FINAL

LEBANON CITY COUNCIL
BUDGET WORK SESSION
Monday, November 29, 2021, 5:30 p.m.
COUNCIL CHAMBERS, CITY HALL, OR
Remote Via Microsoft Teams: LebanonNH.gov/Live

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

MEMBERS ABSENT: None

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager Paula Maville, City Clerk Kristin Kenniston, Director of Planning & Development David Brooks, Public Works Director James Donison, Assistant Public Works Director Jay Cairelli, City Engineer Christina Hall, Solid Waste Manager Marc Morgan, Airport Manager Carl Gross, Fire Chief Chris Christopoulos

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Mayor McNamara called the meeting to order at 5:30 p.m.

1. **Review of 2022 City Budget – Question & Answer Session**
   A. **Revenues, Interfund Transfers, Debt Service**
      - As of today, revenues are at 96%.
      - Motor vehicles and ambulance fees will come in as targeted.
      - Building permits are currently $197,000 over targeted.
      - Landfill Fund is at 83%.
      - Tipping fees are only at 76% and are not expected to go over 80%; this is due to less trash being dumped.
      - Water revenue is currently at 96% and sewer revenues are at 91%.
      - Airport revenues are at 145%.
      - There are interfund transfers to the General Fund, Enterprise Fund, Special Revenue Fund, Capital Improvement Fund, and Capital Reserve Fund.
      - The overall decrease 2022 from 2021 is $1,091,260.
      - Debt service has a slight increase from 2021, mostly due to water for CSO and the water treatment facility update bond payment, and sewer CSO and Lebanon sewer rehab.

   B. **Capital Improvements**

City Manager Mulholland explained that there will be increased costs for construction everywhere. Unfortunately, the City does not seem likely to receive any of the $50M State funding for infrastructure. One project was removed and pushed into the future. A debt management plan has been implemented and will be adjusted as moving forward. The CIP is posted through 2027.

Public Works Director Jim Donison reviewed the Capital Improvements Projects:

1) Acquisition of land at Mascoma Street: Acquire adjacent property as part of long-term Valley Cemetery growth. Purchase price - $235,000. Total possible revenue from this project $1.156M. Project would allow for cemetery expansion and potential 10' right of way connection to the Mascoma Greenway.

It was noted that the existing building on this property would remain for at least two years. There is an opportunity now to purchase this property, which is why it is in the CIP.

2) Trues Brook Bridge project: Maintenance of the City's infrastructure to provide and ensure safe public services. This bridge is eligible for up to 80% NHDOT funding through the State Bridge Aid program, with the balance of 20% City funding. This request is to fund the construction, right of way, and construction engineering in the future years. This project has currently been placed on the State's Ten-Year plan with the State's construction estimate at $2,890,066. The NHDOT funding is a maximum of $2,312,053. Award must be made by June 30, 2022. The 2014 Engineering Study phase expended $66,000. The recommended option chosen from the Engineering Study was $3,483,000. The current 2021 total project costs are estimated at $4,100,000 which includes the engineering study, preliminary and final engineering design, right-of-way, engineering construction costs and construction costs. The PS&E phase is scheduled for 2021-22, ROW for 2022 and construction in 2022 - 2023.

It was noted that the bridge has been shut down currently by executive decision of the City Manager, to lessen the amount of deterioration and cost before knowing the State funding. There will be a DOT meeting in mid-December to discuss alternative options and costs. This bridge serves seven Lebanon residents and serves Plainfield. Other capital projects, such as Mack Avenue or Kimball Street, may need to be cut to complete this project. If this project is not completed, the bridge will likely need to be closed within the next 2-3 years. The proposed design is simple and looks to widen the bridge for bike/pedestrian activity. The budget is proposed with the belief that the State will pay the 80% and a temporary bridge will be in place. The bridge deck is currently rated a 3/10, and DOT recommends closure at a rating of 2.

There was discussion regarding if Plainfield will contribute funds to this project. It was noted that Plainfield is not planning to contribute funds to this project. The strategy is for the City to influence DOT to contribute 80% to this project. The proposed temporary bridge may be a one-lane Bailey bridge with abutments on each end and alternating traffic signals on each end. There is access to a temporary bridge through the Town of Enfield.

Regarding the first project for the Mascoma Street cemetery extension, Mr. Donison explained that there are approximately 200 lots still available in the Valley Cemetery, each of which can hold three full burials, or six full cremations. Historically, there have been 20 full burials and 80 cremations per year. These 200 lots could thus last approximately 10 years.

3) Kimball Street Reconstruction - Infrastructure Improvements – Reconstruction - Road/ Sidewalks/ Curbing/ Drainage/ Sewer/ Water: this street has old and undersized water infrastructure and drainage. This project unfortunately is not a candidate for slip lining. The sewer lines would need to be upsized to meet the 50- and 100-year designs. A small section of Forest Avenue is encompassed in this project. There is a cross-country sewer line that will be eliminated as part of this project, in order to tie into the existing sewer line. There will also be new sidewalks and curbing as part of this project. A recent public meeting on this project was very well-attended. This project is on the list to receive SRF funds. Kimball Street reconstruction is programmed for construction in 2022 based upon CIP funding from 2022 and SRF Funding. Costs include an update to the previous design.

4) Forest Avenue Reconstruction - Infrastructure Improvements – Reconstruction - Road/ Sidewalks/ Curbing/ Drainage/ Sewer/ Water: Forest Avenue reconstruction is programmed for design in 2022 and Construction in 2023 with CIP and SRF funding in 2023. Costs in 2022 include an update to the previous design plans and a basin that is tied to the City's sewer system. A drainage study was included in Kimball Street's design with a drainage study to identify improvements for drainage which will be required to address the Forest Avenue drainage issues and proposed drainage infrastructure sizing to accommodate larger storm events for the receiving drainage system on the downgradient streets, i.e., Shaw, Union, Elm, Green, Bank Street, etc. Forest Avenue construction costs include road, drainage, sewer, water, curbing.

5) Mack Avenue Reconstruction - Infrastructure Improvements – Reconstruction - Road/ Sidewalks/ Curbing/ Drainage/ Sewer/ Water: Mack Avenue is programmed in the year 2022 for design ($200,000) and construction in 2023. Project costs include engineering design and reconstruction of the roadway, including sidewalks, curbing, drainage, water, and sewer utilities. Mack Avenue has been on the list of streets for reconstruction since 2010. The cast watermain needs replacement and the lack of positive drainage has deteriorated the street, so full depth reconstruction is proposed. These pipes are 80+ years old. The sewer line has been very problematic over the years, with staff having to clean the main on a quarterly basis due to roots and bad pipes. This line, though separated, does have inflow and infiltration problems. The water main is an old cast-iron line which is the main connector line between the CSO #9 and CSO #10 project areas. This also made the Clean Water SRF grant list.
6) Water System Improvements - Miracle Mile: An asset management study was completed in 2021 identifying watermain and appurtenances that are in need of replacement and/or are undersized and have the highest risk of failure. A list of proposed watermain infrastructure improvements has been developed based on the risk of failure and the impacts this would have on businesses and the community. To ensure distribution and delivery of water throughout the water system, it is necessary to perform these upgrades to the watermains, gate valves, and fire hydrants. A multi-year improvement plan is proposed.

   The Miracle Mile watermain is ranked high on the risk of failure. This project includes watermain replacement or watermain lining, along with associated roadway improvements consisting of mill/shim/overlay improvement. It consists of 5,500 linear feet of main. This is a major corridor connecting Lebanon and West Lebanon where there are many restaurants, retail, grocer, doctors' offices, urgent care centers, auto dealerships, service stations, and entertainment area, along with many more businesses. This line experienced multiple breaks over the past decade where it impacted those businesses. This project is to slip-line this line so that those businesses receive water without the detrimental impacts to their businesses from another break.

7) Replacement of Landfill Tarp Machine: This piece of equipment is used to cover waste received at the landfill. The State's Solid Waste Rules and the Facility's permit requires the application of cover material or an alternative. Using tarps instead of soils or other cover product aids in conserving valuable airspace at the Lebanon Landfill. The replacement of this equipment is a recommendation from the Lebanon Solid Waste/Recycling Business Plan. This will allow for 500-600 cubic yards of space to be saved, with a value of approximately $300,000.

8) Landfill Gas Collection and Control System (GCCS): NHDES Env-Sw 806.07 Rules requires the City to control decomposition gases from the Landfill to prevent hazards to health, safety, and property. The City installed an active landfill gas (LFG) extraction system in 2013 to comply with

this regulation. Since 2013, the City has continued operations within Landfill Phase II-C and needs to expand the existing GCCS infrastructure into areas that do not currently have LFG extraction components. The project will consist of installing a series of LFG extraction wells and LF collection trenches that will be tied into the existing GCCS infrastructure which is under a vacuum system. The project was designed by a professional engineer licensed in the State of New Hampshire in 2020 and permitted through the NHDES Solid Waste Bureau. This is a multi-year project with the initial design performed in 2020, and along with the GCCS, installed by a contractor in years 2020 through 2025 with construction coordination by DPW-Solid Waste staff. This is an expandable system, as appropriate.

9) Landfill Gas Utilization Project: The City has recently received a proposal from a selected vendor (Vergent Power System) for $4,537,057 for the construction of a 1.0 MW microturbine gas-to-energy project, as well as a proposal from Liberty Utilities for $625,000 ($500k +25%) for upgrades to the electrical grid. These upgrades are necessary in order for the project to connect to the electrical distribution system and substation. There is a balance of $3,800,000 in previously appropriated funds for this Landfill gas-to-energy project, resulting in a request for additional funding of $1,362,057. This project keeps with the City's Master Plan; Energy, Chapter 13. This project has the potential of generating revenues from the sale of electricity, as well as reducing energy costs for the City as a whole. The recommended upgrades are necessary to connect the LF gas generator to the distribution grid. Installation of equipment is estimated to take 12 months.

Mr. Carl Gross, Airport Manager, reviewed the proposed CIP projects. Mr. Gross explained that for FY22 the Airport is seeking three grants for this project.

1) 2022 Runway Safety Project – Easement Acquisition. Design Taxiways and Runway 36 extension: Design localizer relocation and perform land survey. In 2022, the project will provide engineering services for the airport safety project. The services include the design of the Runway 36 extension, design of Taxiway A extension, and design of Taxiway A1 and A2 relocation. This will remove direct access from aprons to the runway and provide a full parallel taxiway to the runway. The project will also fund a Reimbursable Agreement with FAA to design the relocation of the airport localizer. The localizer provides an electronic signal to align a plane with the centerline of the runway for landing in inclement weather. The localizer is usually located at the end of the runway; however, the LEB localizer is offset. Since the project shifts the runway and completes the parallel taxiway, the glideslope will need to be relocated. The purpose of the agreement is to reimburse the Navaids Engineering Center of FAA for the design.

   In 2023, the project will provide engineering services to design Taxiway A north extension and construction oversight of Taxiway A phase 1 and relocation of Taxiway A2 (to remove direct access from an apron to a runway). The project will fund the construction of phase 1 of the Taxiway A extension to the south, relocation of taxiway A2, and relocate the FAA localizer to the south end of runway 36.

   In 2024, the project will provide construction oversight of Taxiway A phase 2 and Runway 36 extension. The project will fund the construction of phase 2 of the Taxiway A extension to the south, and the extension runway 36.

   In 2025, the project will provide construction oversight of Taxiway A 'North Extension, relocation of Taxiway A1, and removal of taxiways B1 and B2. and Runway 36 extension. The project will

fund the construction of Taxiway A 'North Extension', removal of Taxiways B1 and B2, and the relocation of Taxiway A1.

In 2026, the project will provide design and construction oversight of Taxiway A3 construction and Runway 7 threshold displacement. The project will fund the construction of Taxiway A3 and the displacement of the Runway 7 threshold.

Mr. Gross explained that FAA grants are typically 90% federal, with the DOT contributing 5% and the Airport sponsor contributing the final 5%.

Fire Chief Chris Christopoulos explained the only CIP project proposed for the Fire Department at this time:

1) 2022 Ambulance Replacement: Estimated life cycle is 8 years. Our replacement schedule is based on several factors:
    1. Our trade-in value for used ambulances decreases significantly after 7-8 years.
    2. After 100,000 miles we have experienced a high level of maintenance costs in relation to the estimated value of the ambulance.
    3. We must ensure that this equipment is reliable and readily available.

    Further it should be noted that our ambulance billing revenues cover some of the amortized replacement costs. The cost estimate includes the following: ambulance, new power load stretcher, new stair chair, and new mobile radio. Estimated cost is $380,000.

Mr. Donison explained the CIP request for the fleet replacement item.

1) Fleet Replacement: The fleet replacement plan includes the entire DPW fleet including Highway & Operations, Water, Sewer and Solid Waste. The entire fleet list for Operations & Highway, Water, Sewer and Solid Waste and the recommended 5-year replacement plan is provided in attachment No 1. The CIP 2022 proposes $396,700 for DPW-Operations and Highway fleet replacement, $127,310 for Sewer Fund fleet, and $42,440 for Water fund fleet replacement for a total of $566,450. The Solid Waste fleet expenses will be leases and will be included in the operating budget (6-year lease/option to purchase for the major solid waste equipment).

    The 6-year lease/purchase option is to level out the very large expenditures in Solid Waste (SW) and Operations & Maintenance/Highway (O&M) heavy equipment list, which includes: $300,000 for a SW 4-cubic yard loader (2024), $320,000 for a SW Dozer (2022), $300,00 for a SW excavator (2023), $1,000,000 for a SW compactor unit (2026), $800,000 for the SW "shredder" (2027), $200,000 for an O&M 3-cubic yard loader (2024). These pieces of equipment are critical to the daily operations of DPW.

City Manager Shaun Mulholland reviewed the Planning & Development's proposed CIP projects.

1) WEST LEBANON CAPITAL IMPROVEMENTS: This is a request to add funds to the existing West Lebanon Capital Improvements project (1455-4118-01-0003 or 1455-4119-01-0019) for implementation of various improvements resulting from the 2019 West Lebanon Visioning Charrette effort, including components of the ongoing West Lebanon Streetscape Study, the ongoing West Lebanon River Trail Feasibility Study, or other improvements identified by the West Lebanon Revitalization Advisory Committee. The Planning & Development Department anticipates working with the West Lebanon Revitalization Advisory Committee to utilize available capital funds to begin implementation of all or parts of the improvements resulting from these ongoing

studies and/or other improvement projects prioritized by the Advisory Committee and the Administration.

2) LEBANON MULTIMODAL PLAN: The Planning & Development Department proposes to engage a consultant to develop Lebanon's Multimodal Plan in two phases. Phase 1 was funded as a capital project in 2021 and will be started during the second half of the year. Phase 2 is proposed to be funded in 2022 as a continuation of the overall project. The Plan will apply, update, and prioritize existing information, processes, and recommendations for actions/projects, from multiple City, State and private plans and projects. It will serve as a master plan, with a baseline vision for how the City can objectively improve multimodal safety for all, and an action plan, with specific tasks to improve local networks. Phase 1 was funded with $25,000 in the 2021 capital budget. Phase 2 is proposed to cost $20,000 in the 2022 capital budget.

C. Airport

Airport revenues for FY22 show a change of approximately -22%. This is mostly due to the City using revenue previously generated from a federal funding grant, and rental car fees. The majority of expenditure increases are due to personnel costs, and the maintenance/materials and legal services line items. The Airport continues to draw-down from a COVID relief grant for operating costs. Another ARPA grant of approximately $1M is also anticipated. Landing fees will be reviewed in January, with approximately $10,000 in revenue anticipated from these fees. The Airport, through November 1, 2021, is looking at having had 6,300 passengers for the year and anticipates a total of approximately 8,000 passengers for the year. Enplanements nation-wide are running at approximately 75-80% of the normal totals. Business travelers have not yet returned to the air in the same pre-COVID-19 numbers. If the Airport enplanes 10,000 passengers a year, the federal subsidy is set at $1M/year. It will be critical next year for the Airport to reach that number.

ADJOURNMENT:

The meeting was adjourned at 7:20 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary