the new housing that has been constructed is apartment housing, primarily in the studio to 2-bedroom range. While this satisfies a portion of the demand it leaves a hole in the middle: $250K to the $500K range. At present, the only construction taking place in Lebanon is out on old Pine Tree Cemetery Road, which are smallish houses in a tight neighborhood that are all over $400K.

3. In order for businesses, in the Upper Valley in general, to be successful, they need to be able to recruit and retain employees. We began to see this rotation where people rotate into Lebanon for a few years, begin to build some community connections, but then they cannot afford to stay here so they go somewhere else. It benefits us, as a community, and benefits the businesses to be able to recruit and retain people over the long term.

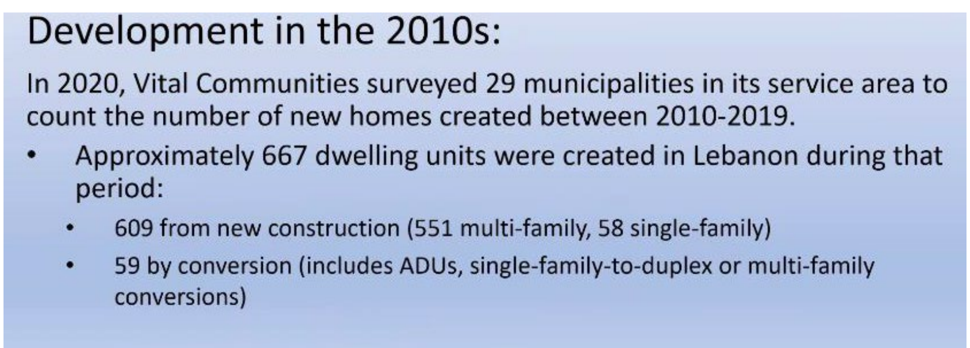
Mr. David Brooks, Director of Planning and Development came forth, noting the July 12, 2021 Staff Memo on pages 2-3 of the agenda packet gave some data and a brief overview of incomes and portability in Lebanon, the Upper Valley, and Grafton County. His memo summarizes that housing costs generally exceed workforce standards and housing costs for a fairly large segment of the population. Significant portions of the local and regional population are spending more than 30% of their gross income on housing costs and some are spending more than 50%. If you are spending more than 50%, there is not much left for transportation, food, and other necessary costs. Housing is a significant issue in retaining the vibrancy of our community by keeping people close to where they live and work. Housing costs are so much higher in Lebanon than in Grafton County, and a lot of the statistics we work with are based on Grafton County Standards.

While Lebanon is part of non-metro Grafton County for purposes of HUD data, the actual cost of housing in Lebanon is somewhat higher than the county overall. For example, the average sales price of 23 new homes in one Lebanon development over the last three years is just over $409,000 or roughly 17% above the estimated maximum affordable purchase price calculated based on the county-level data. Similarly, the rental cost for a two-bedroom unit in several Lebanon area apartment complexes starts at approximately $2,000/month or nearly 70% above what is considered workforce housing for rental units based on county-level data.

In the 2020 Residential Rental Cost Survey Report, NHHFA (New Hampshire Housing Finance Association) reported that the median monthly gross rental cost for a two-bedroom unit in Grafton County is $1,307 or about 10% higher than the maximum affordable rental rate for “workforce housing”. The result is that a household needs approximately 134% of the estimated renter household income just to afford the median rent for a two-bedroom unit in Grafton County. NHHFA estimates that only about 25% of all two-bedroom units in Grafton County are priced at or below the affordable rental rate for the median renter household income.

Mr. Brooks shared and discussed a screen presentation that covered some of the regulatory steps the City has taken in recent years to expand housing opportunities and to improve and streamline the review process. The topics included the following:

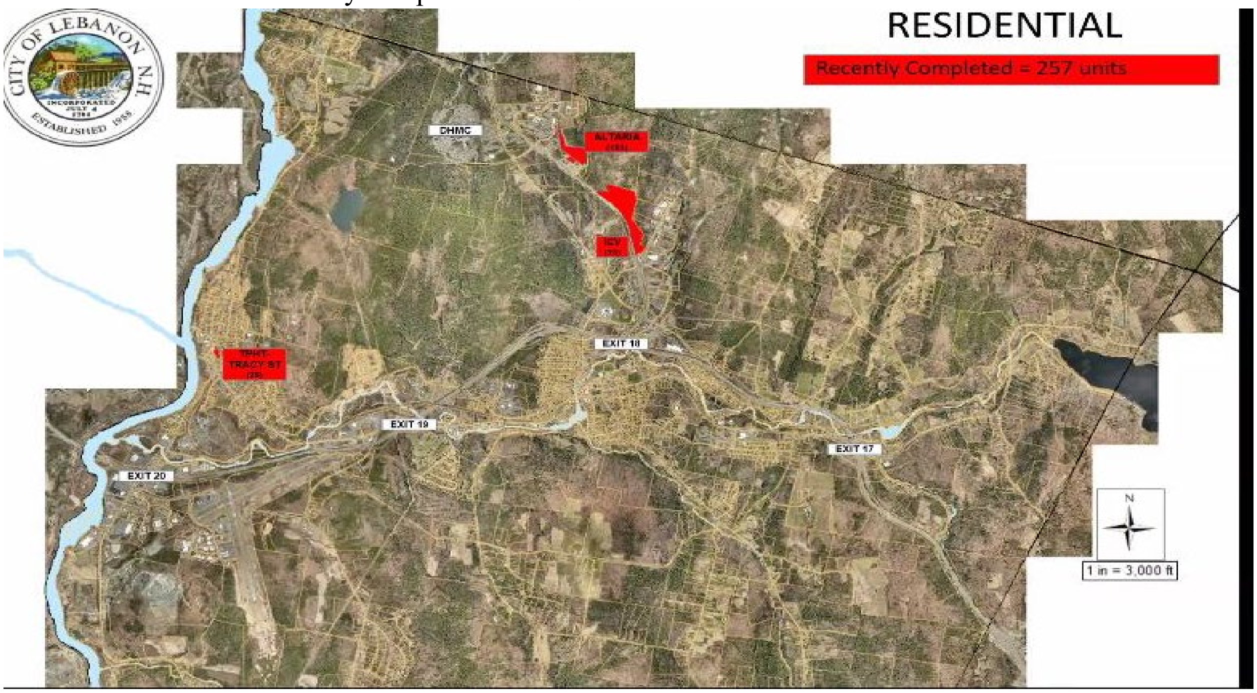
I. SUMMARY OF RECENT DEVELOPMENT AND THE HOUSING “PIPELINE:



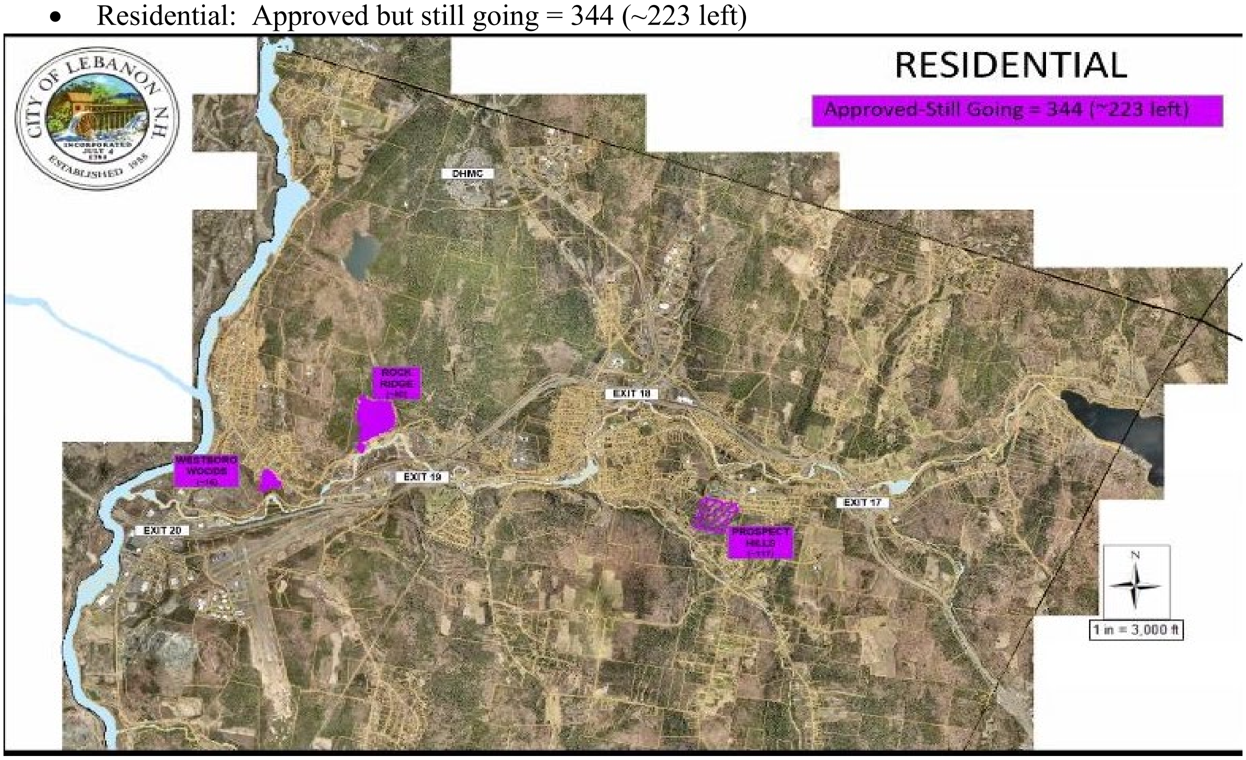
Over the 29 towns surveyed for this time period, there was just shy of 2,500 units created in those communities. Lebanon had the most, Hartford had the second most, followed by Sunapee, Newbury, Hanover (in that order). All of the other 24 communities had less than 100 new units in this 10-year period. This is only a snapshot because a lot of the other communities in the service area did not even respond to the survey.

The following slides show where Lebanon's growth has taken place and where growth is expected:

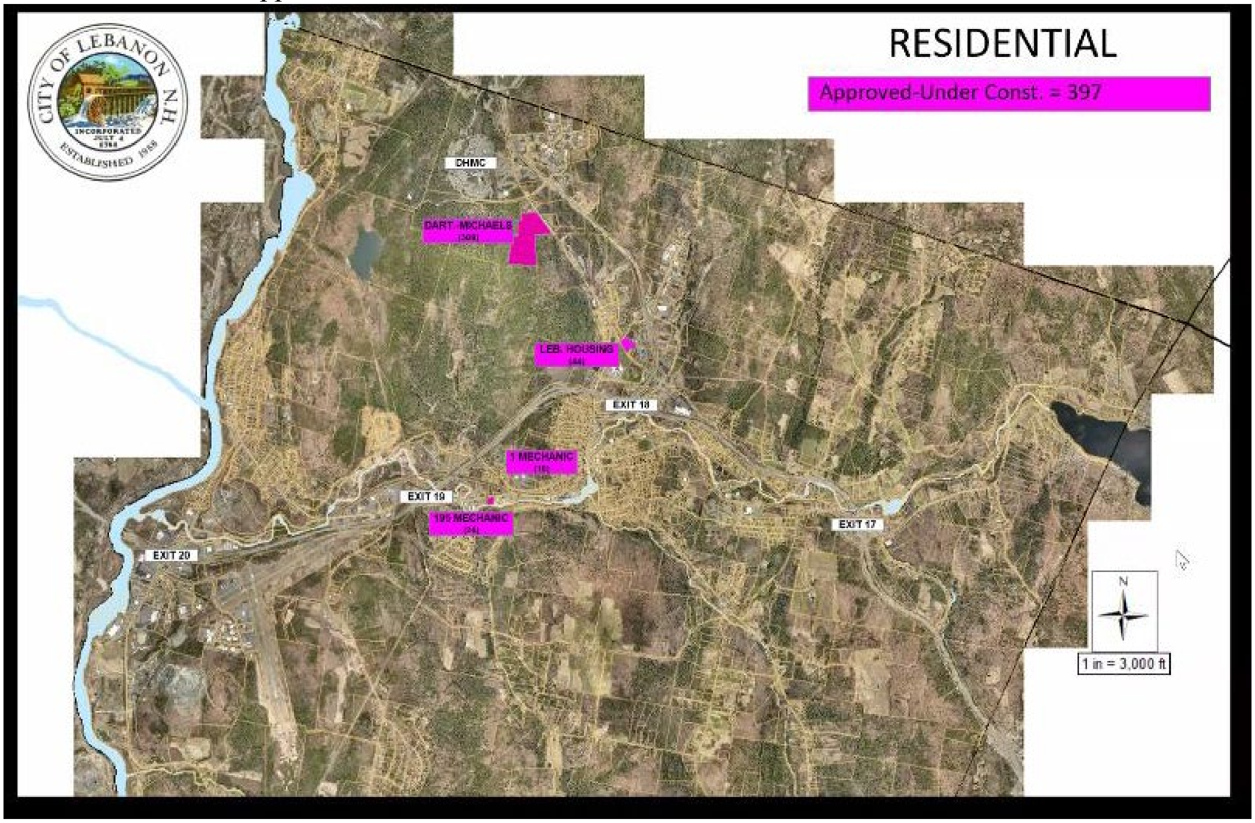
- Residential: Recently completed – 257 Units



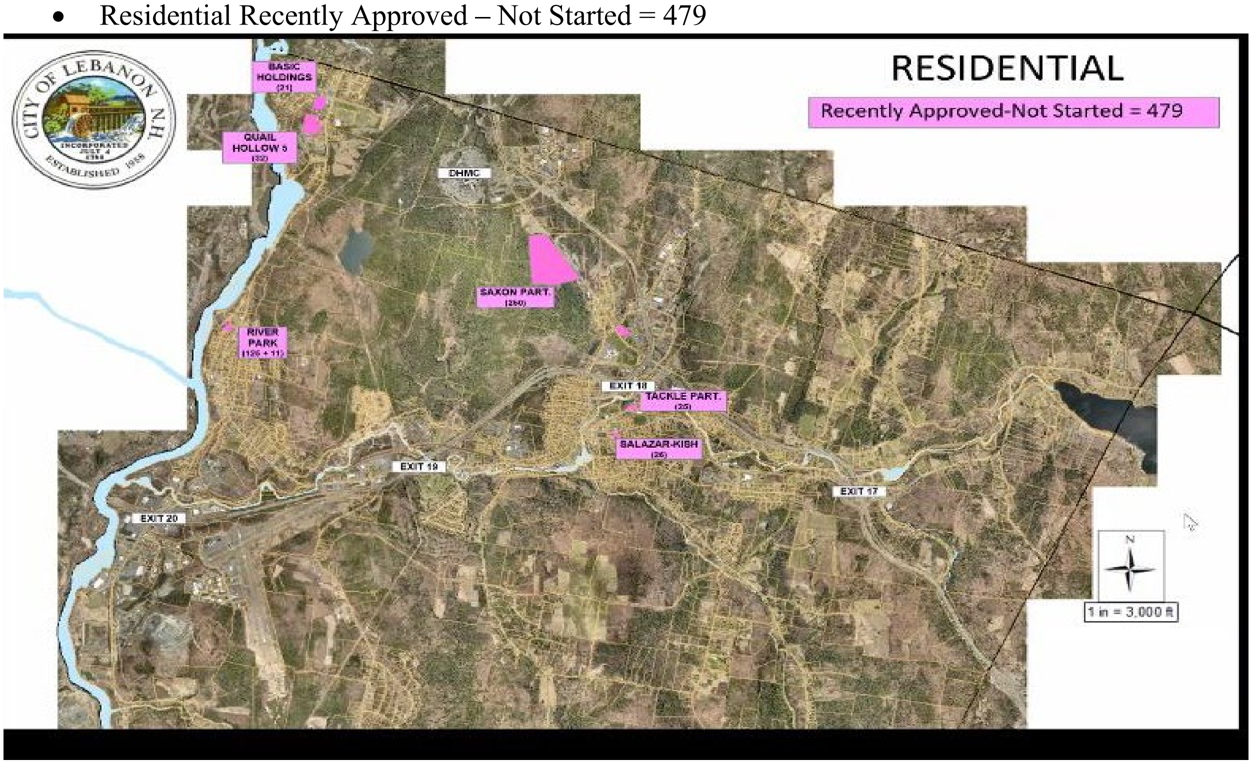
- Residential: Approved but still going = 344 (~223 left)



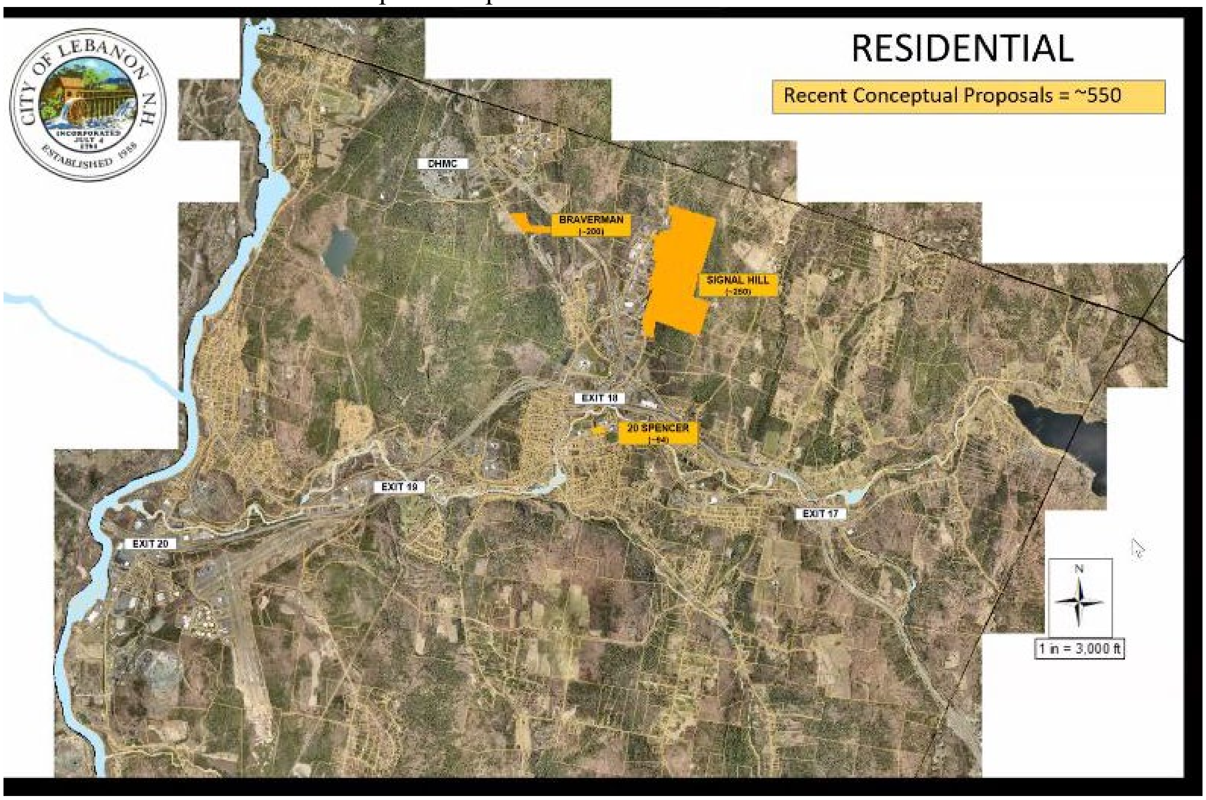
- Residential Approved – Under construction = 397



- Residential Recently Approved – Not Started = 479



- Residential Recent Conceptual Proposals = ~550



II. SUMMARY OF AMENDMENTS TO ZONING AND DEVELOPMENT REGULATIONS:

- Created new GC-1 district with Multi-Family Dwellings as a permitted use. (2020)
- Created new LD district with revised dimensional requirements. (2020)
- Modified the number of Multi-Family Dwellings allowed as a permitted use in R-O/RO-1 districts. (2020)
- Clarified Multi-Family Dwelling uses in R-1 and R-2 districts. (2020)

- Expanded residential dwelling types allowed in Commercial PUDs, Industrial PUDs, and Planned Business Parks. (2021)
- Relaxed off-street parking requirements for 1-Family and 2-Family Dwellings and ADUs. (2021)
- Allowed for increased building height in R-1 district to accommodate parking underneath the building. (2021)

Subdivision Regulations:

- Exempted multi-building residential developments (e.g. apartment complexes under single ownership) from Subdivision Review to streamline review process.

Site Plan Review Regulations:

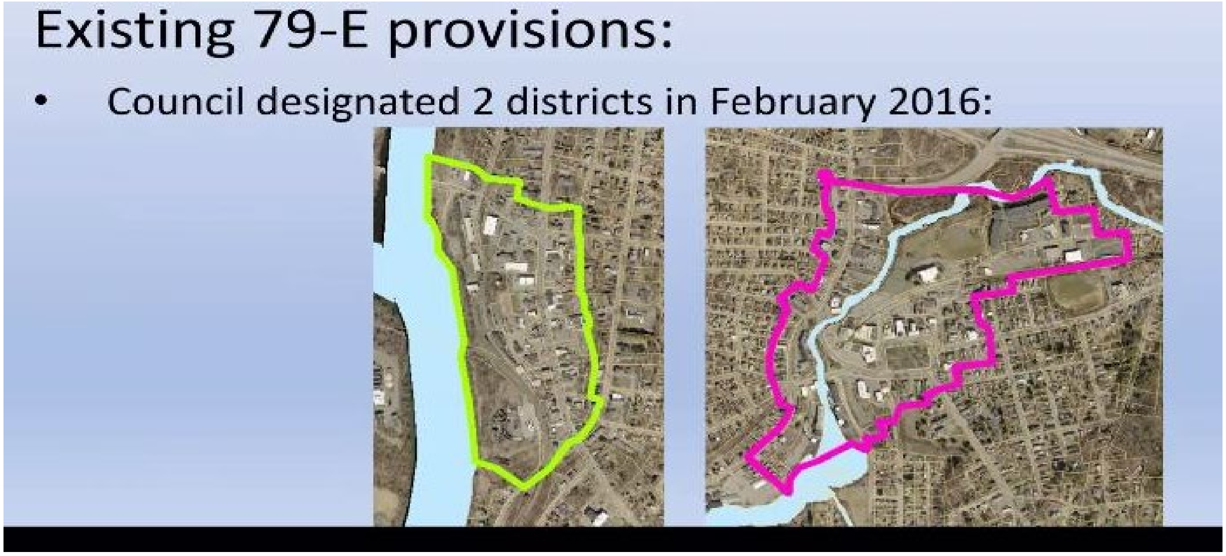
- Proposing a new Minor Site Plan process to simplify review for smaller projects, including conversions of existing structures to residential or mixed-use or minor expansions of existing multi-family uses.

III. <u>COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM (RSA 79-E) GUIDELINES</u>:

Existing 79-E provisions:

- Council may provide temporary period of limited tax relief for owners undertaking a *Substantial Rehabilitation* of a *Qualifying Structure*, which will provide at least one *Public Benefit* as defined in the statute.
  - Council *may* grant up to 5 years for projects complying with program.
  - Council *may* add up to 2 years for residential units and up to 4 years for affordable housing.*
  - Council *may* add up to 4 years for rehabilitation of historic structures provided the rehab is conducted in accordance with U.S. Secretary of Interior's Standards for Rehabilitation.

Mr. Brooks read and reviewed the Statute noting there is still a bit of ambiguity about the number of years of tax relief that can be provided for residential units. The Statute states: "The governing may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing." The language is confusing because it is not clear whether it is meant to be either/or (i.e. either 2 years or 4 years) or whether it's meant to be additive (i.e. 2 years plus 4 years). This is still an open question for the Council to consider.



Planning Staff recommends the following, as requested by the Council a couple of months ago:

Proposed Guidelines for Existing 79-E provisions:

- Recommend City adopt the definition of "Workforce Housing" from RSA 674:58 to define affordability as it relates to RSA 79-E program.
- Recommend that affordability requirements be maintained for twice as long as the period of tax relief.
- Recommend establishing a sliding scale for tax relief depending on the targeted level of affordability and the percentage of units subject to such affordability requirements.

		TARGETED AREA MEDIAN INCOME (AMI)				
		60% or less	60 - 70%	70 - 80%	80 - 90%	90 - 100%
% OF UNITS IN PROJECT	40% or more	4	3	3	2	1
	30-40%	4	3	2	1	1
	20-30%	3*	2	2	1	0
	10-20%	2*	1	1	1	0
	0-10%	1*	1	0	0	0

* Units targeted for 50% or less of AMI qualify for 1 additional year of tax relief

This chart is certainly up for discussion. Staff is putting together a draft policy proposal that they would like to bring back to the Council on August 4, 2021, and hopefully will include some of the outcomes in tonight's discussion as to what it will look like.

HB 154 has already been passed and signed by the Governor, but does not take effect until April 1, 2022.

Newly created 79-E provisions:

- HB154 – Creates a "Housing Opportunity Zone" for new construction.
  - Not limited to downtowns or town center areas; Council would need to designate specific areas as Housing Opportunity Zones
  - Not less than 1/3 of the units shall be designated for households with an income of 80% or less of AMI or households with incomes as provided in RSA 204-C:57
  - Tax relief can be granted for up to 10 years upon issuance of a C.O.
  - Updated provisions for use of Affordable Housing Fund by NHHFA

SB102 has been passed and enrolled for amendments because these two pieces of legislation overlap quite a bit and need to be sorted out for consistency to make sure the provisions of each bill are getting incorporated into 79-E.

- SB102 – Would create a "Residential Property Revitalization Zones" for rehabilitation of existing structures.
  - Tax relief for owners of 1 or 2-Fam or attached Multi-Fam (up to 4 units), which is at least 40 years old, who make significant improvements in quality, condition, and/or use of existing structure
  - Council would need to designate areas as Residential Property Revitalization Zones and establish criteria for the public benefits, goals and measures that determine eligibility.
  - Tax assessment relief per current 79-E provisions, but not more than once in a 20-year period.

IV. Further Possibilities:

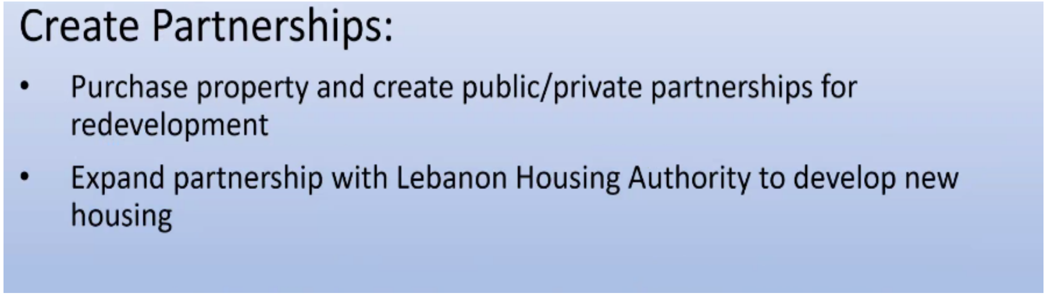
Financial Incentives:

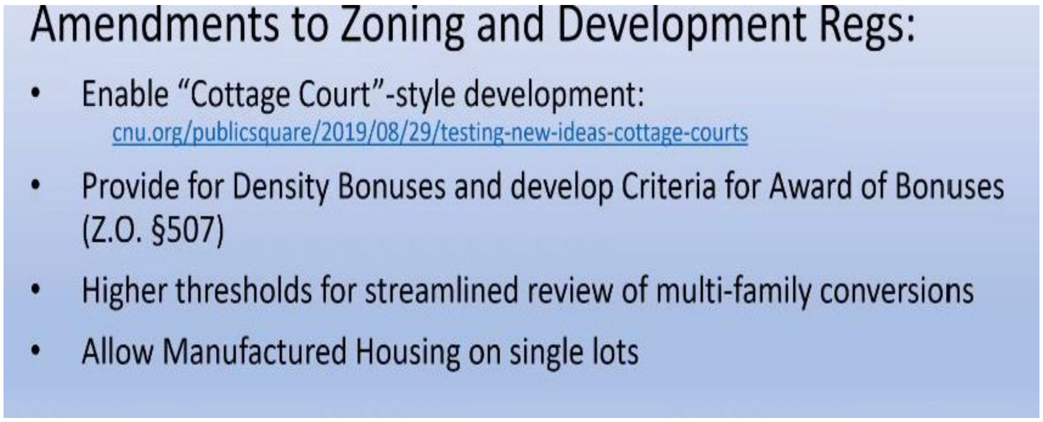
- Reduce or Modify –
  - Water Development Charges/Water Investment Fees and Sewer Development Charges
  - Impact Fees for smaller units (Studios and ADUs)
  - Building Permit Fees
  - Application Fees for Planning Board/Zoning Board review
  - Water and Sewer Rates
- Consider City ownership of roads and utility infrastructure

- Create City loan fund

  Nashua –established a Housing Expendable Trust Fund to support moderate and lower income housing development; preservation of existing affordable housing units; First Time Home Buyer program; creation of new ADUs; educating the public on the need for and benefits of housing.

  Manchester –allocated $4.7M from federal HOME program for development of affordable housing; issued RFP for projects providing new housing or rehabbing existing units for individuals/families earning between 30% - 80% of AMI.





Mr. Brooks referred the Council to the agenda packet ***(pages 4-9)*** for data related to housing in Lebanon and throughout the State. More detailed information on housing numbers can be found on the Vital Communities website.

The Council discussed if second family homes are considered residences (they are); out of the 667 units built, how over a quarter of these are senior housing units; requirements for the years of exemption in the 79-E program; the workforce housing definition in RSA 674:58; concerns about additional costs for ADUs (Accessary Dwelling Units) that require them to have separate water/sewer connections; the possibility of having separate water/sewer shut offs excavated on streets rather than having a whole new line put in; being cognizant to avoid burdening Lebanon's taxpayers through tax abatements; the potential of using Cottage Court-style Communities as a tool for housing development – would require Zoning changes; and, potentially bringing back duplexes as another possibility for early stage home ownership.

Ms. Ditha Alonzo, Director of the Lebanon Housing Authority, came forth and spoke about their 44 unit development on Heater Road. There will be 31 one bedroom units, 11 two-bedroom units, and 3 three bedroom units. The Lebanon Housing Authority is restricted to Lebanon, so they can only develop within the City. She spoke about how difficult it was for those who have received vouchers to find housing in Lebanon, noting HUD has allowed them (LHA) to extend their voucher expiration dates indefinitely because there have been so many problems for people to find housing. She liked the idea of loosening up some of the review processes and the costs of permits, noting they spent over $100K for Heater Road going through these processes.

Mr. Steven Stancek, Section 8 Housing Voucher Program, came forth and explained how the Lebanon Housing Authority's Voucher Program works, reiterating the difficulty voucher holders are having in finding housing within HUD 's guidelines ($917 is currently the standard for a 1-bedroom apartment). In Lebanon, one-bedroom apartments are presently renting between $1,100-$1,200 a month. This payment standard is presently being reviewed at the federal level. There is a dearth of family housing in Lebanon and a critical need for 3-4 bedroom housing units. The key to Lebanon's viability is to be able to attract families, and families at the lower end of that economic ladder who both need rental housing and encouraged the Council to consider development for these larger units. Mr. Stancek informed Councilor Sykes that under HUD regulations a participating owner cannot accept payment from additional sources, so the Housing Authority has control over the approvability of these rentals.

Mr. Andrew Winter, Executive Director Twin State Housing, came forth and expressed his appreciation to Mr. Brooks and the Planning Department for trying to address this issue. He encouraged the Council to consider a City Loan Funds Program to enhance moderate income projects. He also spoke about the potential for developing an Upper Valley Regional Housing Fund, which Evernorth is exploring. (**Evernorth** unites Housing Vermont (HV) and Northern New England Housing Investment Fund (NNEHIF) together as a single nonprofit organization to serve the low and moderate income people of Maine, New Hampshire and Vermont**).** Partnerships are critically important and can assist in making land available for housing, as was done in Hanover.

In response to Mayor McNamara's question regarding the State's limitation on the amount of property taxes that would be allowed for subsidized housing, Mr. Winter acknowledged there is a State Statute that limits the amount of property tax that a low income tax credit unit will pay, which is approximately about $1K per unit. Mayor McNamara informed the Council that we need to be aware of this and how the burden of those lowered property taxes will fall on Lebanon's taxpayers. Mr. Winter noted that despite the perception that Twin State Housing is not paying property taxes, they pay over $550K in property taxes each and every year to communities that house their rental properties.

Mayor McNamara opened up this discussion to the public for their comments and the following came forth to speak:

Mr. Jeremy Katz - Lebanon's Zoning Board (Ward 3): He spoke about how not for profits and public entities can work on this issue, as well as the incentivization of private entities; the benefits of investor capital; how the city could benefit from some redistricting of certain areas and gave examples (i.e., R-2, R-3 districts); the need for the City to define the term of what is considered affordable housing under the 79-E program and how it could be used to incentivize the median wage earner; how the cost of development, labor, and materials are preventing some investors/contractors from developing low-income properties; how it is unlikely the City will get what they want by taking a low-income or workforce housing approach by incentivizing private investment; the finance aspects for an investor (costs run between $250-$400 sq. ft.); how it would be important for the proposed DEI (Diversity, Equity, and Inclusion) Commission to look at housing preferences in Lebanon, and; how he and each investor has a different view/tolerance regarding development risk factors.

Mr. Chet Clem, Lyme Properties: He spoke about how Lebanon, and the region as whole, is drowning in a demand problem (for housing) right now; the need to incentivize all housing; his Tiny House experiment, and; the Cottage Court-style Community housing.

Mr. Kevin Purcell, Purcell Properties: He spoke about his approach to affordable housing, which is to take this problem in small increments at a time because the City will not be able to build their way out of this situation; his concerns over property taxes and how they drive rental costs; his concern over Lebanon's growth and the need to have discussions with abutting towns over affordable housing because this is a regional problem that seems to be zoned out, and; how transportation expansion throughout the region would help to open up other markets in the region.

Councilor Sykes pointed out that a few years ago, he introduced a bill to establish a bus service in Claremont, but the amount of funding that was available from the State for the operation of buses was ZERO. They finally only approved $1.00. He also spoke about the assumption that people want a single-family home, but many want apartments and felt the Council should look at what the market can bear.

Mayor McNamara noted that what we are seeing today is an acceleration of property tax rates to the point where Lebanon is having folks with kids move out because they cannot afford property taxes. He felt we have to be cognizant of everything to balance the economy, especially the costs and benefits associated with all these things.

The Council discussed the economic factors involved with affordable housing; how wages have not moved but costs for everything else has skyrocketed; the various economic factors that have to be considered in housing; consideration for the diversity factors in Lebanon; generational factors; the amount of affordable housing available to people in the middle income range, and; those who have moved out of the area because their needs/interests/identities were not being met.

Councilor Liot Hill thanked Mr. Katz, Mr. Clem, and Mr. Purcell for their participation, noting there is so much despair around housing. She proposed that the Council discuss the following topics in more depth over the next few months (i.e., taking one topic at a time at each Council meeting).

- ADUs (Accessory Dwelling Units): What are the costs and barriers and how can we lower these costs? Talking with DPW about sharing water/sewer hook-ups.
- Explore financing regarding a City Loan Program and what other cities are doing. How can we create or access other sources of funding?
- CPAC Program: Can we access funding from this source?
- The Cottage Court-style Community concept.
- Regional issues: Explore how Lebanon's neighboring communities can/should be part of a solution (for affordable housing).
- Transportation: How this could provide a more affordable housing stock in Claremont, Windsor, West Windsor, Springfield, etc.
- 79-E Program.
- Lebanon Housing Authority/Twin Pines Housing: Explore how can we build out/support them more.

Mayor McNamara noted this is the beginning of the conversation and not the end. There is no one solution for anything. We just need to identify what the tools are to make sure we are using everything we can to solve this problem.

City Manager Mulholland informed the Council that specific directions be given to staff as to what the Council would like them to do.

3. ADJOURNMENT:

The meeting was adjourned at 9:00 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary

07/21/2021 Regular Session Minutes

DRAFT

LEBANON CITY COUNCIL
MINUTES, REGULAR SESSION
Wednesday July 21, 2021, 7:00 p.m.
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT:	Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, George Sykes, Douglas Whittlesey, Devin Wilkie, Jim Winny and Karen Zook
MEMBERS ABSENT:	
STAFF PRESENT:	City Manager Shaun Mulholland, Deputy City Manager Paula Maville, City Clerk Kristin Kenniston, Fire Chief, Emergency Management Director Chris Christopoulos

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1. CALL TO ORDER: Mayor McNamara called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE: Councilor Winny led the Council in the Pledge.

3. PUBLIC FORUM: Mayor McNamara made the Public Forum announcement.

4. OPEN TO PUBLIC: No one came forth.

5. RECOGNITIONS: None

6. ACCEPTANCE OF MINUTES: July 7, 2021 (Regular Meeting)
***Councilor Heistad MOVED* to approve the July 7, 2021 City Council Regular Session minutes as written as presented in the July 21, 2020 City Council agenda packet.**
Seconded by Councilor Whittlesey.
****The Vote on the Motion was unanimously approved (9-0).***

7. APPOINTMENTS:
- City Historian, Carl Porter (withdrew application)
- City Historian Nicole Ford Burley

***Assistant Mayor Below MOVED* to Nominate Nicole Ford Burley as a regular member/City Historian to the Heritage Commission. Three-Year Term (7/21-7/24)**
****The Vote on the NOMINATION was unanimously approved (9-0).***

- Planning Board, Michael Smith (Alternate Member): Planning Board members are nominated by the City Manager.

***City Manager Mulholland* put forth the nomination of Michael Smith as an Alternate Member to the Planning Board. Three-Year Term (7/21-7/24).**
****The Vote on the NOMINATION was unanimously approved (9-0).***

- Trustees of Trust Funds, Lawrence Kelly (Re-appointment)

Councilor Liot Hill MOVED to **re-appoint Lawrence Kelly as a member to the Trustees of Trust Funds. Three-Year Term (7/21-7/24)**
****The Vote on the NOMINATION was unanimously approved (9-0).***

8. PUBLIC HEARING ITEMS:

A. ORDINANCE #2021-06 – A public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 31, Boards, Committees & Commissions to amend Article VII, Heritage Commission.

Included in the agenda packet: Ordinance 2021-06.

The Lebanon Heritage Commission's membership requirements are established by the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, Article VII, Heritage Commission. Current code § 31-32 requires the Heritage Commission to "consist of seven members plus not more than five alternate members as provided by law who shall be appointed by the City Council. One Commission member shall be a member of the local governing body. One member may be a member of the Planning Board. One Commission member shall be the City Historian." Current code § 31-32 also cites RSA Section 673:4-a, "Heritage Commissions", and states that "The heritage commission shall consist of not less than 3 members and no more than 7 members who shall be appointed in a manner as prescribed by the local legislative body."

In recent years, the Heritage Commission has found it challenging to consistently fulfill the seven membership seats. Between 2020-2021, several turnovers occurred that brought the question of membership requirements to a head. There are currently inadequate membership numbers to meet quorum requirements and as a result, at least one meeting may have to be canceled in the near term. The Heritage Commission is a regulatory body and as such, in addition to its other duties, it is important for the Commission to be prepared to meet when necessary. At the June 2021 Commission meeting, members voted unanimously to approve a reduction in membership from seven (7) to five (5) regular members.

Mayor McNamara opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

ACTION:
Councilor Sykes MOVED, **that the Lebanon City Council hereby adopts Ordinance #2021-06, to amend the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, Article VII, Heritage Commission, to reduce required regular members from seven (7) to five (5).**
Seconded by Councilor Winny.
****The Vote on the MOTION was unanimously approved (9-0).***

CITY OF LEBANON ORDINANCE #2021-06

AN ORDINANCE TO AMEND Chapter 31, Boards, Committees and Commissions, of the Code of the City of Lebanon, by amending Article VII, Heritage Commission, § 31-32 Establishment; membership; qualifications.

<u>Section 1</u>:

The Code of the City of Lebanon is hereby amended:

Article VII, Heritage Commission, §31-32. Establishment; membership; qualifications.

As provided in RSA 673:1 and in accordance with RSA 673:4-a, there is hereby established a Heritage Commission, to consist of ~~seven~~ five members plus not more than five alternate members as provided by law who shall be appointed by the City Council. One Commission member shall be a member of the local governing body. One member may be a member of the Planning Board. One Commission member shall be the City Historian as specified in § 31-33G below. The City Council shall act within 60 days to fill vacancies and unexpired terms. All members shall be residents of the City of Lebanon. In determining each member's qualifications, the appointing authority shall take into consideration the appointee's demonstrated interest and ability to understand, appreciate and promote the purpose of the Heritage Commission.

Section 2: Severability

The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of any remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3: Effective Date

This ordinance shall become effective upon passage.

B. ORDINANCE #2021-07 – A public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 31, Boards, Committees & Commission to establish a Diversity, Equity & Inclusion Commission

Included in the agenda packet:
1. Ordinance 2021-07 ***(Pages 45-46)***
2. July 12, 2021 Legal Opinion by Attorney Christine Fillmore ***(Pages 47-52)***

The City Manager came forth and explained the purpose for creating a Diversity, Equity & Inclusion Commission, which is to bring the community together and bridge the divide to the extent it exists regarding diversity, equity, and inclusion and recommended the Council create a commission to address the issues of diversity, equity, and inclusion in the City. The objective is to create a body that can work to educate and develop conversations in the community regarding these issues.

The commission would assist the city administration, the City Council, and other City boards/committees/commissions in achieving this goal. Similar Diversity, Equity & Inclusion (DEI) commissions have been effective in achieving these goals in Edmond, WA; Federal Way, WA; and Leesburg, VA.

The appointment of commissioners will be very important. In communities where DEI commissions, or similarly named bodies have been effective, members include those who have a desire to bring the community together. Commission members who have credibility in the community and a reputation for working with others who may have a different point of view will be critical to the success of a DEI commission in the City of Lebanon.

The City Manager was not overly concerned about the possible legislative issues raised in the July 12, 2021 Legal Opinion by Attorney Christine Fillmore ***(pages 47-49, agenda packet***).

Mayor McNamara opened the Public Hearing, and the following came forth to speak:

- *Ms. Lindsay Dearborn (Ward 1)*: She invited everyone to look at the work being done in Dover, NH with their committee and felt this might serve as a State model.
- *Ms. Doreen Schweizer (Ward 2)*: She thanked the Council for putting together the DEI Commission and is proud to be part of this city.
- *Mr. Peter Vinton (Ward 2)*: He spoke about his support for the DEI.
- *Mr. Jeremy Katz (Ward 3):* He spoke about his support for the DEI and did not feel how there could be a potential conflict (as mentioned in Attorney Fillmore's review) in State law.
- *Ms. Kathleen Beckett (Ward 3):* She requested that the groups addressed in the Welcoming Ordinance be included in the new Ordinance and that immigrants and a student representative be included.
- *Mr. William Dunn (Economic Development Commission):* He spoke about his support for the DEI and suggested the Commission seek input from the business community. They may have a lot of material they would be happy to share.

Hearing no further comments from the public, the Public Hearing was closed by Mayor McNamara.

Councilor Liot Hill spoke about her support for the DEI Commission, noting that while working on the Welcoming Lebanon Ordinance, race, skin color, national or ethnic origin, cultural groups, language, gender identity or expression, sexual orientation, mental or physical ability, age, religious or political opinion or activities, economic status, immigration status, or housing status were the groups identified in the ordinance. From her perspective, the DEI Commission would be including all of these forms of diversity as part of their work in the DEI. It will be important for us to reach out over the next few months to truly make sure that the DEI Commission represents all of the diversity that is possible within the City.

Councilor Sykes supported establishing this Commission and noted that community immigrants are residents.

Councilor Winny supported establishing the DEI Commission and asked what the recruitment procedure would be for members of the community. City Manager Mulholland stated there would be an application form on the City's website that can be filled out and sent in. The complete list of applicants will be presented to City Council on September 15 for review of the broadest possible representation in the selection process. Interviews will then be conducted.

In response to Councilor Liot Hill's request on identifying a deadline for the creation of the DEI Commission, City Manager Mulholland said this will come back to the Council at their September 15, 2021 meeting for a vote on the membership.

In response to Councilor Wilkie's question regarding the number of residents required to be on the Commission and whether or not they need to be a resident of Lebanon to be on the Commission, the Mayor noted that the way the Ordinance is written it says: "The Public Representatives shall be residents of the City of Lebanon." Mayor McNamara noted he would like to focus the membership on Lebanon residents only, at this time.

Assistant Mayor Below spoke about his support for the DEI Commission and highlighted the following declarations in Ordinance #2021-07 for the record:

§31-53. PURPOSE/CHARGE/MISSION

The Diversity, Equity and Inclusion Commission is hereby established for the purposes of:

1. Enhancing the City's support for a welcoming environment encouraging cooperation, tolerance, and respect among and by all persons living, working, and visiting the city.
3. Advising the City government to ensure the community is united amongst diversity, where everyone is equally respected, valued, needed, and cherished.

§31-54. DUTIES AND RESPONSIBILITIES.

8. Working in partnership with the City Manager and Staff to achieve the objectives of ensuring diversity, equity, and inclusion in the City.

ACTION:

***Councilor Wilkie MOVED*, that the Lebanon City Council hereby adopts Ordinance #2021-07, to amend the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, to establish the Diversity, Equity & Inclusion Commission.**

Seconded by Councilor Liot Hill.

Councilor Liot Hill spoke about the National League of Cities "REAL Program," which stands for Race, Equity and Leadership training. She, along with Councilors Wilkie and Zook, attended some sessions and found them to be incredibly thoughtful, engaging and would be a great resource for the DEI Commission.

The Vote on the MOTION was unanimously approved (9-0).

THE CITY OF LEBANON HEREBY ORDAINS AS FOLLOWS:

ORDINANCE NO. 2021-07

An Ordinance to Amend the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, to add a new section to establish the Diversity, Equity and Inclusion Commission.

<u>Section 1</u>. **Chapter 31 of the Code of the City of Lebanon is hereby amended to add a new section,** Article XIII as follows:

ARTICLE XIII, DIVERSITY, EQUITY and INCLUSION COMMISSION

§31-52. ESTABLISHMENT; MEMBERSHIP; QUALIFICATIONS.

Pursuant to Chapter C419:23 of the Lebanon City Charter, there is hereby established a Diversity, Equity and Inclusion Commission. The Commission shall be comprised of no more than nine (9) voting members appointed by the City Council, including: two (2) City Councilors and seven (7) members of the public. The City Manager or his/her designee shall be a permanent non-voting member of the commission.

The Public Representatives shall be residents of the City of Lebanon and shall be appointed by the City Council and their terms shall be staggered for periods of two years. The City Council representatives shall be appointed by the Mayor annually.

In determining each member's qualifications, the appointing authority shall take into consideration the appointee's ability to assist in the purpose of the commission and their willingness to serve. The appointing authority will seek a broad representation of the community at large.

Commission members will serve without compensation and subject to applicable City policies. Commission members must comply with the City's ethics policies and shall refrain from promoting or pursuing personal interests while acting as a member or representing the City.

The Commission shall have assistance from City staff, as designated by the City Manager. The Commission shall comply with the rules of decorum as established by the City Council.

§31-53. PURPOSE/CHARGE/MISSION.

The Diversity, Equity and Inclusion Commission is hereby established for the purposes of:

1. Enhancing the City's support for a welcoming environment encouraging cooperation, tolerance, and respect among and by all persons living, working and visiting the city

2. Serving as a resource for City government and the community by providing information, education, and communication that facilitates a better understanding and celebrates our differences.

3. Advising the City government to ensure the community is united amongst diversity, where everyone is equally respected, valued, needed, and cherished.

§31-54. DUTIES AND RESPONSIBILITIES.

The duties and responsibilities of the Diversity, Equity and Inclusion Commission will include:

1. Providing recommendations to the City Manager and City Council that would identify opportunities to address diversity and equity issues, promote inclusion/diversity programs, and provide guidance to create a more accessible, safe, welcoming and inclusive government and community.

2. Enhancing communication across and among the community to promote awareness, understanding and the value of cultural, ethnic and religious differences.

3. Promoting equity among all persons relative to gender, race, ethnicity, religion, age, gender identity, sexual orientation.

4. Promoting inclusion in the workplace, the community and City government.

5. Coordinating economic development activities amongst City representatives and private organizations at the request and direction of the City Council.

6. Establishing a dialogue with City residents to understand the needs and concerns of the community; with local business owners to understand challenges and hindrances to the enhancement of diversity, equity and inclusion.

7. Reporting quarterly to the City Council in accordance with Council directives.

8. Working in partnership with the City Manager and Staff to achieve the objectives of ensuring diversity, equity and inclusion in the City**.**

Section 2. Severability

The provisions of this ordinance are delated to be severable, and if any section, subsection, sentence, clause or part thereof, for any reason, is held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3. Effective Date

This Ordinance shall become effective upon passage.

9. OLD BUSINESS - None

10. NEW BUSINESS

A. Presentation of Plans to Relocate West Lebanon Fire Station

Included in agenda packet:

1. June 22, 2021 Memo to Shaun Mulholland, City Manager from Fire Chief Chris Christopoulos re: 2022 CIP Station 2 Replacement ***(pages 52-53)***
2. PowerPoint Presentation: Lebanon Station 2 Replacement Project **(*pages 54-60*)**

The City has two staffed fire stations. The present station referred to as Station #2 was constructed in 1974. The building has not been renovated in its 47 year history. The facility no longer meets the needs of the City as it relates to modern firefighting operations. The following issues exist:

1. The building is not energy efficient.
2. There is no parking on the property. Our employees park in the bank parking lot.
3. There is no way to separate clean and dirty areas as this relates to cancer causing contaminants on the clothing of fire personnel returning from fires.
4. The building does not meet current life safety and building codes. A DOL inspection was conducted in June with numerous items identified, report to follow.

5. Roof repairs are needed.
6. The boiler needs to be replaced.
7. The front apron is sinking
8. We do not have adequate facilities to separate different genders (locker room, bathroom, shower).

The City conducted a public safety facilities study in 2019 which identified issues with both staffed fire stations, as well as the police station. Both fire stations will need to be replaced with modern facilities to meet the needs of the City. The West Lebanon Station is programmed into the Capital Improvements Plan for 2022. The estimated cost of the total project is $6.4 million. The Central Station is programmed for 2027, the estimated cost is between $13-$15 million.

One consolidated fire station was not deemed practical due to the longer response times that would result from operating from one station. The City looked at four different possible sites and has narrowed the options down to the property located at 38 Maple Street which is the site of the former Catholic Church that has been abandoned for many years. The site meets the needs for a new station.

The property owner needs to sell the property before the end of the calendar year to avoid federal tax penalties. The steps to move this process forward are as follows:

A. Determine and agree on sale price of the property.
B. Set a public hearing for the following purposes:
   i. Supplemental appropriation of funds to purchase the property
   ii. Bond hearing to authorize the issuance of bonds to pay for the property.
C. Conduct the public hearing for the purposes listed above (August 18).
D. Vote to appropriate the funds necessary to purchase the property (September 15).
E. Vote to authorize the issuance of bonds and authority the City Manager to issue those bonds (September 15).
F. Vote to purchase the property and authorize the City Manager to take all actions necessary to execute the real estate sales transaction (September 15).
G. CIP Work Session to review the project in more detail (October 20).
H. 2022 Budget Hearing, approval of 2022 CIP, this is the date the Council would act to appropriate the funds for the demolition, site work and construction of the building (December 15).
I. Bidding and construction starting in 2022 with completion in 2023.
J. Decision and action to dispose of the old Station #2 (Fall of 2023).

Fire Chief, Emergency Management Director Chris Christopoulos came forth and reviewed his presentation for Lebanon's Fire Station 2 Replacement Project. (pages 58-64, agenda packet.) For potential site options, Chief Christopoulos, spoke about the pros/cons of the following:

- <u>River Park – North Main Street</u>: Of particular note on this property, Chief Christopoulos reached out to Mr. Clem (founder and managing partner of Lyme Properties, West Lebanon, NH) to talk about potentially looking at this property and whether or not it could incorporate a Fire Station within the layout of that development. It was not something Mr. Clem had thought about and he was very open-minded and provided a couple of different options from four (4) lots within the River Park development. They proceeded to have a site rendering of the building done on those lots to determine whether or not they would even work. Of the four (4) options proposed, the building would fit on two (2) and he thought they concurrently agreed that the lot where they moved the house (the old Ken Morley property) would be the optimal site because of its access to North Main Street; is within a mile of Downtown; has access to municipal water; could be used as a back-in station for the LFD, and; there was certainly connection to some of the LFD's major response routes. The cons were: It would need some water/wastewater expansion because the city sewer ends at the falls. As far as initial negotiations went, we felt that the cost of the land acquisition was not conducive to the City pursuing, so negotiations were ended. He also noted this was a small 1-acre lot that would not allow the LFD a lot of ability for expansion in the future (40-50 years from now) if there was a need to do so..

- South Main Street near Waterman Avenue: Not a suitable site.

- Market Street near Waste-Water Treatment: Not a suitable site.

- 38 Maple Street (@Tracy Street): This site was selected as a possibility because the lot size was approximately 2-acres; had access to Main Street via Tracy Street; there was continuity within the Downtown West Lebanon area: it had minimal impact on response times, and; it had connections to primary response routes. The cons were: The building will need floor tile asbestos abatement and water run-off will require site drainage modifications.

  At a community meeting for residents, Chief Christopoulos explained that unless a call originated on the north end of Maple Street, it would be unlikely that emergency vehicles would go down Maple Street and, even though there is parking on Tracy Street, it should not be a problem to bring a fire truck down that street based on the current width and the fact that buses are coming down Tracy Street every day.

  Community comments centered around noise, increased emergency vehicle traffic, and the impact a fire station would have on property values. In response to community concerns, Chief Christopoulos spoke about how noise can be mitigated in the building; how ambulance calls are coded by severity; the new GPS Traffic Control System that is being installed; equipment checks, and how landscaping can be used to fit within the residential neighborhood environment..

Mayor McNamara opened the Public Hearing, and the following came forth to speak:

- *Mr. Jason Achmoody (Ward 1)*: He spoke about his support for a new Fire Station but questioned its location within a residential neighborhood and suggested the Council consider starting renegotiations in the River Park area. He was also concerned as to why the 38 Maple Street property needed to be acted on so quickly.

  City Manager Mulholland noted the property owner needed to close before the end of the year for tax reasons. He read one section from a letter that was sent to the City on September 15, 2020, which he will provide to the Council, regarding negotiations for the River Park area. It read as follows: "Lyme Properties respectfully declines your September 14, 2020 proposal and will be disengaging from this negotiation before expending any further efforts," noting we (City) did not disengage from negotiations, they (Lyme Properties) did.

- *Mr. David Clem (55 Crafts Avenue) - Founder and managing partner of Lyme Properties, West Lebanon, NH:* He spoke about the reference made by City Manager Mulholland, and explained they were approached by the Fire Chief regarding whether or not they would be willing to consider one of the lots that has already been approved at River Park. Being a strong supporter of the Fire Department, we said "certainly" and met with them. He noted that none of the lots at River Park are approved for a Fire Station, and it was not part of their Site Plan or Subdivision Approvals.

We disclosed, on the condition of confidentiality, we had an adjacent parcel at 193 North Main, that is not part of River Park and was not part of their Subdivision or Site Plan Approvals. This parcel was purchased because the estate of the former owner approached us and asked if we would be interested. The reason we purchased the site (193 North Main) is that it can be combined with an existing lot at River Park, which has been approved for subdivision and zoning, and creates a development parcel.

We were shocked to see we were referenced at the community meeting when all of our communications, that we were thought were confidential, went back and forth. We said from the outset, and continue to maintain, that Lyme Properties policy is always to approach and be open with the neighbors first, and we wanted an assurance from the City that they would feel the same way.

We never put a price in our negotiations (with the City) on 193 North Main. What we did do was share our actual expenses. We also shared the valuation of combining the lot (193 North Main) and the lot at River Park. We also shared our evaluation in terms of its development potential, as a right under current zoning, and the number we talked about was for the development potential of the combined lots, but never expressed a price on 193 North Main. What we said was the development value of the combined sites, if sold, would impact us in terms of opportunity costs. We quantified that and defined our methodology as to how we arrived at that number. We offered at least 8 different ways we might cooperate to generate value that would not cost the City any additional money. At one point, the City proposed swapping the existing Fire Station site after the new Fire Station was built at 193 (North Main Street), saying that the value of the existing Fire Station, based on the opinion of a broker, was $400K. In his opinion, based on what has been mentioned tonight, he would wager that an appraisal would not come in at $400K for the building, in that condition, that cannot meet parking requirements, and that would be inconsistent with what the West Lebanon Visioning wanted, which was to tear it down and build something new.

We believe there is a way to get to yes at a price that is affordable for the City. 193 (North Main), based on the analysis done by the Chief and the consultants, does not allow this hypothetical expansion 50-years from now because of its physical size, but the adjacent parcel, which is part of the development site, would meet that requirement. We (Lyme Properties) are still open to having a conversation, but overtures from the City Manager's office about their evaluation for 193 (North Main) and what they would be willing to pay was less than our costs, so we did not consider that to be a plausible/realistic offer. We are not in the business of taxing people to meet our expenses, we have to make a profit, and this was a no-win proposition for us.

It is not fair to rule us out on costs when a price was never established and when several different ideas were offered as non-cash ways that the City could promote as an economic development that would produce significant tax revenue and public safety. He looked forward to having the opportunity to speak at the Public Hearing and will provide all his information to everyone at this time.

Since the negotiations between the City and Mr. Clem appear to be no longer confidential information, City Manager Mulholland will include all information, including conversations, between Mr. Clem and the City, in the August 18, 2021 City Council agenda packet, noting that it was $300K for the Fire Station and not $400K.

ACTION: Action for this item is under Item 10 B. Below.

B. Discussion & Set Public Hearing for August 18, 2021: Authorize appropriation and bond issuance for purchase of 38 Maple Street, West Lebanon, for the relocation of the West Lebanon Fire Station

Background

The City Council was asked to schedule a public hearing for August 18, 2021, to receive public input regarding a supplemental appropriation and bond issuance for the relocation of the West Lebanon Fire Station. The appropriation will be a general obligation debt to be paid through property taxes.

As the appropriation will require the issuance of bonds, action on the public hearing will not take place until the September 15, 2021, meeting to ensure compliance with NH RSA 33:8-a (attached below).
NH RSA 33:8-a

Procedure for Authorizing Bonds or Notes in Excess of $100,000.

I. There shall be at least one public hearing concerning any proposed municipal bond or note issue in excess of $100,000 held before the governing board of any municipality. Said hearing shall be held at least 15 days, but not more than 60 days prior to the meeting, or adjourned session thereof, at which the bond or note issued is to be voted upon. Notice of the time, place and subject of such hearing shall be published in a newspaper of general circulation in the municipality at least 7 days before it is held. Whenever possible the governing board shall determine the form of the warrant article after the public hearing.

II. All articles appearing in the warrant which propose a bond or note issue exceeding $100,000 shall appear in consecutive numerical order and shall be acted upon prior to other business except the election of officers, action on the adoption, revision, or amendment of a municipal charter, and zoning matters or as otherwise determined by the voters at the meeting. Polls shall remain open and ballots shall be accepted by the moderator on each such article, for a period of not less than one hour following the completion of discussion on each respective article. A separate ballot box shall be provided for each bond article to be voted upon pursuant to this section.

III. The provisions of this section shall not apply to cities nor to any borrowing under the authority of RSA 33:7, relative to tax anticipation notes.

IV. Upon favorable approval on the motion to reconsider the vote on a bond or note issue under paragraphs I and II, actual reconsideration of the bond issue shall not take place until the expiration of at least 7 days from the date on which the original vote on the motion was taken. Notice of time and place where such reconsideration shall take place shall be published in a newspaper of general circulation in the municipality at least 2 days before the reconsideration vote. Wherever required, the provisions of RSA 33:8-a shall apply.

V. Bonding authority under this section may be limited or rescinded as provided in RSA 33:8-f. Source. 1971, 270:1. 1973, 25:1; 543:1. 1979, 43:1. 1983, 160:3, eff. Aug. 9, 1983. 2009, 229:2, eff. Jan. 1, 2010. 2014, 292:3, eff. Sept. 30, 2014.

Mayor McNamara noted that this appropriation will not be specifically for the Fire Station but is related to it. Since the Council was going to discuss the terms of a potential real estate transaction, the following action took place:

NON-PUBLIC SESSION

Councilor Winny MOVED* that the City Council go into Non-Public Session *pursuant to NH RSA 91-A:3,II(d).

Seconded by Councilor Whittlesey.

Roll Call Vote:

Assistant Mayor Below, and Councilors Heistad, Liot Hill, Sykes, Whittlesey, Wilkie, Winny, Zook and Mayor McNamara all voting Yea.

None voted Nay.

The Vote on the MOTION was approved (9-0).

The Council entered into Non-Public Session at 8:45 PM.

The Council returned from Non-Public Session at 9:04 PM.

ACTION:

***Councilor Liot Hill MOVED,* that the Lebanon City Council hereby schedules a public hearing for Wednesday, August 18, 2021, beginning at 7:00 pm in Council Chambers, City Hall, Lebanon, and remote via the City's Virtual Platform for the purpose of receiving public input followed by action to:**

1. Appropriate the sum of $775,000.00 (Seven Hundred and Seventy-Five Thousand Dollars and no cents) for the purchase of 38 Maple Street, West Lebanon, NH. The appropriation is expected to be financed through the issuance of long-term debt as a general obligation debt to be paid through property taxes; and

2. Authorize the issuance of bonds or notes, in an amount not to exceed $775,000.00 (Seven Hundred and Seventy-Five Thousand Dollars and no cents) to finance the purchase of 38 Maple Street, West Lebanon, NH.

Seconded by Councilor Sykes.

Mayor McNamara noted the Council will be voting to schedule a Public Hearing to discuss purchase of the property at 38 Maple Street in the sum of $775,000. That is not specific, or directly related to, the construction of a Fire Station on that property so this was removed from the original proposed motion. The Public Hearing will be for the purpose of appropriating the sum to purchase the property. He thanked Mr. Clem and noted the City is interested in re-engaging him and Lyme Properties in discussions with regard to a potential alternate location for a Fire Station. While we will be having a Public Hearing on purchasing the 38 Maple Street property, we are not tying this to the construction of a Fire Station at this time.

Councilor Liot Hill also spoke to the motion noting that the Council has known the West Lebanon Fire Station was going to have to be addressed. There is a lot of consideration that has to be given about where the right location should be and exactly what the project would entail. We have also been hearing from the residents of West Lebanon that they are very interested in the revitalization of Downtown West Lebanon and are interested in seeing the City focus its attention and efforts in West Lebanon. It is not every day an opportunity comes up in the heart of Downtown West Lebanon. The Public Hearing on

August 18, 2021 is an invitation to hear from the residents of Downtown West Lebanon. This is not a commitment to build a Fire Station there and is not a commitment to even buy this piece of property.

Councilor Winny noted he was in support of the motion for a Public Hearing to move this discussion forward.

The Vote on the MOTION was unanimously approved (9-0)

11. City Manager Report:

City Manager Mulholland updated the Council on the following:

- Sewer line break at Baker's Crossing: The pipeline deteriorated and was leaking into the Mascoma River. DPW is studying whether or not the remaining 14,000 ft of this line may need to be replaced; the potential forensic work that may need to be done; potential options if all the remaining pipeline is at risk, and: potential costs. A map of this area will be emailed to the Council.
- Bond Issuance: Now at 1.47%
- United Airline: Will be purchasing a 119 seat electric aircraft which they expect to be delivered in 2021. This is particularly helpful for small airports like Lebanon. The NLC has asked our community if we would be interested in an advocacy group at a national level, and the Mayor and Airport Director, Carl Gross have volunteered.
- SeeClickFix App.: Now available.
- Tax Bills: Approximately 95% have been received to date.
- 20 Spencer Street: The location of the PCBs have been located. The cost will be around $900K to mitigate, which will come out of the Unassigned Fund

12. Council Representatives to other bodies:

Assistant Mayor Below informed the Council the Lebanon Energy Advisory Committee (LEAC) has a draft Electric Aggregation Plan for Lebanon Community Power. They are required by the Statute to have two Public Hearings before a vote is taken to recommend it to the Council for adoption. The first hearing was last week, and the second meeting is tentatively scheduled for August 18th at 6:00 PM in Council Chambers before the Council meeting. While there is no requirement for the Council to have a Public Hearing on this, he suggested the LEAC meeting be a joint meeting between LEAC and the City Council. The Council agreed to participate in a Joint LEAC/City Council Meeting to review the Draft Electric Aggregation Plan for Lebanon Community Power.

13. FUTURE AGENDA ITEMS:

- Joint LEAC/City Council Public Hearing, 6PM, Council Chambers and/or via Webex.
  Topic: Review of Draft Electric Aggregation Plan for Lebanon Community Power

14. NON-PUBLIC SESSION:

A. Pursuant to RSA 91-A:3,II (a) and RSA 91-A:3.II (d)

Councilor Winny MOVED for the City Council to go into a NON-Public Session Pursuant to RSA 91-A:3,II (a) and RSA 91-A:3.II (d)

Seconded by Councilor Heistad.

Roll Call Vote:
Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, Winny and Zook all voting Yea.
None voted Nay.

The Vote on the MOTION was unanimously approved (9-0)

The Council went into Non-Public Session per NH RSA 91-A:3,II(a) to discuss a personnel matter at 9:28 PM.

15. ADJOURNMENT:
The Regular Session meeting was adjourned at 9:29 PM.

Respectfully submitted,
Dona E. Gibson, Recording Secretary

07/21/2021
Non-Public Session

NH RSA 91-A:3,II(d)

DRAFT

LEBANON CITY COUNCIL
MINUTES, NON-PUBLIC SESSION
NH RSA 91-A:3,II(d)
Wednesday, July 21, 2021, During Regular City Council Meeting

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, George Sykes, Douglas Whittlesey, Devin Wilkie, Jim Winny and Karen Zook

MEMBERS ABSENT: None

STAFF PRESENT: City Manager Shaun Mulholland

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1. MOTION BY: Councilor Winny to enter into non-public session pursuant to NH RSA 91-A:3,II(d). Seconded by Councilor Whittlesey. ***A roll call vote was taken. The vote on the MOTION was unanimously approved, and the Council entered into non-public session at 8:44pm.***

2. DISCUSSION:

A. The City Council was briefed on proposed sale price of a property located at 38 Maple Street

3. ADJOURNMENT:

MOTION BY: Councilor Winny to go out of non-public session. Seconded by Councilor Whittlesey. ***The vote on the MOTION was unanimously approved, and the Council went out of non-public session at 9:04pm.***

07/21/2021
Non-Public Session

NH RSA 91-A:3,II(a)

DRAFT

LEBANON CITY COUNCIL
MINUTES, NON-PUBLIC SESSION
NH RSA 91-A:3,II(a)
Wednesday, July 21, 2021, During Regular City Council Meeting

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, George Sykes, Douglas Whittlesey, Devin Wilkie, Jim Winny and Karen Zook

MEMBERS ABSENT: None

STAFF PRESENT: City Manager Shaun Mulholland

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1. MOTION BY: Councilor Winny to enter into non-public session pursuant to NH RSA 91-A:3,II(a). Seconded by Councilor Heistad. ***A roll call vote was taken. The vote on the MOTION was unanimously approved, and the Council entered into non-public session at 9:29pm.***

2. DISCUSSION:

A. The City Council was briefed on a personnel matter.

3. ADJOURNMENT:

MOTION BY: Councilor Winny to go out of non-public session. Seconded by Councilor Sykes. ***The vote on the MOTION was unanimously approved, and the Council went out of non-public session at 9:47pm.***

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

7. APPOINTMENTS:

APPOINTMENTS

Board/Committee Appointments as presented by City Clerk Kristin Kenniston

- Lebanon Energy Advisory Committee, Jonathan Chaffee (Reappointment Regular Member)
- Conservation Commission, Megan Smith (Alternate Member)

Included in this Section:

1. Memo from City Clerk Kristin Kenniston dated July 22, 2021

OFFICE OF THE CITY CLERK

MEMORANDUM

DATE: July 22, 2021

TO: The Honorable Mayor & City Council

FROM: Kristin M. Kenniston, City Clerk

RE: **Appointments Proposed for Council Discussion/Action:**

If the Council wishes to proceed with action on the appointments below, a nomination should be made and voted on for each appointment. *Note: nominations do not need to be seconded.*

Lebanon Energy Advisory Committee

- ***Jonathan Chaffee –*** Reappointment as a regular member of the Lebanon Energy Advisory Committee for another two-year term.
  Interviewed by: Councilor Wilkie
  Two-Year Term (8/21-8/23)

Conservation Commission

- ***Megan Smith –*** Appointment as an alternate member of the Conservation Commission for a three-year term.
  Two-Year Term (8/21-8/24)

Print Form

CITY OF LEBANON
BOARD/COMMITTEE APPLICATION

You must meet the basic requirements listed below to be considered for appointment to a City board/committee.

<u>BASIC REQUIREMENTS</u>:

- ✓ Lebanon/West Lebanon resident (except for those boards who membership makeup includes non-resident)
- ✓ Willingness to learn
- ✓ Commitment to attend meetings
- ✓ Treat people fairly
- ✓ Consider the best interest of the community as a whole when making decisions
- ✓ Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.

<u>Check all that apply</u>:

I am an applicant for: Lebanon Energy Advisory Committee

◉ Check if for re-appointment

Name: Jonathan Chaffee
(Please print)

Address: 21 Highland Ave. West Lebanon 03784
(street) (Town) (Zip)

Mailing Address, if different from above: ____

Home Phone X Work Phone: X Cell Phone: 603-733-6291

Email Address: jkchaffee@gmail.com

Continued on reverse side..........

How long have you resided in Lebanon? 39 years
(This will not necessarily reflect on your possible appointment.)

Why would you like to serve?

I feel pretty passionate about enacting the Energy Chapter of the Master Plan and would like to continue to serve on LEAC.

State a few of what you feel your qualifications are or why you wish to be appointed to this board/committee.

In my one term I have been active on, attended meetings and contributed to the Municipal Aggregation, the Solar, and the Business Outreach subcommittees. One way I have been useful is that In a number of circumstances I have moved things forward by writing first drafts of documents, work plans, RFQs etc, that have provided a template to then be revised and improved by others.

I hereby certify that I meet the basic requirements for applying to a Lebanon board/committee.

Jonathan Chaffee Jonathan Chaffee — April 23, 2019

Applicant Signature — Date

Official Use Only

Interview Committee Review

Date Received by City Clerk 4/25/19 Date of Review __________

Date of Appointment __________ Appointment Term __________

Committee/Board to which appointed __________

Please return to:

Lebanon City Clerk's Office
51 North Park Street, Lebanon, NH 03766

Fax # 442-6148
Email: Sandi.Allard@lebcity.com

7/2021 reusing application

Councilor Interview Report Form

Councilor Name: __Devin R. Wilkie_______________ Date of Interview: _7/16/2021______

Applicant Name: _Jonathan Chaffee____

Board(s) to Which Applied: _LEAC____

__X_ Regular Seat ____ Alternate Seat

Has Applicant Attended Meeting of Board to Which Applying? _X__ Yes ____ No

(If yes, indicate date of meeting.) Date: _Regular_______

Recommend Appointment: _X____ Yes _____ No

_X_____ Regular Seat _____ Alternate Seat

General Comments: _Jonathan Chaffee has been a dedicated member of LEAC for a few terms now and has been integral to recent efforts. I am happy to recommend him without reservations of any kind.

(PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.)

Standard Questions for All Applicants:

1) What do you believe is the purpose of this Board/Committee?

Work to follow recommendations of energy chapter, etc.

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Yes

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

Yes – 3rd term

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

Yes

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons?

No

6) What do you think are the key challenges for this Board/Committee?

Citizen engagement – need to contemplate climate action plan for whole community, and need input and engagement for that

7) What do you think are the key opportunities for this Board/Committee?

Landfill gas to electricity; Lebanon Community Power

8) What would you like to see this Board/Committee accomplish in the next year?

Landfill gas to electricity; Lebanon Community Power

From:	noreply@civicplus.com
To:	cityclerk; webmaster
Subject:	[EXTERNAL]Online Form Submission #5071 for Board Member Application
Date:	Thursday, May 27, 2021 3:35:12 PM

Board Member Application

Board Member Application
City of Lebanon board / committee member application.

Basic Requirements

- *Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)*
- *Willingness to learn*
- *Commitment to attend meetings*
- *Treat people fairly*
- *Consider the best interest of the community as a whole when making decisions*
- *Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.*

(Section Break)

First Name	Megan
Last Name	Smith
Physical Address	2 Apple Blossom Drive
City	West Lebanon
State	NH
Zip Code	03784-1241
Is this your mailing address?	Yes
Home Phone Number	5852246342
Work Number	*Field not completed.*
Email Address	meganmon14@gmail.com
How long have you resided in Lebanon?	2 years

(Section Break)

Is this an application for re-appointment?	This application is not for re-appointment.
For which board, committee, or commission are you applying?	Conservation Commission
Other Committee	*Field not completed.*
Why would you like to serve?	I enjoy the outdoors and would like to become more involved in my community.
State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.	I have experience working with a team and organizing meeting. I also have experience enjoying the outdoors
Certification	I hereby certify that I meet the basic requirements for applying to a Lebanon board / committee.

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.A – REVIEW AND READOPTION OF CITY COUNCIL POLICY CC-100 CASH MANAGEMENT AND INVESTMENT

BACKGROUND

The purpose of the City's Cash Management and Investment Policy is to ensure that the administration of the City's cash management system is handled at its highest public trust. Finance Director Vicki Lee is charged with oversight of the City's cash management system.

The Policy applies to all cash, cash equivalents (assets that are readily convertible into cash), and investments in the custody of the City Treasurer in accordance with State law. This Policy does not apply to cash, cash equivalents, and investments in the custody of the Trustees of Trust Funds and the Board of Trustees of the Library who must formally adopt their own Investment Policies that are reviewed and confirmed at least annually for all investments made by them (or by their agents) for trust funds in their custody (NH RSA 31:25 and 202-A:23).

The custody and investment of City funds are to be made in a manner that provides maximum security of principal invested, meets the cash flow needs of the City and conforms to applicable State law. Funds in the custody of the Trustees of the Trust Funds are with Citizens Bank; City funds in the custody of the City Treasurer are with Mascoma Bank.

New Hampshire RSA 47:6 requires the City Council to at least annually review and adopt an investment policy. The Council last reviewed and re-adopted the Cash Management and Investment Policy July 15, 2020. Changes are proposed to the Policy which include:

Section 2.0: Scope 3) add Tax Increment Fund District, add Cemetery Maintenance Fund and remove passenger facility charges.

ACTION

The Council is requested to consider the following motion:

MOVED, that the Lebanon City Council adopts City Council Policy CC-100, Cash Management and Investment, as presented in the August 4, 2021, City Council Agenda packet, to be effective upon passage.

Included in this Section:

1. August 4, 2021 Memo from Vicki Lee, Finance Director, re: Review and Adoption of the 2021 Cash Management and Investment Policy
2. City Council Policy CC-100, Cash Management and Investment Policy

Finance Department
51 North Park Street
Lebanon, NH 03766
603-448-0682

MEMO FROM THE FINANCE DIRECTOR

TO: City Council
City Manager Shaun Mulholland
Deputy City Manager Paula Maville

FROM: Vicki Lee

DATE: August 4, 2021

RE: Review and Adoption of the 2021 Cash Management and Investment Policy

New Hampshire RSA 47:6 requires the City Council to at least annually review and adopt an Investment Policy. Vicki Lee, Finance Director, and Alesia Williams, Deputy Finance Director, are the City Treasurer and Deputy City Treasurer, respectively.

Three changes have been made to the accompanying Cash Management and Investment Policy from the Policy adopted July 15, 2020 by the City Council. The Tax Increment Fund District and the Cemetery Maintenance Fund accounts have been added and passenger facility charges removed in Section 2.0: Scope, Section 3) *Pooling of Funds*.

The City's treasury activities consist of accounts receivable or payment processing; accounts payable/disbursements; and investing – that is, cash mobilization: get the cash in as fast as possible; controlled disbursement: release the cash at the last possible moment; and investment program: do something worthwhile with the cash in the meantime.

The Policy applies to all cash, cash equivalents (assets that are readily convertible into cash), and investments in the custody of the City Treasurer in accordance with State law. This Policy does not apply to cash, cash equivalents, and investments in the custody of the Trustees of Trust Funds and the Board of Trustees of the Library who must formally adopt their own Investment Policies that are reviewed and confirmed at least annually for all investments made by them (or by their agents) for trust funds in their custody (NH RSA 31:25 and 202-A:23).

City funds in the custody of the City Treasurer are with Mascoma Bank; funds in the custody of the Trustees of the Trust Funds are with Citizens Bank.

The purpose of the City's Cash Management and Investment Policy is to ensure that the administration of the City's cash management system shall be handled as its highest public trust. The custody and investment of City funds are to be made in a manner that provides maximum security of principal invested, meets the cash flow needs of the City and conforms to applicable State law.

It is the policy that City funds be managed and invested with three primary objectives in order of priority: safety, liquidity and yield. Effective cash management is recognized as essential to good fiscal management. The City shall maintain a cash management system that includes collection of accounts receivable, prudent investment of available cash, management of banking services and disbursement of payments in accordance with invoice terms, the City's Purchasing Policy (City Council) and Purchase Agreements Policy (administrative), and City Charter.

City of Lebanon
New Hampshire

COUNCIL POLICY			
Cash Management and Investment Policy			
Policy Number	*Effective Date*	*Last Revision*	*Page No.*
CC-100		6/20/2018	Page **1** of **8**
Approved by:	City Council		

Section 1.0: Purpose

To ensure the administration of the City's cash management system shall be handled as its highest public trust. The custody and investment of City funds shall be made in a manner that will provide the highest investment return with the maximum security of principal invested while meeting the cash flow needs of the City while conforming to State law.

Section 2.0: Scope

1) *General* – This Policy applies to all cash, cash equivalents (assets that are readily convertible into cash) and investments in the custody of the City Treasurer (NH RSA 48:16).
2) *Exceptions* – This Policy does not apply to cash, cash equivalents and investments in the custody of the Trustees of the Trust Funds and the Board of Trustees of the Library who must formally adopt an investment policy that is reviewed and confirmed at least annually for all investments made by them or by their agents for any trust funds in their custody (NH RSA 31:25 and NH RSA 202-A:23).
3) *Pooling of Funds* – The City will consolidate cash for management purposes to achieve efficiency, effective management and maximum investment opportunity unless effective administration requires otherwise such as in the instance of accounting for bond proceeds associated with capital improvements. Ownership of cash, cash equivalents and investments shall be identified and accounted for by fund. Interest earnings shall be allocated annually on a proportional basis to ten funds: general, solid waste disposal, water treatment and distribution, sewage collection and disposal, municipal airport, capital improvements, Lebanon open space, water investment fee funds, public facilities impact fees, and ~~passenger facility charges~~ tax increment fund district and cemetery maintenance fund.

Section 3.0: Definitions

1) *Cash Flow* – is a measure of cash inflow and outflow from the City. Positive cash flow means more money is coming into the City than is leaving; negative cash flow is the converse.
2) *Banking Services* -- consist of, but are not limited to: account maintenance services (account analysis; reconciliation services; and daily collected funds reports), cash concentration services (lock-box; concentration account; sweep accounts), investment services (overnight repurchase facilities) and credit facilities.
3) *Rate of Return* – is the amount of income received from an investment expressed as a percentage. Market rate of return is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.
4) *Fund* -- segregates resources (revenue) and requirements (expenditures) that are legally restricted to specific uses. A fund is analogous to a filing cabinet with each drawer a separate fund. Within each drawer, or fund, there are many file folders, or municipal functions which, in turn contain programs, services and activities managed by City departments aimed at accomplishing a function for which the City is responsible.

Section 4.0: Policy Detail

1) Investment Objective:
   a. It is the policy that City funds be managed and invested with three primary objectives in order of priority: safety, liquidity and yield. Effective cash management is recognized as essential to good fiscal management. The City shall maintain a cash management system that includes collection of accounts receivable, prudent investment of available cash, management of banking services and disbursement of payments in accordance with invoice terms, the City’s Purchasing Policy, Purchase Agreements Policy and City Charter.

2) Selected Objectives:
   a. *Safety of Principal* – is the foremost objective of this Policy. Each investment and/or depository transaction shall be undertaken in a manner that seeks first to ensure the preservation of capital in the overall portfolio.
   b. *Liquidity* – The investment and/or depository portfolios shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
   c. *Yield* – The investment and/or depository portfolios shall be designed with the objective of attaining a market rate of return considering investment risk constraints and liquidity needs. Return on investment is of least importance as an objective as compared to the safety and liquidity objectives.
3) Authority and Responsibilities:
   a. *Authorized Representative of the City* – The City Treasurer (NH RSA 48:16) is authorized to act on behalf of the City, to execute, for the purpose of purchasing cash management products and services offered by a banking services provider, such applications, agreements, schedules, service requests and related documents and amendments to such applications, agreements, schedules, service requests and related documents in such forms as may be provided and/or required by the banking services provider and in so doing shall bind the City to the terms and conditions of the cash management document(s) so executed.
   b. *Authority to Issue Tax Anticipation Notes* – On December 17, 1996, the City Council authorized the City Treasurer (Municipal Finance Act, NH RSA 33:7), with approval of the City Manager, to borrow in increments as the need arises, a sum or sums of money from time to time during the current financial year, to issue and sell with interest at maturity, temporary notes of the City in an amount sufficient to cover expenses and to refund such note expenses.
   c. *Electronic Payment* – The payment of local taxes, charges generated by the sale of utility services, or other fees or charges by use of a credit card, debit card, or such other means of electronic transaction is

authorized in accordance with NH RSA 80:52-c or any other applicable State law. A service charge for the acceptance of such payments may be added to the amount due at the time of billing in addition to any penalties and interest payable; at the time of billing the amount of the service charge shall be disclosed.

d. *Depository Designation* – The City Council is responsible for designating the depository or depositories for City funds (419:46). Important considerations in the selection and retention of a banking services provider include credit-worthiness, credit characteristics, financial history, institutional capabilities, resources and relevant experience in managing the operational aspects of municipal cash management and investment needs and requirements. The City Treasurer is responsible for investment and depository management decisions and activities including, but not limited to, the selection of acceptable depository and investment instruments in accordance with this Policy and State law.

e. *Custody of City Funds* – The City Treasurer, appointed by the City Manager in accordance with City Charter Section 419:32, shall have custody of all City funds (NH RSA 48:16).

f. *Investment of Excess City Funds* – Whenever the City Treasurer has in custody an excess of funds which are not immediately needed for expenditure, the City Treasurer shall invest same in authorized investments in accordance with this Policy and State law.

g. *Recording and Reporting* – The City Treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the City treasury, and of all notes given by the City, with the particulars thereof.

h. *Independent Audit* – At the close of each fiscal year, a reporting shall be made to the City by the City Treasurer giving an account of all financial transactions during the year which shall be independently audited.

4) Standards of Care:

a. *Prudence* -- The standard of prudence to be used by the City Treasurer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The City Treasurer, acting in accordance with established procedures and this Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, that appropriate action is taken to control adverse developments, and that the liquidity and sale of securities are carried out in accordance with the terms of this Policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

b. *Ethics and Conflicts of Interest* -- City employees, officials, and representatives and agents of the City involved in the cash management process shall refrain from personal business activity that could conflict (or appear to conflict) with the proper execution of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio.

c. *Position Bonding* -- The City Treasurer and others as prescribed by State law shall be bonded by position under a blanket bond from a surety company authorized to do business in the State of New Hampshire (NH RSA 41:6). The bond shall indemnify against losses through the failure of City employees covered to faithfully perform their duties or to account properly for all moneys or property received by virtue of their positions, or fraudulent or dishonest acts committed by the covered employees.

5) Internal Controls:
   a. *Internal Control System* – The City Treasurer shall establish and maintain a system of internal controls that shall be reviewed annually with the independent auditors. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees of the City.
   b. *Cash Flow Forecasting* – The City Treasurer shall maintain a cash flow forecasting process designed to monitor and forecast cash positions for cash management and investment purposes.
   c. *Written Confirmation of Telephone and Electronic Transactions for Investments and Wire Transfers* – Due to the potential for error and improprieties arising from telephone transactions, all telephone and electronic transactions shall be supported by written communications and approved by the appropriate person.
   d. *Documentation of Transactions* – All transactions undertaken through this Policy shall be appropriately documented to facilitate review of the transactions by the independent auditors.
   e. *Remittance of School District and County Tax Assessments* – Property taxes billed and collected by the City include taxes levied for the Lebanon School District and Grafton County, which are remitted to those governmental units as required by law. The former is paid over the course of the year in accordance (NH RSA 198:5) based on a cash requirements schedule provided by the district; the latter is paid in December (NH RSA 29:11). Ultimate responsibility for the collection of taxes rests with the City.
6) Authorized Investments:
   a. *General* – City Treasurer may invest in participation units in the public deposit investment pool established (NH RSA 383:22), or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the State, or in obligations fully guaranteed as to principal and interest by the

United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations. As additional types of securities are approved for investment by State law they will be eligible for investment by the City Treasurer.

b. *Maturities* – Investment maturities shall be scheduled to coincide with projected cash-flow needs, taking into account anticipated revenue inflows, routine expenditures and large non-routine expenditures.

7) Safekeeping and Collateralization:

a. *City funds shall be secured in accordance with NH RS 48:16.*

b. *Interest-bearing Deposits Meeting Certain Conditions* -- Excess funds held by the City may invested in interest-bearing deposits which meet all of the following conditions: (a) The funds are initially invested through a federally insured bank chartered under the laws of New Hampshire or the federal government with a branch within the state, selected by the treasurer. (b) The selected bank arranges for the redeposit of funds which exceed the federal deposit insurance limitation of the selected bank in deposits in one or more federally insured financial institutions located in the United States, for the account of the treasurer. (c) The full amount of principal and any accrued interest of each such deposit is covered by federal deposit insurance. (d) The selected bank acts as custodian with respect to each such deposit for the account of the treasurer. (e) On the same date that the funds are redeposited by the selected bank, the selected bank receives an amount of deposits from customers of other federally insured financial institutions equal to or greater than the amount of the funds initially invested through the selected bank by the treasurer.

c. *Collateralization* -- Excess funds held by the City may for deposit or investment, including repurchase agreements, may be secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive use of the City.

Only securities defined by the bank commission as provided by rules adopted pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as collateral.

8) This Policy, in accordance with NH RSA 47:6, shall be reviewed and readopted annually by the City Council with revisions as warranted.

Section 5.0: References (Charter/Code/State Statues)

1) *City Charter Section 419:46 Depository.*
2) *NH 29:11 Tax Warrants and Extents.*
3) *NH 31:25 Custody; Investment.*
4) *NH RSA 41:6 Surety Bond Required.*
5) *NH RSA 47.6 Financial Supervision.*
6) *NH RSA 48:16 City Treasurer; Duties.*
7) *NH RSA 80:52-c Electronic Payment.*
8) *NH RSA 198:5 Assessment.*
9) *NH RSA 202-A:23 Exceptions.*
10) *NH RSA 383:22 Public Deposit Investment Pool.*
11) *NH RSA 383-B:3-301(e) Banking Business.*

Section 6.0: Policy & Procedure Revision History

	Section	Revisions	Date
Original Adoption			6/20/18
Re-Adoption			6/19/19
Re-Adoption			7/15/20
Amendment			
Amendment			

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.B – ANNUAL REVIEW OF CITY COUNCIL POLICY CC-101, FUND BALANCE

BACKGROUND

A fund segregates resources (revenues) and requirements (expenditures) that are legally restricted to specific uses. Budgets are adopted by the City Council on a fund basis. Funds other than the General Fund exist primarily to ensure and demonstrate compliance with limitations on the use of existing resources or as enterprises. The General Fund, as the chief operating fund of the City, has a broader mandate, which may include accumulating sufficient financial resources for contingencies. Accordingly, the Fund Balance Policy is limited to the General Fund.

The purpose of the Policy is to provide adequate financial resources to ensure the continued orderly operation of government and the provision of services to residents and the continued stability of the tax or rate structure that can be threatened by uncertainty emanating from a number of areas including economic uncertainty, unanticipated changes in federal and state policies, imposition of federal and state mandates, unanticipated expenditures resulting from natural disasters or other unforeseen circumstances, errors in estimating expenditures and revenues, potential drain on resources from funds facing financial difficulties, and disparities in timing between revenue collections and expenditures.

The current Fund Balance Policy suggests a range of 19.0% to 24.0% of gross current General Fund budgeted expenditures. The result is consistent with how the New Hampshire Department of Revenue Administration (DRA) calculates its fund balance retention guidelines (middle ranges) minus the uncertainty of factoring in Net Required County, Local Education and State Education Tax Efforts which are not known until the annual tax rate setting process in October.

The Fund Balance Policy is reviewed annually by the City Council, but unlike the Cash Management and Investment Policy it is not required to be readopted. The current Fund Balance Policy was adopted by the City Council June 20, 2018 and reviewed on June 19, 2019 and July 15, 2020.

ACTION

No action is required at this time, as this is an annual review of the Fund Balance Policy which has not been amended since changes were last incorporated and adopted on June 20, 2018.

Included in this Section:

1. City Council Policy #CC-101, Fund Balance Policy

City of Lebanon
New Hampshire

COUNCIL POLICY

Fund Balance Policy

Policy Number	Effective Date	Last Revision	Page No.
CC-101	6/20/2018		Page **1** of **5**
Approved by:	City Council		

Section 1.0: Purpose

To provide adequate financial resources to ensure the continued orderly operation of government and the provision of services to residents and the continued stability of the tax or rate structure that can be threatened by uncertainty emanating from a number of areas including economic uncertainty, unanticipated changes in federal and state policies, imposition of federal and state mandates, unanticipated expenditures resulting from natural disasters or other unforeseen circumstances, errors in estimating expenditures and revenues, potential drain on resources from funds facing financial difficulties, and disparities in timing between revenue collections and expenditures.

Section 2.0: Scope

Funds other than the General Fund exist primarily to ensure and demonstrate compliance with limitations on the use of existing resources or as enterprises. The General Fund, as the chief operating fund of the City, has a broader mandate which may include accumulating sufficient financial resources for contingencies. Accordingly, this Policy is limited to the General Fund. Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund. Governmental Accounting Standards Board (GASB) Statement No. 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent.

Section 3.0: Definitions

1) *Appropriate* – is a policy decision to set apart from the public revenue a certain sum for a specified public purpose and to authorize the expenditure of that sum for that purpose. The most important policy tool is the annual budget. Policy is *what* is going to be done. The budget is the means of determining *what* will get done because that is where money is allocated to programs, services, projects and facilities.

Appropriations can be made only by vote of the legislative body. Legislative power is the power to set overall policy, the power to raise and appropriate money (tax and spend) and set the purposes for expenditures. The City Council is the City's legislative body; the county convention, which consists of the state representatives comprising Grafton County, is the county's legislative body (NH RSA 24), acting on budgetary recommendations compiled by the county commissioners; the annual meeting of the Lebanon School District is that entity's legislative body.

2) *Assigned Fund Balance* – includes amounts the City intends to be *used for specific purposes but are neither restricted or committed*. In accordance with GASB Statement No. 54, funds that are intended to be used for specific purpose, but have not received the formal approval action at the governing body level (City Council), may be recorded as assigned fund balance. Likewise, redeploying assigned resources to an alternative use does not require formal action by the City Council. GASB Statement No. 54 states that resources can be assigned by the governing body or by another internal body or person whom the governing body gives the authority to do so. Therefore, having considered the requirements to assign fund balance, the City Manager, or the City Manager's designee, shall have the authority to assign fund balance.

   Encumbrances (purchase orders), or other contractual commitments, the provision of contingency for assessment abatements and bankruptcy proceedings, special revenue funds and capital project funds are examples of assigned fund balance.

3) *Committed Fund Balance* – includes amounts that can be *used only for the specific purposes determined by a vote of the City Council*. Commitments may be rescinded, changed or lifted only by a subsequent vote of the City Council. Included are expendable trust funds (capital reserve funds).

4) *Current General Fund Budgeted Expenditures* – are related to the appropriated budget of the current year and not prior year expenditures carried over to the current year as encumbrances or non-budgeted current year expenditure adjustments.

5) *Encumbrance* – is a purchase order, a contractual (outstanding) commitment. The process of encumbering budgeted funds is meant to

ensure budgetary compliance both to prevent overspending appropriations for the year and to detect violations of budgetary authority.

6) *Fund* – segregates resources (revenues) and requirements (expenditures) that are legally restricted to specific uses.
7) *Non-spendable Fund Balance* – includes amounts *not in spendable form*, such as inventory, or amounts required to be maintained intact legally or contractually such as for inventory, prepaid items, and the nonexpendable portion of permanent trust funds.
8) *Restricted Fund Balance* – includes *amounts that are subject to externally enforceable legal restrictions* and can be spent only for the specific purposes stipulated by law, ordinance or regulation, external resource providers or through enabling legislation. Restrictions applicable to this fund balance may not be changed or lifted by the City without the consent of the resource providers or enabling legislation. Included are library funds, the income balance of permanent funds (trust funds), grant funds and unspent bond proceeds.
9) *Unassigned Fund Balance* – is the *residual classification for the City's General Fund* and includes all amounts not contained in other fund balance component classifications and therefore not subject to any constraints. Appropriation from Unassigned Fund Balance requires approval of the City Council.
10) *Unassigned Fund Balance Maintenance Range* – an amount of money, in dollars or as a percentage of a defined base, that is considered a prudent level at which to maintain the unassigned fund balance.
11) *Unrestricted Fund Balance* – is total fund balance less nonspendable fund balance and restricted fund balance, which is the total of committed fund balance, assigned fund balance and Unassigned Fund Balance.

Section 4.0: Policy Detail

1) Spending Prioritization:
   a. When both restricted and unrestricted funds (committed, assigned and unassigned) are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

b. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

2) Unassigned Fund Balance Maintenance Range:

a. It is the objective of the City to maintain an Unassigned Fund Balance of 19.0% to 24.0% of gross current General Fund budgeted expenditures.

b. The City considers a balance of less than 19.0% to be a cause for concern and, considering factors or circumstances that may require a higher than normal maximum level of Unassigned Fund Balance, a balance of more than 24.0% as excessive.

c. In the event Unassigned Fund Balance is less than 19.0%, restorative steps shall be taken in the immediate subsequent fiscal years.

d. In the event Unassigned Fund Balance is more than 24.0%, steps should be taken to reduce the excess balance in the immediate subsequent fiscal years, or a plan for doing so over a reasonable period should be prepared, including an explanation of how the excess fund balance will be reduced to an acceptable level. An amount more than 24.0% may be considered to reduce tax levy requirements determined in conjunction with the annual budget process, as a capital improvement funding component, for reservation to accumulate funding for future capital improvements, or for any legal purpose deemed appropriate and desirable by the City Council.

e. This Policy is not intended to preclude the administrative application of Unassigned Fund Balance as a companion to the budgeted application of Unassigned Fund Balance as a mitigating utility in setting the annual Municipal Tax Rate.

3) This Policy shall be reviewed annually by the City Council and revised as warranted.

Section 5.0: References (Charter/Code/State Statues)

1) *Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.*

Section 6.0: Policy & Procedure Revision History

	Section	Revisions	Date
Original Adoption			6/20/18
Reviewed			6/19/19
Reviewed			7/15/20
Amendment			

AGENDA
LEBANON CITY COUNCIL
August 4, 2021

10. NEW BUSINESS:

10.C – ANNUAL REVIEW OF CITY COUNCIL POLICY CC-106, CAPITAL RESERVE FUND

BACKGROUND

To ensure a strong foundation for the financing and completion of capital projects, long-term financial planning (saving-up), where "pay-go" financing is to be used, is crucial. Pay-go financing is a method of using current revenues to pay for future capital projects in place of, or in addition to, traditional debt financing. Capital Reserve Funds, which are in the custody of the Trustees of the Trust Funds, are a statutory means to set aside resources to finance the cost of future capital improvements. Annual contributions into capital reserve funds, are an example of how the City saves for projects identified and planned in connection with the annually adopted six-year Capital Improvement Program.

Pay-use financing, inflated by interest expense, affects rates (tax or service rates) over an extended period in debt service payments; pay-go has an immediate rate impact. The policy choice between the two alternatives requires an analysis of the relevant benefits and costs associated with each.

The following table summarizes the City's Capital Reserve Funds.

Capital Reserve Fund	Contributing Fund	Market Value June 30, 2021
Fire Department Equipment/Vehicles	General	$ 335,120.62
DPW Equipment/Vehicles	General	$ 57,449.56
Recreation & Parks Improvements/Equipment	General	$ 104,060.09
Parking Facilities Repairs/Maintenance	General	$ 29,207.80
Police Equipment, Vehicles and Improvements	General	$ 95,027.99
Library Facilities	General	$ 52,663.92
Accrued Benefits Liability	General	$ 299,933.84
Dana House Restoration/Maintenance	General	$ 25,952.41
Self Insurance Trust	General	$ 10,410.96
Landfill Extended Long-Term Monitoring & Maintenance Entire Facility	Solid Waste Disposal	$ 767,739.94
Landfill Closeout/Long-Term Monitoring & Maintenance Secured (Lined) Facility	Solid Waste Disposal	$ 8,681,910.69
Landfill Equipment	Solid Waste Disposal	$ 333,437.10
Landfill Improvements	Solid Waste Disposal	$ 331,290.09
Landfill Accrued Benefits Liability	Solid Waste Disposal	$ 49,669.09
Water Treatment/Distribution Improvements & Equipment	Water Treatment/Distribution	$ 896,917.63
Water Accrued Benefits Liability	Water Treatment/Distribution	$ 38,883.08
Sewage Collection & Disposal Improvements & Equipment	Sewage Collection/Disposal	$ 775,845.54
Sewage Accrued Benefits Liability	Sewage Collection/Disposal	$ 56,857.12
Airport Accrued Benefits Liability	Airport	$ 21,323.15

ACTION

The Council is requested to consider the following motion:

MOVED, that the Lebanon City Council adopts City Council Policy CC-106, Capital Reserve Fund Policy, as presented in the August 4, 2021, City Council Agenda packet, to be effective upon passage.

Included in this Section:

1. August 4, 2021 Memo from Finance Director Vicki Lee, re: Review of the Capital Reserve Fund Policy
2. City Council Policy #CC-106, Capital Reserve Fund Policy

Finance Department
51 North Park Street
Lebanon, NH 03766
603-448-0682

MEMO FROM THE FINANCE DIRECTOR

TO: City Council
City Manager Shaun Mulholland
Deputy City Manager Paula Maville

FROM: Finance Director Vicki Lee

DATE: August 4, 2021

RE: Review of the Capital Reserve Fund Policy

To ensure a strong foundation for the financing and completion of capital projects, an important component of capital improvement planning is long-term financial planning for future infrastructure improvements and acquisitions including saving-up for projects where pay-go financing will be used. Annual contributions into capital reserves funds sufficient for infrastructure and equipment needs, as identified and planned in connection with the annually adopted six-year Capital Improvement Program, are an integral in this.

Pay-go financing is a method of using current revenues to pay for capital projects in place of, or in addition to, traditional debt financing. Resources are generally pooled to finance large projects. Capital Reserve Funds are an example of pooled funds; financing projects having a more contemporaneous immediacy through operating fund transfers are another example.

Pay-use financing, inflated by interest expense, affects rates (tax or service rates) over an extended period in debt service payments; pay-go has an immediate rate impact. The policy choice between the two alternatives requires an analysis of the relevant benefits and costs associated with each.

Capital Reserve Funds, which are in the custody of the Trustees of the Trust Funds, are a statutory means to set aside resources to finance the cost of capital improvements.

Advantages of Pay-Go Financing:

- Minimizes premature commitment of funds that should be reserved for operating expenditures or other purposes.
- Savings in interest and other issuance costs. Paying for capital assets with cash rather than financing with debt means that no interest cost is incurred along with the avoidance of various fees and expenses associated with issuing debt.

- Preservation of financial flexibility. Because this method of financing does not create a long-term obligation, greater flexibility is afforded in deciding how much revenues to commit each year to funding capital improvements.
- Protection of borrowing capacity. Relying on cash, in whole or part, to pay for capital improvements helps retain capacity to issue debt in future years.

Disadvantages of Pay-Go Financing:

- Insufficient funding for capital needs. Relying only on available cash may result in deferring necessary improvements resulting in higher-than-budgeted maintenance costs, interruptions in services and higher costs once the project is undertaken.
- Discourages intergenerational equity. An important principle in public finance is the equity principle -- that is, those benefitting from a project should pay for it. Capital projects tend to have long useful lives, benefitting taxpayers over many years. Therefore, it is reasonable that the cost of these projects should be spread over the life of the assets and not borne by any one group of taxpayers.
- Unevenness in capital expenditures. Capital projects typically require large expenditure outlays over a particular time period. Paying for these assets with cash often produces unevenness in capital expenditures from year to year, depending on the magnitude of the project that must be acquired. Such variations could lead to substantial yearly variations in tax and other rates if complete pay-go financing is applied.

The following table summarizes the City's Capital Reserve Funds:

Capital Reserve Fund	Contributing Fund	Market Value June 30, 2021
Fire Department Equipment/Vehicles	General	$ 335,120.62
DPW Equipment/Vehicles	General	$ 57,449.56
Recreation & Parks Improvements/Equipment	General	$ 104,060.09
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Sewage Accrued Benefits Liability	Sewage Collection/Disposal	$ 56,857.12
Airport Accrued Benefits Liability	Airport	$ 21,323.15

City of Lebanon
New Hampshire

<table>
<tr><td colspan="4">COUNCIL POLICY
Capital Reserve Fund Policy</td></tr>
<tr><td>Policy Number</td><td>Effective Date</td><td>Last Revision</td><td>Page No.</td></tr>
<tr><td>CC-106</td><td></td><td>7/15/2020</td><td>Page 1 of 2</td></tr>
<tr><td>Approved by:</td><td colspan="3"></td></tr>
</table>

Section 1.0: Purpose

To achieve and maintain capital reserve fund capacity and capability as a pay-go financing supplement or alternative to debt issuance.

Section 2.0: Scope

This Policy applies to all major operating funds of the City.

Section 3.0: Definitions

1) *Major Operating Funds* – General Fund, Solid Waste Disposal Fund, Water Treatment and Distribution Fund, Sewage Collection and Disposal Fund and Municipal Airport Fund.
2) *Pay-go Financing* – is a method of using current revenues to pay for capital projects in place of or in addition to traditional debt financing. Resources are generally pooled to finance large projects. Capital reserve funds are an example of pooled funds.
3) *Pay-use Financing* – is debt financing.

Section 4.0: Policy Detail

To ensure a strong foundation for the financing and completion of capital projects, an important component of capital improvement planning is long-term financial planning for future infrastructure improvements and acquisitions including saving-up for projects where pay-go financing will be used.

1) It is the Policy of the City that annual contributions be made into capital reserves funds sufficient for infrastructure and equipment needs as identified and planned in connection with the annually adopted six-year Capital Improvement Program.
2) Capital Reserve Funds Associated with the City's Major Operating Funds:
   a. General Fund (Tax Rate Supported):
      - *Fire Department Equipment and Vehicles Capital Reserve Fund* – established to aggregate resources for the acquisition of, and effecting capital repairs and maintenance to, Fire Department related equipment and

vehicles. The City Manager is named agent of the City to carry out the purpose of the Fund.

- *DPW Equipment and Vehicles Capital Reserve Fund – (December 15, 2010)* established to aggregate resources for future capital needs related to Department of Public Works equipment and vehicle acquisition. The City Manager is named agent of the City to carry out the purpose of the Fund.
- *Recreation and Parks Improvements and Equipment Capital Reserve Fund – (*December 17, 2014) established to aggregate resources to acquire, effect major repairs, maintenance and/or upgrades of related equipment and vehicles. (December 16, 2015) Purpose expanded to include related infrastructure and facility improvements; fund renamed Recreation and Parks Improvements and Equipment Capital Reserve Fund; the City Manager is named agent of the City to carry out the purpose of the fund.
- *Self Insurance Trust* – established unknown.
- *Parking Facilities Repairs and Maintenance Capital Reserve Fund* -- Contributions made contingent on source of financing (lease payment) continuing. (December 16, 2015) established to aggregate resources to effect repairs, maintenance and/or upgrades of infrastructure and facilities including the acquisition, installation and maintenance of related appurtenances. The City Manager is named agent of the City to carry out the purpose of the Fund.

  Background: Maintenance and repairs to be made from the Capital Reserve Fund. There is no budget. At some point establishing a Parking Fund (a special revenue fund where resources -- that is, revenues – and requirements – that is, expenditures – are segregated) may be warranted. That point seems to be in the future when other revenue sources are developed.
- *Police Department Equipment, Vehicles and Improvements Capital Reserve Fund* – (December 20, 2017) established to aggregate resources to effect acquisitions, and capital repairs, maintenance and/or upgrades of Police Department related equipment, vehicles and facilities. The City Manager is named agent of the City to carry out the purpose of the fund.
- *Library Facilities Capital Reserve Fund* – renamed from Property Acquisition Capital Reserve Fund (December 18, 2019). The purpose of the fund is to

"acquire property, construct new facilities, or renovate existing library facilities." The City Manager is named agent of the City to carry out the purpose of the fund.

- *Dana House Capital Reserve Fund* – (December 18, 2019) established to provide for the improvements needed to restore and maintain the historical integrity of the Dana House; and that the City Manager be named agent of the City to carry out the purpose of the fund.
- *Accrued Benefits Liability Expendable Trust Fund* – (December 18, 2019) established to provide for the payment of accrued time owed to employees upon separation or retirement; and that the City Manager be named agent of the City to carry out the purpose of the fund.
- *Cemetery Maintenance & Preservation Trust Fund* – (September 2, 2020) established for maintenance & preservation efforts (mostly related to monument maintenance & preservation). The fund is funded through the interest income derived from the Perpetual Care Trust Fund as well as fees for monument foundations and any private donations received. This fund is overseen by the City's Trustee of Trust Funds with authority to expend granted to the Board of Cemetery Trustees.

b. Solid Waste Disposal Fund (User Fee Supported):

- *Landfill Extended Long-Term Monitoring and Maintenance Entire Facility Capital Reserve Fund* – established to aggregate resources to ensure that additions are made as needed for anticipated long-term monitoring and maintenance encompassing the entire landfill site including the unsecured (unlined), construction and demolition debris and secured (lined) landfills. Established as a City initiative, the expenditure of these funds does not require the knowledge and consent of the New Hampshire Department of Environmental Services. The City Manager is named agent of the City to carry out the purpose of the fund.
- *Landfill Closeout/Long-Term Monitoring and Maintenance Secured (Lined) Facility Capital Reserve Fund* – Owners of municipal solid-waste landfills are required to provide financial assurance that they will meet their legal obligation to close, monitor, and properly maintain (30-year period) landfill sites once no longer in active use. This fund was mandated by the State and established to aggregate resources on an annual basis sufficient to

ensure that monthly additions are made with payments based on a per ton rate – determined annually by the City's engineers – applied to processed tonnage. <u>Moneys set aside contemporaneously and cumulatively shall be used only for the purpose for which the Capital Reserve Fund was established which shall not be changed without the knowledge and consent of the New Hampshire Department of Environmental Services.</u>

- *Landfill Equipment Capital Reserve Fund* – established to aggregate resources for future capital needs related to landfill equipment and vehicle acquisition, repairs and maintenance. The City Manager is named agent of the City to carry out the purpose of the fund.
- *Landfill Improvements Capital Reserve Fund* – established to aggregate resources for future capital needs related to landfill infrastructure and facilities improvements, repairs and maintenance. The City Manager is named agent of the City to carry out the purpose of the fund.
- *Accrued Benefits Liability Expendable Trust Fund* – (December 18, 2019) established to provide for the payment of accrued time owed to employees upon separation or retirement; and that the City Manager be named agent of the City to carry out the purpose of the fund.

c. Water Treatment and Distribution Fund (User Fee Supported):

- *Water Treatment and Distribution Improvements and Equipment Capital Reserve Fund* – established to aggregate resources for future capital needs related to water treatment and distribution facilities, equipment (including vehicles) and infrastructure development, improvement and acquisition (including maintenance and repairs). The City Manager is named agent of the City to carry out the purpose of the fund.
- *Accrued Benefits Liability Expendable Trust Fund* – (December 18, 2019) established to provide for the payment of accrued time owed to employees upon separation or retirement; and that the City Manager be named agent of the City to carry out the purpose of the fund.

d. Sewage Collection and Disposal Fund (User Fee Supported)

- *Sewage Collection and Disposal Improvements and Equipment Capital Reserve Fund* -- (December 18, 2007) established to aggregate resources for future capital needs related to sewage collection and disposal facilities, equipment and infrastructure development, improvement and acquisition.

City Manager named agent of the City to carry out the purpose of the fund. This Policy shall be reviewed annually by the City Council and revised as warranted.

- *Accrued Benefits Liability Expendable Trust Fund* – (December 18, 2019) established to provide for the payment of accrued time owed to employees upon separation or retirement; and that the City Manager be named agent of the City to carry out the purpose of the fund.

e. Airport
- *Accrued Benefits Liability Expendable Trust Fund* – (December 18, 2019) established to provide for the payment of accrued time owed to employees upon separation or retirement; and that the City Manager be named agent of the City to carry out the purpose of the fund.

3) This policy shall be reviewed annually by the City Council and revised as warranted.

Section 5.0: References (Charter/Code/State Statues)

1) *NH RSA 34:1 Establishment of Reserves Authorized.*
2) *NH RSA 34:1-a Establishment of Non-Capital Reserves Authorized.*

Section 6.0: Policy & Procedure Revision History

	Section	**Revisions**	**Date**
Original Adoption			6/20/18
Amendment	4.0 (2.a)	Reviewed by Council; adoption not required	7/10/19
Amendment		Reviewed by Council; adoption not required	7/15/20
Amendment	Header	Re-numbered policy to CC-106	4/30/21
Amendment	4.0 (2.a, b, c, d)	Reviewed by Council; adoption required	

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.D – REVIEW AND DISCUSSION OF 2021 2ND QUARTER BUDGET REPORT & RELEASE OF COLLECTED PUBLIC SCHOOL IMPACT FEES

2nd QUARTER 2021 BUDGET REPORT

The 2nd quarter budget report presents in summary form year-to-date expenditures and revenues activity through June 30. Item is for informational purposes only and does not require action by the Council. Finance Director Vicki Lee will be present at the meeting to answer any questions the Council may have.

ACTION

The agenda item is for information purposes only. No action is required by the Council.

RELEASE OF COLLECTED PUBLIC SCHOOL IMPACT FEES

A Memorandum of Understanding (MOU) between the City and Lebanon School District (September 30, 2010) provided the City would transfer once each quarter of the calendar year all collected Public Schools Impact Fees to the Lebanon School District for application toward the payment of debt on the new middle school.

To date $529,969.71 has been disbursed to the Lebanon School District.

7/17/2013	$83,690.78	7/15/2015	$1,627.50	2/7/2018	$41,262.70
11/6/2013	$14,651.99	11/4/2015	$936.00	9/5/2018	$12,564.45
5/21/2014	$19,407.00	3/2/2016	$3,156.00	2/6/2019	$1,833.10
8/6/2014	$2,122.75	5/18/2016	$864.00	8/7/2019	$8,822.20
2/18/2015	$723.00	5/17/2017	$5,230.00	4/15/2020	$40,432.02
5/20/2015	$2,819.00	12/6/2017	$6,140.75	7/15/2020	$123,709.65
12/2/2020	$57,567.42	1/21/2021	$102,409.40		

This request is for the City Council to authorize disbursement of $12,695.86 in collected Public School Impact Fees (through 6/22/2021) to the Lebanon School District.

ACTION

The Council is requested to take action on the following motion:

Moved, that in accordance with Section 213.10 (Administration of Impact Fees) of the Lebanon Zoning Ordinance, the City Council authorizes disbursing the sum of $12,695.86 in collected Public Schools Impact Fees to the Lebanon School District to be applied toward the payment of debt on the new middle school located at the intersection of Moulton Avenue and Route 4 consistent with the September 2010 Memorandum of Understanding Between the City of Lebanon and the Lebanon School District, SAU 88.

<u>Included in this Section:</u>

1. August 4, 2021 Memo from Vicki Lee, Finance Director, re: 2nd Quarter Financial Report (June 30, 2021)
2. Exhibit A – 2nd Quarter Budget Report – Expenditure Report General Fund
3. Exhibit B – 2nd Quarter Budget Report - Revenue Report General Fund
4. Exhibit C – 2nd Quarter Budget Report – Other Funds
5. Impact Fee Report as of June 22, 2021

CITY OF LEBANON
FINANCE DEPARTMENT

51 North Park Street
Lebanon, NH 03766

Phone: (603) 448-0682
email: Finance@LebanonNH.gov

To: Mayor and City Council
Shaun Mulholland, City Manager
Paula Maville, Deputy City Manager

From: Finance

Date: August 4, 2021

Re: 2nd Quarter Financial Report (June 30, 2021)

The following report highlights key points for the City's General Fund operating budget, Solid Waste Disposal Fund, Water Treatment and Distribution Fund, Sewage Collection and Disposal Fund, Municipal Airport Fund, Emergency Management Fund, and Capital Projects. Please don't hesitate to contact us if you have any questions.

GENERAL FUND

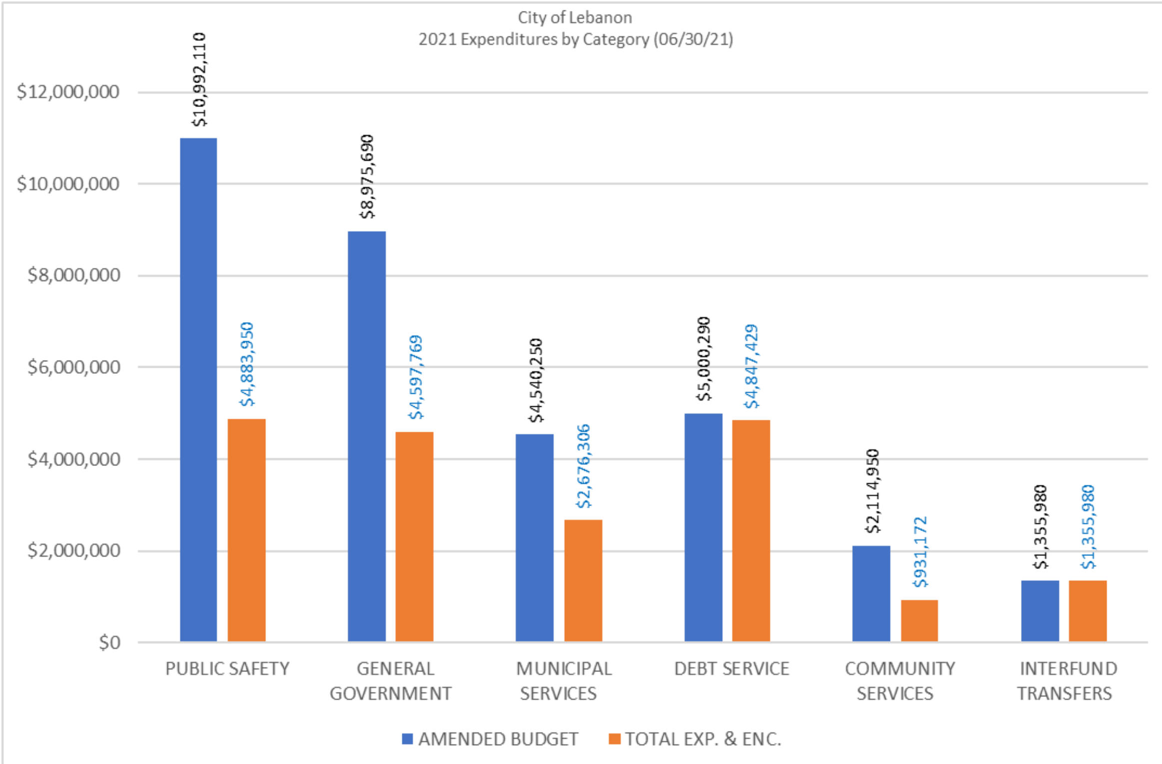
Expenditures

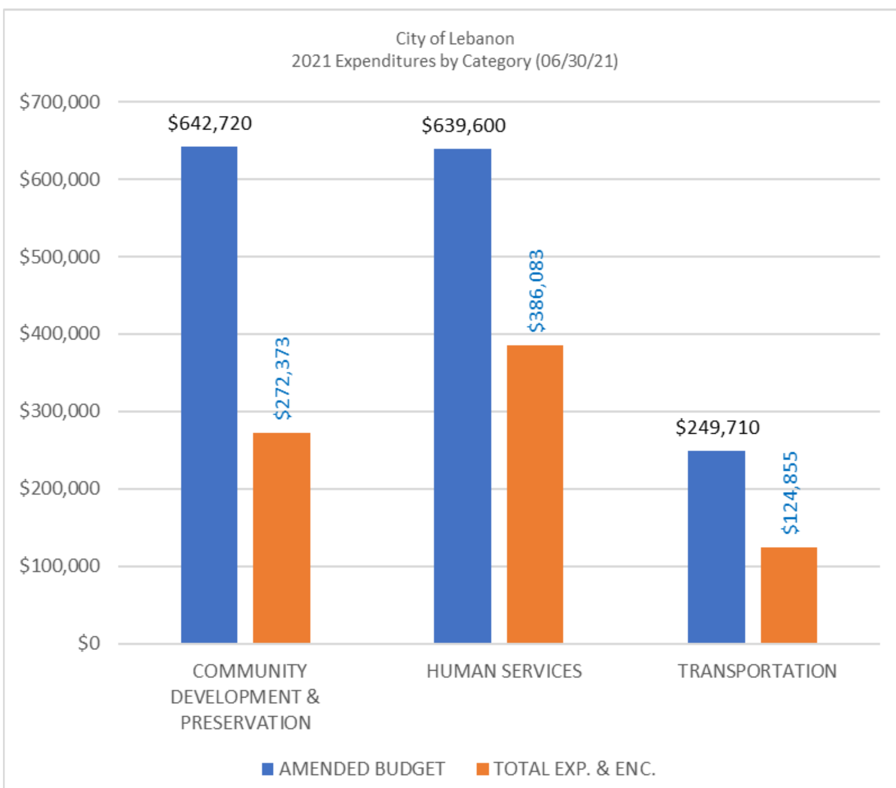
Exhibit A summarizes appropriations, expenditures and amounts encumbered as of June 30, 2021 (50% of the fiscal year) by department. Approximately 58.2% of FY 2021 appropriations have been expended or encumbered (obligated for future expenditure) during the quarter.

Not all operating costs are absorbed equally over the course of each year. For example, most debt service payments are due in the 1st or 2nd quarter, and support for local non-profit organizations is typically disbursed in the first month of the fiscal year ($422,920 budgeted in 2021).

The 58.2% expended and encumbered to date is consistent with each of the past two fiscal years, which had percentages of 56.8% (2020) and 58.3% (2019), respectively.

The charts below summarize year-to-date budget and expenditure totals by category of government.


City of Lebanon
2021 Expenditures by Category (06/30/21)
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
$10,992,110
$4,883,950
$8,975,690
$4,597,769
$4,540,250
$2,676,306
$5,000,290
$4,847,429
$2,114,950
$931,172
$1,355,980
$1,355,980
PUBLIC SAFETY
GENERAL GOVERNMENT
MUNICIPAL SERVICES
DEBT SERVICE
COMMUNITY SERVICES
INTERFUND TRANSFERS
AMENDED BUDGET
TOTAL EXP. & ENC.

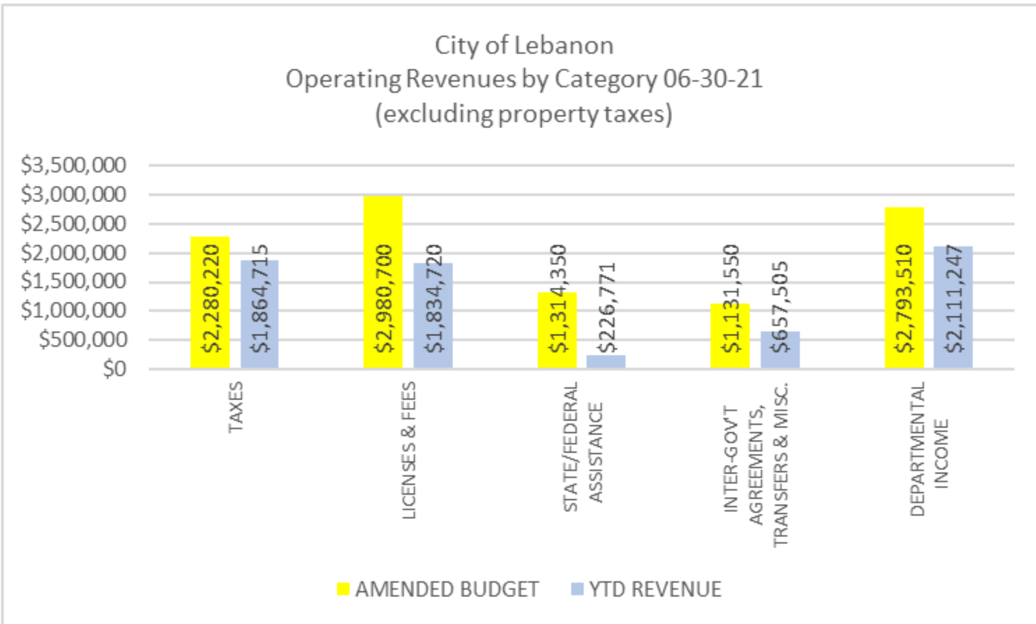

City of Lebanon
2021 Expenditures by Category (06/30/21)
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
$642,720
$272,373
$639,600
$386,083
$249,710
$124,855
COMMUNITY DEVELOPMENT & PRESERVATION
HUMAN SERVICES
TRANSPORTATION
AMENDED BUDGET
TOTAL EXP. & ENC.

Revenues

Exhibit B summaries amounts budgeted and collected year-to-date by general revenue category. Revenues collected throughout the course of a given fiscal year (labeled as "Daily / Year-Round Sources" on Exhibit B) total approximately 53.1% of the amount budgeted for FY 2021, which compares to 53.6% (2020) and 63.2% (2019) in the previous two fiscal years. Highlights for the quarter include:

- Motor vehicle registrations are above the quarterly benchmark at 53.9% collected.
- Building permits are trending well above the quarterly benchmark at 98.7% collected.
- City ambulance service revenue is collected just above the quarterly benchmark at 53.2%.

The chart below summarizes year-to-date revenues by category, excluding property taxes:



<u>Other Funds – Exhibit C</u>

- Solid Waste Disposal Fund is responsible for the operation and maintenance of the landfill, recycling facilities and hazardous waste processing.
- Water Treatment and Distribution Fund is responsible for the provision and distribution of clean and safe drinking water, the planning, maintenance and replacement of water treatment facilities, pump stations, water tanks, and the water distribution system.
- Sewage Collection and Disposal Fund is responsible for the safe and hygienic collection and treatment of wastewater, and the planning, maintenance and replacement of the wastewater collection system, pump stations and wastewater treatment plant.
- Municipal Airport Fund is responsible for the operation and maintenance of the Lebanon Municipal Airport.
- Emergency Management Fund is responsible for the development, operation, and maintenance of all aspects of emergency preparedness.

EXHIBIT A
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL EXPENDITURE REPORT-GENERAL FUND
PERIOD ENDED: JUNE 30, 2021 (50.0% OF FISCAL YEAR)

CATEGORY OF GOVERNMENT / DEPARTMENT	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
GENERAL GOVERNMENT						
CITY COUNCIL	17,000.00	14,619.00	-	14,619.00	2,381.00	86.0%
EXECUTIVE	674,490.00	297,743.97	-	297,743.97	376,746.03	44.1%
ELECTIONS/VITAL STATISTICS	642,510.00	240,164.19	-	240,164.19	402,345.81	37.4%
FINANCE SERVICES & ASSESSING	1,779,720.00	627,945.23	615,450.26	1,243,395.49	536,324.51	69.9%
INFORMATION SERVICES	1,411,290.00	562,945.80	-	562,945.80	848,344.20	39.9%
LEGAL	300,000.00	93,780.14	-	93,780.14	206,219.86	31.3%
ANCILLARY SUPPORT SERVICES	139,980.00	48,370.38	-	48,370.38	91,609.62	34.6%
PERSONNEL ADMINISTRATION	3,760,700.00	1,969,127.44	2,750.00	1,971,877.44	1,788,822.56	52.4%
RISK MANAGEMENT	250,000.00	124,872.11	-	124,872.11	125,127.89	49.9%
TOTAL GENERAL GOVERNMENT	8,975,690.00	3,979,568.26	618,200.26	4,597,768.52	4,377,921.48	51.2%
COMMUNITY DEVELOPMENT & PRESERVATION						
COMMUNITY DEVELOPMENT	631,860.00	260,169.28	10,000.00	270,169.28	361,690.72	42.8%
PRESERVATION	10,860.00	2,203.33	-	2,203.33	8,656.67	20.3%
TOTAL COMMUNITY DEVELOPMENT & PRESERVATION	642,720.00	262,372.61	10,000.00	272,372.61	370,347.39	42.4%
TRANSPORTATION						
REGIONAL TRANSPORTATION	249,710.00	124,855.00	-	124,855.00	124,855.00	50.0%
TOTAL TRANSPORTATION	249,710.00	124,855.00	-	124,855.00	124,855.00	50.0%
PUBLIC SAFETY						
POLICE	6,220,120.00	2,724,411.91	53,635.00	2,778,046.91	3,442,073.09	44.7%
FIRE	4,334,990.00	1,890,566.00	12,488.37	1,903,054.37	2,431,935.63	43.9%
CODE ENFORCEMENT	437,000.00	202,848.64	-	202,848.64	234,151.36	46.4%
TOTAL PUBLIC SAFETY	10,992,110.00	4,817,826.55	66,123.37	4,883,949.92	6,108,160.08	44.4%
MUNICIPAL SERVICES						
ADMINISTRATION	1,037,570.00	478,910.80	3,796.68	482,707.48	554,862.52	46.5%
OPERATIONS & MAINTENANCE	3,012,510.00	1,089,140.61	888,494.75	1,977,635.36	1,034,874.64	65.6%
UTILITIES	89,910.00	42,297.88	-	42,297.88	47,612.12	47.0%
FACILITIES MAINTENANCE	272,010.00	89,443.58	33,833.09	123,276.67	148,733.33	45.3%
FLEET MAINTENANCE	128,250.00	50,388.95	-	50,388.95	77,861.05	39.3%
TOTAL MUNICIPAL SERVICES	4,540,250.00	1,750,181.82	926,124.52	2,676,306.34	1,863,943.66	58.9%
HUMAN SERVICES						
WELFARE	216,680.00	78,182.67	-	78,182.67	138,497.33	36.1%
OTHER HUMAN SERVICES	422,920.00	307,899.93	-	307,899.93	115,020.07	72.8%
TOTAL HUMAN SERVICES	639,600.00	386,082.60	-	386,082.60	253,517.40	60.4%
COMMUNITY SERVICES						
RECREATION & PARKS	854,990.00	375,232.18	-	375,232.18	479,757.82	43.9%
LIBRARY	1,259,960.00	542,984.08	12,955.40	555,939.48	704,020.52	44.1%
TOTAL COMMUNITY SERVICES	2,114,950.00	918,216.26	12,955.40	931,171.66	1,183,778.34	44.0%
DEBT SERVICE						
PRINCIPAL ON LONG-TERM BONDS/NOTES	3,030,180.00	3,030,163.65	-	3,030,163.65	16.35	100.0%
OTHER PRINCIPAL	528,610.00	425,778.88	-	425,778.88	102,831.12	80.5%
INTEREST ON LONG-TERM OBLIGATIONS	1,211,050.00	1,210,997.47	-	1,210,997.47	52.53	100.0%
OTHER INTEREST	230,450.00	180,488.50	-	180,488.50	49,961.50	78.3%
TOTAL DEBT SERVICE	5,000,290.00	4,847,428.50	-	4,847,428.50	152,861.50	96.9%
INTERFUND TRANSFERS						
TOTAL INTERFUND TRANSFERS	1,355,980.00	1,355,980.00	-	1,355,980.00	-	100.0%
GENERAL FUND TOTALS	**34,511,300.00**	**18,442,511.60**	**1,633,403.55**	**20,075,915.15**	**14,435,384.85**	**58.2%**

EXHIBIT B
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REVENUE REPORT-GENERAL FUND
PERIOD ENDED:JUNE 30, 2021 (50.0% OF FISCAL YEAR)

CATEGORY/DESCRIPTION	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
TAXES			
PROPERTY TAXES REVENUE	22,282,970.00	11,367,636.22	51.0%
PROPERTY TAXES OVERLAY	-	(424,667.82)	
YIELD TAXES	5,000.00	12,691.10	253.8%
LEBANON HOUSING AUTHORITY	35,000.00	-	0.0%
MASCOMA HYDRO	6,120.00	2,809.65	45.9%
RIVERMILL HYDRO	1,830.00	1,414.60	77.3%
DHMC	2,055,000.00	1,776,630.00	86.5%
PARKHURST	7,670.00	-	0.0%
SKYHIGH LLC SOLAR PILOT	4,600.00	4,000.00	87.0%
MT SUPPORT RD SPECIAL ASSESSMENT	-	13,126.11	
EXCAVATION TAX	5,000.00	-	0.0%
LATE TAX PAYMENTS	160,000.00	54,044.00	33.8%
TOTAL TAXES	24,563,190.00	12,807,683.86	52.1%
LICENSES & FEES			
MOTOR VEHICLE REGISTRATIONS	2,510,500.00	1,354,001.00	53.9%
BUILDING PERMITS	340,000.00	335,660.75	98.7%
DOG LICENSES	13,500.00	10,286.50	76.2%
BOAT REGISTRATIONS	1,600.00	1,997.74	124.9%
PISTOL PERMITS	400.00	190.00	47.5%
MISCELLANEOUS CITY CLERK	45,000.00	19,934.00	44.3%
OTHER: MISCELLANEOUS	-	375.00	
MOTOR VEHICLE TRANSACTION FEES	60,900.00	31,459.00	51.7%
TRANS MANAGEMENT FUND ADMIN FEE	6,800.00	3,496.00	51.4%
ROADWAY DEGRADATION FEE	2,000.00	77,320.00	3866.0%
TOTAL LICENSES & FEES	2,980,700.00	1,834,719.99	61.6%
STATE/FEDERAL ASSISTANCE			
SAFER GRANT-FIRE	-	18,612.42	
MUNICIPAL AID (EDUCATION)	173,000.00	-	0.0%
HIGHWAY BLOCK GRANT	318,360.00	127,262.22	40.0%
MEALS & ROOMS TAX DISTRIBUTION	713,000.00	-	0.0%
#C-844 CSO WSTWTR/SAG	14,650.00	-	0.0%
#C-903 CSO DANA&CRAFT AVE/SAG	16,780.00	16,775.00	100.0%
#C-924 CSO11-PHASE 1/SAG	14,560.00	-	0.0%
RAILROAD TAX	4,000.00	1,531.02	38.3%
DRUG TASK FORCE OFFICER NHDOJ	60,000.00	62,590.28	104.3%
TOTAL STATE/FEDERAL ASSISTANCE	1,314,350.00	226,770.94	17.3%

EXHIBIT B
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REVENUE REPORT-GENERAL FUND
PERIOD ENDED:JUNE 30, 2021 (50.0% OF FISCAL YEAR)

CATEGORY/DESCRIPTION	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
INTER-GOVERNMENTAL AGREEMENTS			
LEBANON SCHOOL DIST RESOURCE OFFICER	60,000.00	-	0.0%
SCHOOL DISTRICT CROSSING GUARDS	1,480.00	-	0.0%
TOTAL INTER-GOVERNMENTAL AGREEMENTS	61,480.00	-	0.0%
DEPARTMENTAL INCOME			
PLANNING FEES	25,000.00	5,308.25	21.2%
ZONING FEES	7,500.00	3,690.13	49.2%
CEMETERY INCOME	13,080.00	21,810.00	166.7%
COMPUTER SERVICES	108,220.00	108,220.00	100.0%
POLICE RECORDS	5,000.00	2,399.00	48.0%
ANNUAL ALARM FEES-POLICE	79,000.00	71,208.50	90.1%
AMUBLANCE SERVICES: PLAINFIELD	26,000.00	-	0.0%
AMUBLANCE SERVICES: ENFIELD	61,200.00	-	0.0%
AMBULANCE SERVICES	830,000.00	441,336.89	53.2%
AMBULANCE INTERCEPTS	8,000.00	9,000.00	112.5%
AMBULANCE SERVICES: GRANTHAM	44,160.00	50,025.00	113.3%
FIRE RECORDS	200.00	30.00	15.0%
FIRE CODE ENFORCEMENT	12,000.00	9,940.00	82.8%
FIRE: MISC REVENUE	80,000.00	71,268.50	89.1%
EXCAVATION PERMITS	5,000.00	1,200.00	24.0%
SALE OF ENGINEERING MAPS	20.00	-	0.0%
MAINTENANCE BILLABLES	2,100.00	894.10	42.6%
RECREATION PROGRAMS	59,000.00	23,154.25	39.2%
RECREATION DAY CAMP	72,500.00	59,034.50	81.4%
RECREATION POOL	-	14,330.50	
RECREATION SKI PROGRAM	1,600.00	435.00	27.2%
MISCELLANEOUS RECREATION	1,000.00	425.00	42.5%
FARMERS' MARKET	12,000.00	9,268.50	77.2%
PARKING TICKETS	10,000.00	3,480.00	34.8%
FALSE ALARM FINES	16,000.00	1,700.00	10.6%
ADMINISTRATIVE OVERHEAD	1,164,930.00	1,164,930.00	100.0%
CABLE TV FRANCHISE FEE	150,000.00	38,158.39	25.4%
TOTAL DEPARTMENTAL INCOME	2,793,510.00	2,111,246.51	75.6%

EXHIBIT B
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REVENUE REPORT-GENERAL FUND
PERIOD ENDED:JUNE 30, 2021 (50.0% OF FISCAL YEAR)

CATEGORY/DESCRIPTION	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
MISCELLANEOUS INCOME			
SALE OF CITY OWNED PROPERTY	-	12,358.00	
INVESTMENT INCOME	90,000.00	26,260.49	29.2%
FAC RENTAL: MASCOMA HYDRO	15,000.00	15,000.00	100.0%
FAC RENTAL: NH DEPT CORRECTIONS	1,500.00	832.50	55.5%
CITY CODE/ORDINANCE VIOLATIONS-POLICE	21,000.00	4,086.07	19.5%
MISCELLANEOUS REVENUE	30,000.00	5,624.14	18.7%
MISCELLANEOUS COPY CHARGES	-	127.50	
LANDFILL FUND HOST COMMUNITY FEE	550,000.00	260,281.95	47.3%
TOTAL MISCELLANEOUS INCOME	707,500.00	324,570.65	45.9%
TRANSFERS FROM OTHER FUNDS			
SEWER FUND	3,570.00	3,570.00	100.0%
MV TRANSPORTATION IMPROVEMENT FUND	61,100.00	31,464.00	51.5%
CEMETERY TRUST FUND	297,900.00	297,900.00	100.0%
TOTAL TRANSFERS FROM OTHER FUNDS	362,570.00	332,934.00	91.8%
GENERAL FUND TOTALS	**32,783,300.00**	**17,637,925.95**	**53.8%**
GENERAL FUND TOTALS EXCLUDING PROP TAXES	**10,500,330.00**	**6,694,957.55**	**63.8%**
DAILY / YEAR-ROUND SOURCES	4,565,900.00	2,424,923.47	53.1%

EXHIBIT C
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REPORT-OTHER FUNDS
PERIOD ENDED JUNE 30, 2021

SOLID WASTE DISPOSAL FUND

DESCRIPTION	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
EXPENDITURES						
ADMINISTRATION	613,740.00	182,576.40	105,500.00	288,076.40	325,663.60	46.9%
LANDFILL OPERATIONS	1,763,770.00	446,443.66	198,631.88	645,075.54	1,118,694.46	36.6%
RECYCLING	230,130.00	89,651.30	-	89,651.30	140,478.70	39.0%
PURCHASES SERVICES/PROP/EQUIP	1,886,190.00	1,328,755.79	-	1,328,755.79	557,434.21	70.4%
TRANSFERS	5,000.00	5,000.00	-	5,000.00	-	
TOTAL SOLID WASTE DISPOSAL FUND EXPENDITURES	4,498,830.00	2,052,427.15	304,131.88	2,356,559.03	2,142,270.97	52.4%

REVENUES	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
C&D CLOSURE GRANT #L-136/145	12,830.00	-	0.0%
TIPPING FEES/LANDFILL SALES	3,950,000.00	1,588,582.83	40.2%
RECYCLABLE SALES	100,000.00	88,583.95	88.6%
INVESTMENT INCOME/INTEREST	7,500.00	7,987.97	106.5%
MISCELLANEOUS REVENUE	5,000.00	-	0.0%
FORE-U GOLF CENTER	12,500.00	6,682.70	53.5%
COUPON SALES-ORANGE TICKETS (CITY HALL)	100,000.00	31,455.00	31.5%
COUPON SALES-BLUE TICKETS	300,000.00	228,000.00	76.0%
TOTAL SOLID WASTE DISPOSAL FUND REVENUES	4,487,830.00	1,951,292.45	43.5%

WATER TREATMENT AND DISTRIBUTION FUND

DESCRIPTION	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
EXPENDITURES						
ADMINISTRATION	1,487,130.00	578,611.20	152,377.38	730,988.58	756,141.42	49.2%
STORAGE TANKS	96,540.00	23,482.84	8,731.00	32,213.84	64,326.16	33.4%
WATER METERS	75,500.00	4,121.20	62,415.00	66,536.20	8,963.80	88.1%
WATER LINES	70,810.00	39,742.36	-	39,742.36	31,067.64	56.1%
CONSTRUCTION, MAINTENANCE & TRANSFERS	1,994,310.00	1,861,325.35	-	1,861,325.35	132,984.65	93.3%
TOTAL WATER TREATMENT AND DIST FUND EXPENDITURES	3,724,290.00	2,507,282.95	223,523.38	2,730,806.33	993,483.67	73.3%

REVENUES	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
#C-844 CSO WSTWTR/SAG	10,990.00	-	0.0%
#C-903 CSO DANA&CRAFT AVE/SAG	12,590.00	12,590.00	100.0%
#C-924 CSO 11-PHASE1 SAG	10,920.00	-	0.0%
WATER USER CHARGES	3,379,000.00	1,456,700.13	43.1%
SPRINKLER CHARGES	203,000.00	99,572.00	49.1%
HYDRANT CHARGES	101,000.00	47,002.00	46.5%
BACKFLOW CHARGES	90,000.00	51,102.00	56.8%
WATER DEVELOPMENT FEE	-	12,682.19	
WATER APP FEE	-	12,311.00	
INVESTMENT INCOME/INTEREST	15,000.00	5,831.44	38.9%
WATER BILL INTEREST	6,600.00	2,101.61	31.8%
MISCELLANEOUS	15,830.00	2,875.49	18.2%
TRNS GRF:WATER FUND	260,620.00	260,620.00	100.0%
TRNS: SEWAGE COLLECTION AND DISPOSAL FUND	22,320.00	22,320.00	100.0%
TRNS: SEWAGE COLLECTION AND DISPOSAL FUND	2,680.00	2,680.00	100.0%
TOTAL WATER TREATMENT AND DIST FUND REVENUES	4,130,550.00	1,988,387.86	48.1%

EXHIBIT C
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REPORT-OTHER FUNDS
PERIOD ENDED JUNE 30, 2021

SEWAGE COLLECTION AND DISPOSAL FUND

DESCRIPTION	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
EXPENDITURES						
WASTE WATER ADMINISTRATION	313,370.00	169,677.84	-	169,677.84	143,692.16	54.1%
WASTE WATER TREATMENT NON-PLANT OPERATIONS	934,410.00	389,832.48	-	389,832.48	544,577.52	41.7%
WASTER WATER TREATMENT PLANT OPERATIONS	1,860,090.00	714,913.89	96,090.00	811,003.89	1,049,086.11	43.6%
WASTE WATER COLLECTION SYSTEMS OPER. & MAINT.	248,960.00	60,723.82	51,520.00	112,243.82	136,716.18	45.1%
PUBLIC IMPROVEMENTS & TRANSFERS	3,772,160.00	3,657,434.86	-	3,657,434.86	114,725.14	97.0%
TOTAL SEWAGE COLLECTION AND DISPOSAL FUND EXPENDITURES	7,128,990.00	4,992,582.89	147,610.00	5,140,192.89	1,988,797.11	72.1%

REVENUES	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED	
C-769 DES PLANT UPGRADE	24,060.00	-	0.0%	
#C-844 CSO WSTWTR/SAG	10,990.00	-	0.0%	
#C-874 WSTWR/SAG	176,300.00	-	0.0%	
#C-899 WSTWTR/SAG	28,370.00	28,370.00	100.0%	
#C-903 CSO DANA&CRAFT AVE/SAG	12,590.00	12,590.00	100.0%	
#C-924 CSO11-PHASE 1/SAG	10,920.00	-	0.0%	
#C-928 ETNA RD/NH120/SAG	41,190.00	-	0.0%	
SEWER USER CHARGES	5,924,800.00	2,619,026.94	44.2%	SEWER USER CHARGES
ENFIELD CONNECTOR	554,800.00	232,824.72	42.0%	ENFIELD CONNECTOR
SEWER APPLICATION FEE	50,000.00	45,072.00		
SEWER DEVELOPMENT FEE	250,000.00	158,892.94	63.6%	
INVESTMENT INCOME/INTEREST	15,000.00	5,472.42	36.5%	
SEWER BILL INTEREST	7,000.00	3,950.35	56.4%	
MISCELLANEOUS	13,250.00	1,095.26	8.3%	
SEPTAGE	177,300.00	69,068.78	39.0%	
LEACHATE	72,000.00	11,202.56	15.6%	
TOTAL SEWAGE COLLECTION AND DISPOSAL FUND REVENUES	7,368,570.00	3,187,565.97	43.3%	

MUNICIPAL AIRPORT FUND

DESCRIPTION	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
EXPENDITURES						
ADMINISTRATION	671,990.00	276,382.85	-	276,382.85	395,607.15	41.1%
REPAIRS & MAINTENANCE	538,520.00	236,207.97	91,437.90	327,645.87	210,874.13	60.8%
PUBLIC IMPROVEMENTS	142,740.00	148,850.21	-	148,850.21	(6,110.21)	104.3%
TRANSFERS	5,000.00	5,000.00	-	5,000.00	-	
TOTAL MUNICIPAL AIRPORT EXPENDITURES	1,358,250.00	666,441.03	91,437.90	757,878.93	600,371.07	55.8%

REVENUES	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
ACRGP (CARES ACT) - CRRSA	-	64,960.52	
NHAC AID	-	9,213.31	
AIR CARRIER LANDING FEES	199,000.00	83,420.00	41.9%
GENERAL AVIATION LANDING FEES	170,000.00	62,220.75	36.6%
RENT-A-CAR FEES	97,400.00	39,603.13	40.7%
TERMINAL BUILDING RENT	129,600.00	57,447.83	44.3%
LAND RENT	160,290.00	86,772.88	54.1%
LAND RENT: POLICE FACILITY	41,820.00	41,820.00	100.0%
PARKING LOT RENTAL	11,440.00	3,100.93	27.1%
HANGAR RENTALS	103,480.00	56,703.08	54.8%
INVESTMENT INCOME/INTEREST	(4,000.00)	787.90	-19.7%
AIR CARRIER FUEL FLOWAGE	6,000.00	11,431.36	190.5%
GEN AVIATION FUEL FLOWAGE	50,000.00	7,933.44	15.9%
MISCELLANEOUS REVENUE	2,800.00	1,768.76	63.2%
TRNS GRF: AIRPORT FUND	224,960.00	224,960.00	100.0%
TOTAL MUNICIPAL AIRPORT REVENUES	1,192,790.00	752,143.89	63.1%

EXHIBIT C
CITY OF LEBANON
FINANCE DEPARTMENT
BUDGET VS. ACTUAL REPORT-OTHER FUNDS
PERIOD ENDED JUNE 30, 2021

EMERGENCY MANAGEMENT FUND

DESCRIPTION	AMENDED BUDGET	EXPENDED TO DATE	ENCUMBERED BALANCE	TOTAL EXP. & ENC.	APPROPRIATION BALANCE	PERCENT EXPENDED
EXPENDITURES						
OTHER PURCHASED SERVICES	5,000.00	1,334.20	-	1,334.20	3,665.80	26.7%
SMALL TOOLS/EQUIPMENT	20,000.00	-	-	-	20,000.00	0.0%
TOTAL EMERGENCY MANAGEMENT FUND EXPENDITURES	25,000.00	1,334.20	-	1,334.20	23,665.80	5.34%

REVENUES	AMENDED BUDGET	YTD REVENUE	PERCENT COLLECTED
TRNS GRF: EMERGENCY MGMNT	25,000.00	25,000.00	100.0%
TOTAL EMERGENCY MANAGEMENT FUND REVENUES	25,000.00	25,000.00	100.0%

PUBLIC FACILITIES IMPACT FEES

DATE	PAID BY/LOCATION	CURRENT OWNER	MAP/LOT/PLOT	School
			Balance 12/31/2020	**$ 309,785.21**
			Interest to date	$ 888.56
1/15/2021		*Disbursement by City Council 1/20/2021*		$ (102,409.40)
2/17/2021	Tia & Tak Ming Liu	Same	73/20	$ 689.70
2/25/2021	Rock Ridge Lebanon, LLC	Same	74/3/189	$ 1,990.25
4/21/2021	Rock Ridge Lebanon, LLC	Same	74/3/152	$ 2,409.25
5/6/2021	Rock Ridge Lebanon, LLC	Same	74/3/193	$ 1,990.25
5/18/2021	Rosengarten	Same		$ 540.60
6/8/2021	Rock Ridge Lebanon, LLC	Same	74/3/163	$ 2,168.85
6/9/2021	Lorcan & Chelsea Nolan	Same	92/8	$ 2,018.40
6/22/2021	Fields of Vision Eye Care	DIV Miracle Mile LLC	103/3	$ -
			Balance 6/22/2021	**$ 220,071.67**
		Monies cannot be spent until project is completed. Trustees of Dartmouth College		*$ (207,375.81)*
			Monies owed to School District	**$ 12,695.86**

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.E – REVIEW AND RE-ADOPTION OF CITY COUNCIL POLIC CC-108, ETHICS AND CONFLICT-of-INTEREST FOR ELECTED AND APPOINTED CITY OFFICIALS

BACKGROUND

The purpose of the City's Ethics and Conflict-of-Interest for Elected and Appointed City Officials is to set forth standards of ethical conduct to assist elected and appointed City officials when they are in the performance of their duties, so as to maintain and enhance a tradition of responsible and effective public service.

This policy does not have to be readopted annually, however, during the City's annual financial audit, it was noted that this policy has not been revisited by the Council for a number of years. Refer to the attached policy which has been reformatted to current City Policy formats and minor changes made. The Council is asked to review and re-adopt the policy to ensure it is current and remains a viable policy for the City.

ACTION

The Council is requested to consider the following motion:

MOVED, that the Lebanon City Council re-adopts City Council Policy CC-108, Ethics and Conflict-of-Interest for Elected and Appointed City Officials, as presented in the August 4, 2021, City Council Agenda packet.

Included in this Section:

1. City Council Policy CC-108, Ethics and Conflict-of-Interest for Elected and Appointed City Officials Policy

City of Lebanon
New Hampshire

CITY COUNCIL POLICY **ETHICS AND CONFLICT-OF-INTEREST FOR ELECTED AND APPOINTED CITY OFFICIALS**			
Policy Number	*Effective Date*	*Last Revision*	*Page No.*
CC-108 Formally 12-02-C			Page **1** of **6**
Approved by:	~~Mayor~~		

Section 1.0: PURPOSE

This policy is to set forth standards of ethical conduct to assist elected and appointed City officials when they are in the performance of their duties, so as to maintain and enhance a tradition of responsible and effective public service. As such, the City of Lebanon expects our elected and appointed City officials to:

- Act in the best interest of the City and not for any private or personal gain.
- Disclose any potential conflicts of interest— personal or pecuniary—in City matters that come before them for action.
- Recuse themselves from decision-making if they have a conflict of interest.
- Be honest, independent, impartial, and responsible ~~to their constituents~~ in their actions.
- Make decisions and policies though the proper channels and procedures of government.
- Openly conduct the public's business, unless legally confidential under New Hampshire statute (RSA 91-A:3), in a respectful and civil atmosphere with due care, competence, and diligence.

Section 2.0: SCOPE

This policy applies to all City officials elected by the voters or appointed by the City Council.

Section 3.0: DEFINITIONS

Elected and Appointed City Official – City Councilors and Members of City Boards, Committees, and Commissions, when acting in a position other than as a member of the general public.

Body - A formal group of elected or appointed municipal officials, such as the City Council and any City Board, Committee, or Commission.

Conflict of Interest – A situation or circumstance in which one's personal or pecuniary interest has the potential to interfere with the proper exercise of one's public duty, particularly when deliberating or voting as a member of the City Council or any City Board, Committee or Commission. That interest must be "immediate, definite and capable of demonstration; not remote, uncertain, contingent or speculative" (*Atherton v. Concord,* 109 N.H. 164 (1968).

Pecuniary Interest – Any private financial advantage (whether in the form of money, property, commercial or other interest), the primary significance of which is economic gain from the outcome of one's official actions. Financial advantage applicable to the public at large, such as reduced taxes or increased general prosperity, does not constitute a pecuniary interest, for the purpose of this Ethics and Conflict-of-Interest Policy.

Personal Interest – Any direct benefit or non-financial interest in the outcome of a matter, when such benefit or interest could influence one's official actions. Examples of direct personal benefit include family (by blood or marriage), employment, and/or business relationships that would bias one's official decision-making against the public interest. Official interest as a function of one's elected or appointed position does not constitute a personal interest, for the purpose of this Ethics and Conflict-of-Interest Policy.

Recuse – To remove or excuse oneself from participating in an official action due to an actual or potential conflict of interest. Recusal means removing oneself completely from all further participation as a public official in the matter in question. Elected or appointed City officials who are recused shall immediately leave the table of deliberation and sit in the audience with the other members of the general public. Recused officials shall not participate in further discussions unless they clearly state for the record that they are doing so only as a member of the general public.

Section 4.0: POLICY DETAIL

The proper operation of democratic government requires that elected and appointed public officials be independent, impartial, and responsible to the people; that government decisions and public policy be made through the proper channels of governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government officials to perform their duties free from private influence upon the public interest.

Section 5.0: PROCEDURES

1. Elected and appointed City officials shall avoid conflicts of interest, and shall strive to recognize them.
2. When an elected or appointed City official recognizes a conflict of interest, he or she shall publicly disclose the reason(s) for the conflict at the earliest possible opportunity, and shall recuse himself or herself from any and all official activity on the matter to which the conflict pertains.

   When an uncertainty arises as to whether an elected or appointed City official has a conflict of interest in a particular circumstance, the body shall, at the request of that official or of another member of that body, vote on the question. Such vote shall be advisory and non-binding. Any member of the public may voice an objection to a body officials' participation, setting forth specific reasons, and may also request such a vote, but such a request shall be non-binding. Any such request or objection shall be made either prior to or at the commencement of the body's discussion or public hearing on that matter, or at such later time as the facts claimed to warrant disqualification first become known. No vote on disqualification shall be taken if the body's official steps down voluntarily.

   The mayor, chair or presiding officer of the meeting shall ensure that the reason(s) for recusal are clearly stated (as stated by the member in person) and are recorded into the minutes of the meeting. Members of the Planning Board, Zoning Board of Adjustment, Building

Code Board of Appeals, and Heritage Commission are further bound by the provisions of New Hampshire RSA 673:14.

3. Elected and appointed City officials shall not directly or indirectly solicit gifts, nor accept or receive any gift (whether money, services, loans, travel, entertainment, hospitality, equipment, premises or in some other form), under circumstances in which it could be reasonably inferred that the gift was intended to influence them in the performance of their duties, or was intended as a reward for any recommendation or decision on their part.

4. Elected and appointed City officials shall not disclose nor improperly use confidential information obtained in the course of their official duties.

5. Elected and appointed City officials shall not use City letterhead or stationary for any purpose other than official City business. Under the City Charter, official City business is determined by formal action of the City Council and not by individual City Councilors. Members of Boards, Committees, and Commissions may use City letterhead only for purposes approved by their respective Board, Committee, or Commission.

6. Elected and appointed City officials shall not speak on behalf of their respective Council, Board, Committee, or Commission unless authorized to do so by said Council, Board, Committee, or Commission. Individual members speaking publicly shall clearly state that they are speaking only as an individual and not on behalf of the Council, Board, Committee, or Commission.

7. No member of the City Council, nor any member of a Board, Committee, or Commission, shall appear before his or her own public body on behalf of the private interests of third parties.

5.1 Distribution
The City Clerk shall be responsible for providing a copy of this Ethics and Conflict-of-Interest Policy to all elected and appointed City officials, as defined in this Policy, upon its issuance and upon the subsequent appointment or re-appointment of any said official. The City Clerk shall have each elected and appointed City official sign a statement that he or she has read this Policy and shall comply with all requirements set forth in this Policy. This signed statement shall be available for public review.

5.2 Complaints

~~Any formal c~~Complaints shall be addressed by the City Council in a manner to be determined by the body in accordance with the provisions of ADM-126.1. Boards, Committees, and Commissions are expected to govern themselves. If the complaint cannot be resolved at that level, it may be brought to the City Council for resolution.

The City Council shall consider compliance with this Ethics and Conflict-of-Interest Policy during the reappointment process for members of Boards, Committees, and Commissions.

Section 6.0: REFERENCES

1. ADM-126.1 Complaints & Investigations Policy
2. NH RSA 673:14 Disqualification of Member
3. NH RSA 95:1 Public Officials barred from certain private dealings
4. NH RSA 640:2 Bribery in official and political matters
5. NH RSA 640:3 Improper Influence
6. NH RSA 640:4 Compensation for Past Action
7. NH RSA 640:5 Gifts to Public Servants
8. NH RSA 640:6 Compensation for Services
9. NH RSA 640:7 Purchase of Public Office
10. City of Lebanon, Charter C419:20 Dealings of Council with City.
11. City of Lebanon, Charter C419:29 Non-Interference by the Council.
12. City of Lebanon, Charter C419:62 Disqualification of Councilor, Board Member or Employee.

13. City of Lebanon, Charter C419:63 Private Use of Public Property.
14. NH RSA 49-C:33 Optional Provisions: Limitations, Section I(c).

Section 7.0: POLICY & PROCEDURE REVISION HISTORY

	Section	Revisions	Date
Original Adoption		Initially adopted 12-02-C	5/2/2012
Amendment		Reformatted, references added, renumbered	
Amendment			
Amendment			

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.F – REVIEW AND RE-ADOPTION OF CITY COUNCIL POLICY CC-109, GRANTS

BACKGROUND

The purpose of the City's Grants Policy is to establish guidelines and conditions to be used in applying for, accepting, and expending unanticipated and anticipated funding from a state, federal or other governmental unit or private grant source which becomes available during the fiscal year.

This policy does not have to be readopted annually, however, during the City's annual financial audit, it was noted that this policy has not been revisited by the Council for a number of years. No changes are proposed. The Council is asked to review and re-adopt the policy to ensure it is current and remains a viable policy for the City.

ACTION

The Council is requested to consider the following motion:

MOVED, that the Lebanon City Council hereby re-adopts City Council Policy CC-109, Grants, as presented in the August 4, 2021, City Council Agenda packet.

Included in this Section:

1. City Council Policy CC-109, Grants Policy

City of Lebanon
New Hampshire

COUNCIL POLICY **Grant Policy**			
Policy Number	*Effective Date*	*Last Revision*	*Page No.*
CC-109 *Formally 01-01-C*		**12/11/2009**	Page **1** of **5**
Approved by:			

Section 1.0: Purpose

The purpose of this Policy is to establish guidelines and conditions to be used in applying for, accepting and expending unanticipated and anticipated funding from a state, federal or other governmental unit or private grant source which becomes available during the fiscal year.

Section 2.0: Scope

This policy applies to all personnel, officials and entities of the City in which the authority to accept grants is bestowed on the City government.

Section 3.0: Definitions

Section 4.0: Policy Detail

4.1 ***City Council Resolution of December 17, 1996.*** The following Resolution, passed by the Lebanon City Council, acting in special session on Tuesday, December 17, 1996, is herewith repealed subject to adoption of this Policy:

"FOR THE PURPOSE OF authorizing the City Manager to apply for and expend unanticipated money from state, federal or other governmental unit or private sources which become available during the fiscal year.

NOW THEREFORE BE IT RESOLVED, by the City of Lebanon, that, after approval by the City Council, the City Manager is herewith authorized to apply for, accept and expend, without further action by the City Council, unanticipated money from state, federal or other governmental unit or private source which becomes available during the fiscal year.

NOW THEREFORE BE IT FURTHER RESOLVED, by the City of Lebanon, that said authorization shall be indefinite until specific recission of such authority by the City Council."

4.2 Authority

The City Manager is authorized to apply for, accept and expend unanticipated and anticipated funding from a state, federal or other governmental unit or private source which becomes available during the fiscal year.

1. Such funding shall be used only for legal purposes for which the City may appropriate money and shall not require the expenditure of other City funds except those funds lawfully appropriated for the same purpose.
2. Nothing in this Policy shall prevent the City from complying with the approval and authorization terms and conditions of any federal or state grant including the specificity of such approvals and authorizations and the conducting of required public hearings.
3. This authorization is indefinite until specific rescission of such authority by the City Council.

Section 5.0: Procedures

5.1 ***Determination as to Unanticipated Moneys.*** Analysis of the inherent uncertainty of grant or other state, federal or governmental unit or private source funding, including certainty of availability, application time lines, appropriateness in terms of consistency with, and support of, established City and department goals and objectives, and funding levels is required. The identification of a potential funding source as *unanticipated* is subject to a determination based on past experience and on the best information currently available which conservatively categorizes the potential funding source as being either (a) *available with reasonable certainty* (clearly evidenced by official, binding written commitments); (b) *potentially available* (reasonably susceptible of being available); or (c) *uncertain as to availability*.

5.2 ***Unanticipated Moneys.*** A determination made concluding that the application for, acceptance and expenditure of, a potential funding source from a state, federal or other governmental unit or private source may be reasonably categorized as either "*potentially available*," or "*uncertain as to availability*" qualifies such source as *unanticipated*.

5.3 ***Anticipated Moneys.*** Anticipated funding is subject to the normal budget process including appropriation and identification and designation of revenue sources. A determination made concluding that the application for, acceptance and expenditure of, a potential funding source from a state, federal or other governmental unit or private source is "*available with reasonable certainty*" qualifies such source as "*anticipated*."

5.4 ***City Manager Approval Required.*** Application for unanticipated and anticipated funding requires prior City Manager approval. The acceptance and subsequent expenditure of unanticipated or anticipated funding is likewise contingent on City Manager approval subject to analysis and determination as outlined in this Policy.

5.5 ***Local Matching Share.*** The responsible City Department proposing the application for unanticipated or anticipated funding is required to clearly identify the source of local financial matching requirements, if there are any.

1. If the local matching share consists of appropriated, funded and available spending authority, no further action is required beyond identification and earmarking.
2. If the local matching share does not consist of appropriated, funded and available spending authority, the procedures applicable to effecting a supplemental appropriation must be followed taking into consideration any special noticing requirements in connection with specific grant requests.

5.6 ***Preliminary Information Required Prior to Application.*** In order to understand the potential financial risks the City will bear by entering a grant program, or other program supported in whole or part through from other unanticipated or anticipated state, federal or other governmental unit or private source funding which becomes available during the fiscal year, and because financial and administrative requirements will affect City programs and costs, the following information shall be provided prior in connection with the City Manager's consideration and approval:

1. Title of Grant; Purpose of Grant; and General Description of Grant
2. Size of the grant in the current year and in future years if funding is continued.
3. Identify: a) grant administrator; and b) In the event the grant application is to be written/submitted by a consultant, information on cost, which may be a good faith estimate, and the source of funds to pay the consultant.
4. Number of employees it will add to the City's payroll, not including employees who may have to be paid from local funds if the grant is

withdrawn or terminated -- if the City is to absorb these costs, the expenditure should be reviewed as a new program.
5. Level of operating and maintenance costs, to be funded locally, associated with the grant program.
6. Number of residents to be served and the method of service.
7. Capability of the City's financial management system to adequately monitor grant monies.
8. Probability of grant continuation, including how continuation is to be determined, and what long-term authorization has been given for the program at the granting source.
9. Obligations imposed by accepting grant.
10. Likelihood of continuing the program with City funding once the grant is exhausted or terminated.
11. How will local/other financial matching requirements be met?
12. Will a City operational or financial procedures have to be changed to meet grant requirements?
13. Will any ongoing City programs be brought under state or federal regulations because of the grant program and, if so, in what way?
14. What problem or need will go unmet if the grant is not accepted?
15. How will utilization and implementation of grant funds contribute to the achievement of City and department/division goals and objectives?
16. What is the time period the grant funds may be used?
17. Project to be included in Capital Improvement Program?

5.7 *Reporting to City Council.* Upon application for unanticipated or anticipated funding the City Manager shall apprise the City Council in summary fashion of the forgoing issues. Nothing in this Policy shall preclude the City Council from rejecting any grant offer.

Section 6.0: References (Charter/Code/State Statues)

1. NH RSA 31:95-b Appropriations for Funds Made Available During Year
2. NH RSA 47:1 In General
3. City Charter § C419:23 General Powers
4. City Charter § C419:30 Powers And Duties Of Manager.

Section 7.0: Policy & Procedure Revision History

	Section	Revisions	Date
Original Adoption		01-01-C	6/6/2001
Amendment		Preliminary Info Req. prior to application	12/11/2009
Amendment		Re-formatted, references added	
Amendment			

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.G – REVIEW AND ADOPTION OF CITY COUNCIL, CC-105, COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE (RSA 79-E) PROGRAM

During a recent meeting at which the City Council was considering a request for property tax relief under the Community Revitalization Tax Relief Incentive (RSA 79-E) Program, the Council requested further guidance relative to the administration of the program.

BACKGROUND

In February 2016, the City Council adopted the provisions of the Community Revitalization Tax Relief Incentive Program pursuant to NH RSA 79-E to encourage rehabilitation of existing buildings and structures in downtown Lebanon and downtown West Lebanon. Since adopting the program, the Council has reviewed and granted temporary tax relief for four projects: three located in Lebanon and one located in West Lebanon.

Much of the 79-E program is up to the discretion of the City Council and few guidelines are set forth in the statute. To ensure consistent and fair administration of the program, further guidance was requested for the benefit of the Council itself, as well as for City staff and potential applicants to know in advance what the City expects to merit the discretionary years of tax relief.

Pursuant to the request, the Planning and Development Department has prepared a draft policy for consideration by the Council that outlines and clarifies the 79-E program's purpose and requirements. With respect to requests involving the creation of new affordable residential units, the Department has proposed a sliding scale based on the targeted level of affordability and the percentage of units in the project that would meet the affordable thresholds. In short, more years of tax relief would be available to projects targeting lower Area Median Income (AMI) thresholds for larger numbers of units.

In addition to establishing affordability thresholds, the draft policy also highlights that the Council may grant tax relief for Substantial Rehabilitation projects of historic structures provided the rehabilitation project is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation. For such historic rehabilitation projects, the Council may request technical assistance and/or an advisory opinion from the NH Division of Historical Resources to ensure that the Standards for Rehabilitation are being complied with and implemented appropriately for purposes of the tax relief incentive program.

ACTION

The Council is requested to consider the following motion:

MOVED, that the Lebanon City Council adopts City Council Policy CC-105, Community Revitalization Tax Relief Incentive Program Guidelines, as presented in the August 4, 2021, City Council Agenda packet, to be effective upon passage.

Included in this Section:

1. Draft Council Policy CC-105 – Community Revitalization Tax Relief Incentive Program Guidelines

City of Lebanon
New Hampshire

COUNCIL POLICY

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE PROGRAM GUIDELINES

Policy Number	*Effective Date*	*Last Revision*	*Page No.*
CC-105			Page **1** of **4**
Approved by:			

Section 1.0: Purpose

This document details the guidelines City Council will be utilizing when considering applications for the Community Revitalization Tax Relief Incentive Program, commonly known as 79-E. The guidelines are intended to assist applicants as they develop their applications allowing them to take full advantage of the program and meet the City's community revitalization goals.

Section 2.0: Scope

The guidelines apply to applicants, City Staff in the Planning & Development Department, the City Manager's Office, the Downtown Tax Increment Financing District Advisory Board, and the City Council.

Section 3.0: Definitions

Workforce Housing – (as provided in New Hampshire RSA 674:58, IV) means housing which is intended for sale and which is affordable to a household with an income of no more than 100 percent of the median income for a 4-person household for Grafton County as published annually by the United States Department of Housing and Urban Development. "Workforce housing" also means rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household for Grafton County as published annually by the United States Department of Housing and Urban Development.

Section 4.0: Policy Detail

In February 2016, the City Council adopted the provisions of the Community Revitalization Tax Relief Incentive Program pursuant to NH RSA 79-E to encourage rehabilitation of existing buildings and structures in downtown Lebanon and downtown West Lebanon. At that time, the City Council established a Downtown Lebanon 79-E District and a Downtown West Lebanon 79-E District.

Section 5.0: Procedures

Upon receipt of an application for tax relief under the City's 79-E program for a project that involves the *Substantial Rehabilitation* of a *Qualifying Structure*, as those terms are defined in RSA 79-E:2, the City Council shall hold a public hearing within 60 days.

5.1 The Council must determine if a project will generate one or more Public Benefits.

Appropriate public benefits for consideration of the 79-E program are specifically identified within the state law, including:

- Enhancement of the economic vitality of the downtown; (RSA 79-E:7, I)
- Enhancement and improvement of a structure that is culturally or historically important on a local, regional, state or national level, either independently or within the context of an historic district, town center, or village center; (RSA 79-E:7, II)
- Promotion of the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures; (RSA 79-E:7, II-a)
- Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community consistent with RSA 9-B (State Economic Growth, Resource Protection, and Planning Policy) (RSA 79-E:7, III); or
- Increase of residential housing in urban or town centers. (RSA 79-E:7, IV)

5.2 The Council must determine the period of time for which tax relief will be granted.

1. Under the terms of the 79-E program, the City Council may, in its discretion, grant up to five (5) years of tax assessment relief for a project that complies with the program requirements. (RSA 79-E:5, I)
2. The City Council may, in its discretion, grant up to two (2) additional years of tax relief for a project that results in new residential units and up to four (4) additional years of tax relief for a project that includes affordable housing. (RSA 79-E:5, II)
3. The City Council may, in its discretion, grant up to four (4) additional years of tax relief for the Substantial Rehabilitation of a Qualifying Structure that is listed on or determined eligible for listing on the National Register of Historic Places, State Register of Historic Places, or is located within and important to a locally designated historic district, provided that the Substantial Rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation. (RSA 79-E:5, III)

For any amount of tax relief approved, such tax relief begins upon the completion of the substantial rehabilitation of the structure(s).

RSA 79-E does not define the term "affordable" for purposes of the tax relief incentive program nor does it specify any minimum number or percentage of units within a development that must be considered affordable in order to merit the tax relief.

Therefore, the City has adopted the definition of "workforce housing" from RSA 674:58 to define affordability as it relates to the RSA 79-E program.

The City will consider granting additional years of tax relief for workforce housing on a sliding scale depending on the targeted level of affordability (based on Area Median Income figures as published by the US Department of Housing and Urban Development (HUD)) and the percentage of units in a development subject to such affordability requirements as follows:

		TARGETED AREA MEDIAN INCOME (AMI)				
		60% or less	60 - 70%	70 - 80%	80 - 90%	90 - 100%
% OF UNITS IN PROJECT	40% or more	4	3	3	2	1
	30-40%	4	3	2	1	1
	20-30%	3*	2	2	1	0
	10-20%	2*	1	1	1	0
	0-10%	1*	1	0	0	0

* Units targeted for 50% or less of AMI qualify for 1 additional year of tax relief

However, the City understands that a significant purpose of the 79-E program is to enable and incentivize rehabilitation projects that may not otherwise be financially viable. If the City Council concludes that requiring a project to achieve the recommended affordability standards would undermine the viability of the project and prevent it from occurring at all, then the City Council shall retain the discretion and freedom to vary the affordability requirements while still balancing the overall benefit to the community of the completed project against the potential tax revenue foregone.

5.3 Tax Increment Financing (TIF) Districts

Applications for tax relief under this program for properties located within a Tax Increment Financing (TIF) District shall be reviewed by the applicable TIF Advisory Board. The Advisory Board shall provide recommendations to the City Council and the District Administrator regarding the impacts to the administration and operation of the District relative to the proposed tax relief requested.

Section 6.0: References (Charter/Code/State Statues)

1. NH RSA Chapter 79-E Community Revitalization Tax Relief Incentive
2. NH RSA 674:58 Definitions-Workforce Housing
3. City Code Chapter 31-43,2. Downtown TIF Advisory Board, Purposes; Authority and Duties

Section 7.0: Policy & Procedure Revision History

	Section	Revisions	Date
Original Adoption			
Amendment			
Amendment			
Amendment			

AGENDA
LEBANON CITY COUNCIL
AUGUST 4, 2021

10. NEW BUSINESS:

10.H – DISCUSSION & SET PUBLIC HEARING FOR SEPTEMBER 1, 2021: SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF EIGHT HUNDRED THOUSAND DOLLARS ($800,000) FOR TRANSFER FROM UNASSIGNED FUND BALANCE TO THE CAPITAL IMPROVEMENTS FUND FOR THE 20 SPENCER STREET CLEANUP PROJECT

BACKGROUND

This location is the former Department of Public Works facilities site which the city is in the process of redeveloping for housing. The City is working with developer Ken Braverman to sell the property to him for $1.5 million. Mr. Braverman plans to develop an apartment building with 94 units. A percentage of these units will be leased at workforce housing rates.

Testing of the soils on the site indicate varied levels of PCB at different depths in the soil in one area. This material will need to be removed and trucked to a location in Michigan for disposal. The area will also have to be backfilled. This work needs to be completed as soon as possible to allow for the housing to be developed which will require a supplemental appropriation. The funding will be coming from the City's Unassigned Fund Balance. No additional tax dollars will need to be raised for this cleanup.

Failure to clean up the site will prohibit the housing development. The City would be required by the US EPA to either clean up the site or cap it and permanently monitor the site with test wells.

ACTION

Should the Council decide to schedule a public hearing, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, September 1, 2021, beginning at 7:00pm, for the purpose of receiving public input and taking action on the supplemental appropriation in the amount of eight hundred thousand dollars ($800,000) for transfer from Unassigned Fund Balance to the Capital Improvements Fund for the 20 Spencer Street Cleanup Project.

Included in this Section:

1. 07/28/2021 Memorandum from Department of Public Works Director Jim Donison, RE: 20 Spencer Street – Site Cleanup
2. Excavation area diagram with estimated soil excavation volume dated 07/19/2021

CITY OF LEBANON
DEPARTMENT OF PUBLIC WORKS
193 Dartmouth College Highway
Lebanon, NH 03766

Memorandum

Date: July 28, 2021

TO: Shaun Mulholland, City Manager

FROM: Jim Donison, P.E., Director of Public Works & Brian Vincent, PE City Engineer

RE: 20 Spencer Street – Site Cleanup

In 2020 the City contracted with a local contractor, Casella Construction, to perform the demolition of the old DPW garage building and shed and removal of old storage tanks at 20 Spencer Street. As part of the storage tank closure process and the NHDES requirements, soils in the immediate vicinity of the old tanks were required to be tested for petroleum-contaminated soils. These soil samples and tests were coordinated by Credere Associates, LLC. of Westbrook, ME. Test results came back and the City was surprised to find out that the soils indicated low concentrations containing PCB's.

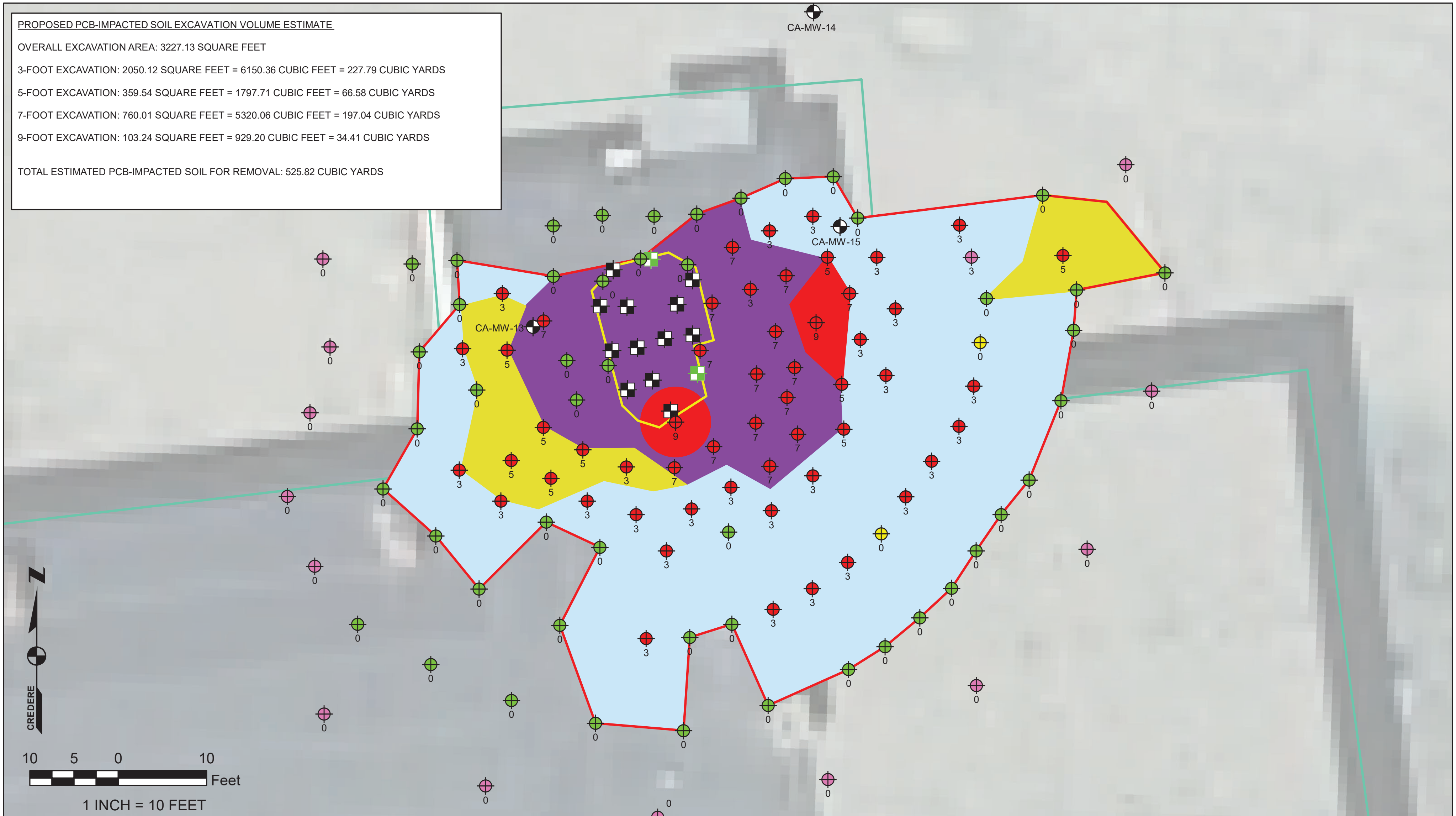
PCP contaminated soils are required by US EPA and NH DES to be disposed of in a hazardous waste landfill. The City has proceeded to excavate the soils around the immediate area of the tanks and dispose of the soil in a permitted facility.

Subsequent soil tests around the perimeter of the contaminated soil location have been performed to identify/delineate the area and depths of the extent of the contaminated soils as well as to quantify the additional volume that will need to be disposed of.

Credere Associates has completed the field investigations. The volume of soils that will be required to be removed has been estimated to be approximately 550 cubic yards (825 tons), ranging in depths from 1 to 9 feet below ground surface. The area is approximately 3,200 square feet.

Credere is currently preparing a cost estimate for the trucking and disposal of the 825 tons yards of soil. The original 2020 cost was approximately $640 per ton to excavate and dispose of the PCB contaminated soils. Using this unit cost, it is estimated that the total costs for this disposal will be $700,000. This is based on the estimated volume of soil that will be required to be disposed, contingencies and “other” costs. The “other” costs of $100,000 associated with soil disposal include environmental oversight, confirmatory sampling and analyses and reporting by the environmental engineer, clean soil backfill to level the excavated area, and moving through the environmental approval process associated with this performance-based cleanup.

The City will be initiating an RFP for this work which we would like to complete this fall. The City will be required to address the PCP contamination in one fashion or another. We will either be required to clean up the site as we are proposing here or cap and monitor the site for an underdetermined period which may be for a very long time. Cleanup of the site is requirement to allow the site to be developed.



DRN BY: **SCG/NWW**	DATE: **7/19/2021**
CHKD BY: **JRN**	PROJECT: **19001516**

Credere Associates, LLC
776 MAIN STREET
WESTBROOK, MAINE
Tel. 207.828.1272
Fax 207.887.1051
WWW.CREDERELLC.COM

FIGURE 3
PROPOSED PCB-IMPACTED SOIL REMOVAL PLAN

LEBANON FORMER PUBLIC WORKS GARAGE
20 SPENCER STREET
LEBANON, NEW HAMPSHIRE

- PCB-IMPACTED EXCAVATION SOIL SAMPLE
- NON PCB-IMPACTED EXCAVATION SOIL SAMPLE
- PREVIOUS SOIL BORING/EXISTING MONITORING WELL
- PROPOSED ADDITIONAL SOIL BORING
- NON PCB-IMPACTED SOIL BORING
- PCB-IMPACTED SOIL BORING - VERTICAL DELINEATION SAMPLE PENDING
- PCB-IMPACTED SOIL BORING
- FORMER BUILDING OUTLINES
- JANUARY 2021 EXCAVATION (TO APPROX. 3 FT BGS)
- PROPOSED EXCAVATION AREA EXTENT
- 3-FOOT EXCAVATION DEPTH
- 5-FOOT EXCAVATION DEPTH
- 7-FOOT EXCAVATION DEPTH
- 9-FOOT EXCAVATION DEPTH

1. EXISTING CONDITIONS AND FEATURES SHOWN ON THIS PLAN ARE APPROXIMATE AND ARE BASED ON INFORMATION OBTAINED FROM THE CITY OF LEBANON, NH GRANIT, ESRI ORTHO IMAGERY, AND FIELD WORK PERFORMED ON MARCH 25, 2020; APRIL 14, 2020; DECEMBER 1, 2, AND 15, 2020; JANUARY 25, 2021; AND MARCH 11 AND 12, 2021.

2. DUE TO THE ANGLE OF AERIAL IMAGERY, THE LOCATION OF SOME FEATURES MAY APPEAR SKEWED.

3. BORINGS CA-SB-33 THROUGH CA-SB-39 ONLY SAMPLED 5 FEET BGS AND DEEPER DUE TO PROXIMITY TO EXISTING EXCAVATION EXTENT SAMPLES. THEREFORE, SHALLOW SOIL IN THESE LOCATIONS MAY BE PCB-IMPACTED EVEN IF PCB IMPACTS ARE NOT INDICATED IN THAT BORING; REFER TO TABLE 1.

4. THE NUMBERS NEXT TO THE SOIL BORINGS INDICATE THE DEPTH THAT SOIL IS CONSIDERED NON-PCB-IMPACTED.

T:\Data\NH\Town\Lebanon\Lebanon_PW\PCB Soil Remediation\March 2021 Drilling\Figure 3_10.5.mxd