

FINAL

**LEBANON CITY COUNCIL
MINUTES**

Wednesday, September 21, 2022, 7:00 p.m.

Remote Via Microsoft Teams: [LebanonNH.gov/Live](https://lebanonnh.gov/Live)

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, Chris Simon, George Sykes, Douglas Whittlesey, Devin Wilkie, and Karen Zook (remote)

MEMBERS ABSENT:

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, Interim Director of Planning & Zoning/Senior Planner Tim Corwin, Lebanon Airport Manager Carl Gross, City Manager Executive Assistant Beth Beraldi, Finance Director Vicki Lee, Deputy Finance Director Alesia Williams, DPW Administrative Services Manager Kelly Crate

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

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

City Manager Shaun Mulholland announced the meeting criteria for the public.

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

Councilor Zook arrived at 7:05P and stated the reason she was attending this remotely was because she is out-of-state.

4. OPEN TO PUBLIC: No one came forth.

5. RECOGNITIONS:

- Paula Maville Retirement Resolution, Deputy City Manager

**RESOLUTION HONORING
Retiring Deputy City Manager PAULA MAVILLE**

WHEREAS, Paula Maville has devoted herself to a lifelong career in public service, having served the residents and businesses of the City of Lebanon and the region for more than 35 years; and

WHEREAS, Paula began her service with the City in 1986 as a temporary clerk/typist in the Planning Office and, upon recognition of her remarkable work ethic and skills, was recruited as a full-time employee working across several city departments until she was promoted to the City Manager's Office in 2008, eventually being appointed as the first Deputy City Manager in 2013 for the City of Lebanon and serving as Interim City Manager off and on until 2018; and

WHEREAS, during her time with the City, Paula faced and overcame many challenging issues and situations. She consistently took charge and provided communication to elected officials, in-house staff, legal counsel, and the public, and helped guide the City through each situation in the best way possible;

and

WHEREAS, during her time as Deputy City Manager, Paula regularly made improvements in citywide systems and procedures. She built in resources to help educate residents on City operations by creating the Lebanon Citizens Academy. Her ability as a critical thinker and problem solver allowed her to provide support for City Staff and the public with many great outcomes; and

WHEREAS, Paula was an exemplary city employee with decades of experience, institutional knowledge, a knack for creative thinking, a willingness to be open to new ideas and to try new approaches. She routinely sought to implement more streamlined, efficient methods for the daily operations of the city; and

WHEREAS, Paula’s leadership through actively listening, making intelligent and logical suggestions, and instilling confidence in employees to ask questions and use their skills and knowledge to work together and solve issues, made her someone who always had the utmost respect from her peers, coworkers, and the public.

NOW, THEREFORE, BE IT RESOLVED, that we, the members of the Lebanon City Council, on behalf of the citizenry of Lebanon, Paula’s friends, and her fellow employees and associates, express our admiration of and respect for the career of our outstanding and faithful employee, and extend to her our sincere gratitude and wish her well in her retirement,

BE IT FURTHER RESOLVED that this Resolution be written upon the minutes of the Lebanon City Council meeting and a copy be presented to Paula L. Maville.

Dated this 21st day of September 2022.

TIMOTHY J. MCNAMARA, MAYOR
City of Lebanon

- Inclusiveness Resolution

INCLUSIVENESS RESOLUTION

WHEREAS, the City Council of Lebanon wishes to act in accord with the City’s Master Plan, Principles for Sustainability and Guiding Principles in preserving the public trust and promoting community identity, civic pride, and quality of life for all residents, regardless of age, sex, gender identity or expression, race, creed, color, marital status, familial status, physical or mental ability, national origin, sexual orientation, ethnicity or culture, language or religion, economic or housing status, or citizenship or immigration status; and

WHEREAS, the City Council of Lebanon wishes to take a leading role in protecting civil liberties, promoting inclusiveness, and providing equal protection under the law to all persons in the City; and

WHEREAS, the City Council of Lebanon recognizes that a diverse population supports a resilient economy and fosters a high quality of life for its residents and visitors, in accordance with the City’s

Sustainability Principles; and

WHEREAS, the City Council of Lebanon recognizes that while Free Speech is protected under the First Amendment; we can speak out against and discourage hate speech as contrary to our values; and

WHEREAS, the City Council of Lebanon has demonstrated its commitment to protecting its residents and visitors against discrimination on the basis of age, sex, gender identity or expression, race, creed, color, marital status, familial status, physical or mental ability, national origin, sexual orientation, ethnicity or culture, language or religion, economic or housing status, or citizenship or immigration status; and

WHEREAS, the City Council wishes to take a stand against ideologies of violence, hatred, and intolerance

NOW THEREFORE, I, Timothy McNamara, Mayor of the City of Lebanon, New Hampshire, on behalf of the Lebanon City Council, resolve that:

1. The City Council of Lebanon denounces and rejects ALL ideologies based on discrimination, hatred, and intolerance, including racism, xenophobia, and homophobia, and condemns activities that promote these ideologies; and
2. The City Council of Lebanon affirms its strong support for the fundamental constitutional rights and civil liberties of every person, regardless of age, sex, gender identity or expression, race, creed, color, marital status, familial status, physical or mental ability, national origin, sexual orientation, ethnicity or culture, language or religion, economic or housing status, or citizenship or immigration status; and
3. The City Council of Lebanon celebrates and embraces its diverse community and is committed to fostering a community of inclusiveness where everyone can feel safe, welcome, and valued; and
4. The City Council of Lebanon commits to fair and equal treatment of everyone in our community, including in housing, education, employment, and healthcare, and will strive to ensure all of our actions, policies, and operating procedures reflect this commitment.

Dated this 21st day of September 2022.

TIMOTHY J. MCNAMARA, MAYOR
City of Lebanon

6. ACCEPTANCE OF MINUTES:

- August 17, 2022 (Regular Meeting)

Councilor Heistad MOVED to approve the August 17, 2022 (Regular Meeting) as amended (from the August 17, 2022 agenda packet) and presented in the September 21, 2022 City Council agenda packet.

Seconded by Councilor Liot Hill.

Roll Call Vote:

All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara

None Voted Nay

****The Vote on the Motion was approved (9-0)***

- September 7, 2022 (Regular Meeting)

Amendments: Page 24 of 97: Change State Law “RSA 45(a)-17” to “RSA 485(a):17”

Councilor Wilkie *MOVED* to approve the September 7, 2022 (Regular Meeting) minutes as amended and presented in the September 21, 2022 City Council agenda packet.

Seconded by Councilor Heistad.

Roll Call Vote:

All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara

None Voted Nay

****The Vote on the Motion was approved (9-0)***

7. APPOINTMENTS: None

8. PUBLIC HEARING ITEMS: None

9. OLD BUSINESS: None

10. NEW BUSINESS

A. Discussion & Set Public Hearing for October 5, 2022: Ordinance #2022-04 to delete and repeal City Code Chapter 117, Passenger Vehicles for Hire

Included in the agenda packet:

1. Proposed Ordinance #2022-04 (*Pages 46, City Council agenda packet*)
2. September 15, 2022 Legal Opinion by Attorney Christine Filmore RE: Ordinance #2022-04, Passenger Vehicles for Hire, Chapter 117 (*Page 47, City Council agenda packet*)

Available but Not Included in agenda packet:

City Code Chapter 117, Passenger Vehicles for Hire: <https://ecode360.com/32352856>

City Manager Mulholland reviewed the reasons to delete and repeal City Code Chapter 117, Passenger Vehicles for Hire as listed in the background.

BACKGROUND

The City Council originally adopted City Code Chapter 157 in 2008 to regulate taxicabs. This chapter was repealed in 2017 and replaced with Chapter 117, Passenger Vehicles for Hire. The reasons for the change related to reducing the insurance requirements and expanding the types of services regulated relative to vehicles for hire.

Chapter 117 does not address Uber and similar digital network companies (which offer rides for a fee) as these are regulated and permitted through the State of New Hampshire under NH RSA 376-A – Transportation Network Company.

Presently there are no taxicab services that operate within the City. The broader definition of passenger vehicles for hire does include a limousine type service. The city administration does not see a compelling public need to regulate this industry. We have no means to determine the accuracy of taxicab meters. Vehicles operated by providers are already subject to vehicle inspection, as are all vehicles in the state under the state motor vehicle code. Additionally, the city does not have resources to adequately provide oversight of this industry. Services such as Uber and Lyft are now the major provider of what were traditional taxi services.

The City Administration recommends repeal of this chapter of the city code. If there is a compelling need for regulation by the city of this industry in the future, the Council could re- adopt the provisions of Chapter 117 at that time.

ACTION:

Assistant Mayor Below MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, October 5, 2022, beginning at 7:00 p.m. in Council Chambers, City Hall, for the purpose of receiving public input and taking action on Proposed Ordinance #2022-04, to amend the Code of the City of Lebanon, by repealing Chapter 117, Passenger Vehicles for Hire. Seconded by Councilor Liot Hill.

Roll Call Vote:

**All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara
None Voted Nay**

****The Vote on the Motion was approved (9-0)***

CITY OF LEBANON ORDINANCE #2022-04

AN ORDINANCE TO AMEND the Code of the City of Lebanon by deleting and repealing Chapter 117, Passenger Vehicles for Hire, in its entirety.

BE IT ORDAINED, by the City Council of the City of Lebanon, as follows:

Section 1

The Code of the City of Lebanon is hereby amended by deleting and repealing Chapter 117, Passenger Vehicles for Hire.

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 the remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3. Effective Date

This Ordinance shall become effective immediately upon its adoption.

B. Discussion and Recommendation on Lebanon Essential Air Service Contract

Included in the agenda packet *(All the below are detailed on Pages 50-97, City Council agenda packet):*

1. US Department of Transportation Order Requesting Proposals, issued June 22, 2022 **50-**
2. Proposal of Southern Airways Express to provide subsidized Essential Air Service for Lebanon, NH
3. Proposal of Cape Air to provide subsidized Essential Air Service for Lebanon, NH

Mayor McNamara wanted to kick this discussion off with a couple of things:

1. A description of the process that has been done so far.
2. Hear a report from the Selection Committee.

City Manager Mulholland described the history and background behind this discussion as listed below.

BACKGROUND

Cape Air's current contract with the US Department of Transportation (USDOT) to provide Essential Air Service (EAS) to Lebanon (LEB) Airport will expire on November 30, 2022. In anticipation of the contract expiration, the USDOT issued an order in June 2022 requesting proposals from air carriers interested in providing EAS to Lebanon for a new contract term beginning December 1, 2022. The USDOT received proposals from Boutique Air, Cape Air, and Southern Airways Express, which were subsequently forwarded to the City for review.

City Manager Mulholland established the Selection Committee and assigned the Airport Director (Carl Gross) and asked the Mayor to appoint a member of the City Council (Councilor Whittlesey). Tracy Hutchins (Executive Director of the Upper Valley Alliance) was asked to be part of this Review Committee. The Review Committee was tasked to review the proposals, receive presentations, and make a recommendation to the City Council on a preferred carrier.

On September 1st, 2022, the Selection Committee voted to recommend Southern Airways Express as the preferred EAS carrier based on the proposals and presentations received. On September 3, 2022, the carriers were notified of the recommendation of the Review Committee that would be made to the City Council. On September 6, 2022, USDOT was notified of the Review Committee's recommendation and the date of the City Council meeting. Draft packets were put together and sent to the City Council.

The Southern Airways Express proposal is for four (4) daily flights to Boston and two (2) daily flights to Newark. They requested the Council to consider a four- year contract term.

The USDOT requested comments from the City Council relative to the recommended EAS carrier for Lebanon Airport for the upcoming contract. All comments must be submitted to USDOT no later than September 30, 2022.

Airport Manager Carl Gross and Mr. Mark Cesteri (Southern Airways Express) came forth to present and discuss the proposal and answer questions.

Mayor McNamara noted there was a representative from Cape Air in the audience to answer any questions as well.

Review Committee Comments:

Mayor McNamara wanted the Selection Committee, or Airport Manager Carl Gross, to review the process they went through in evaluating the proposals; the pros and cons of the proposals; and, how they came to their decision regarding a recommendation.

Mr. Carl Gross (Airport Manager) noted that when they started the evaluation process, they looked at several different factors with the service we had (Cape Air). Since 2012-2019, we have been averaging about 10,200 passengers per year, roughly 36% of those passengers traveled to White Plains, NY and 64% traveled to Boston. Our load factors in Boston have been averaging about 50%, which is the number of occupied seats compared to the number of seats flown. We are averaging a little over 60% traveling to White Plains, NY and since we are right on the cusp of 10K enplanements, which are required for our airport entitlements, we thought about ways of improving that number to bring it a little bit higher to give us a safety cushion. In looking at Boston, we felt it had a pretty good amount of traffic going in and out, and Boston's on-time arrival was running about 82% over the past three (3) years and according to USDOT statistics, Newark, NJ was running 77% over the past three (3) years. For on time departures: Newark was running at 77% and Boston was running at 84%.

During that same time, White Plains pretty much had the same on-time performance as Newark, according to USDOT. We took a look at those (statistics) and questioned where we could look for improvement in our connectivity and service. Boston is not a traditional hub where various planes will come in and discharge the passengers who go to another aircraft and disperse. White Plains is more of a destination airport, but connectivity is not there for other flights out of that airport. However, we felt, with the international and domestic connectivity at Newark, and the banking that the airlines provide on both the arrivals and departures, was the area for us to look at for improvement.

We also looked at the aircraft that were operating on the routes. We understand the Cessna will be replaced by the Tecnam in the key proposal from Cape Air. The Southern Airways Express proposal is flying a Cessna 208 Caravan. The Tecnam is a twin engine aircraft (piston powered) with about 88 cu. ft cargo space. The Cessna Caravan is a single engine aircraft; is turbine powered with a slightly different method of operation; has over 100 cu. ft. of cargo space that provides the capability of carrying outsized luggage such as golf clubs, skis, etc.

We also looked at the reliability factors on engines through 2016 through the FAA. That does not mean an engine shutdown, it just means there was something that happened in an engine after 3200 hrs./ per piston airplane, and roughly 3030 hrs./per turban airplane. We did not feel we were missing out on reliability with the aircraft engine on the single engine aircraft as proposed by Southern Airways Express, and felt we were picking up additional cargo space.

Ms. Tracy Hutchins noted she was brought into the Selection Committee to bring in the business viewpoint. She spoke with a number of businesses and people she knows who fly frequently, either to Boston or New York and received a lot of good comments about Cape Air. However, there were not many comments regarding ground service flying into Westchester, NY and felt it was not as convenient as flying into a hub airport like Newark. The ability to connect flights out of Newark was an important consideration.

In terms of goals in promoting tourism and the ability to have more cargo space in a plane, the Selection Committee felt this could be important. This was something raised in talking with representatives from Dartmouth College; many of the students who use the air service to get to and from school; and, their ability to take public transportation from Newark into New York City for meetings/internships. We just

really felt that Southern Airways Express was going to provide us with a capacity to grow and that their partnership was a better fit for the Lebanon community as it stands right now.

Councilor Whittlesey noted some of the comments they received were concerns around traveling to Newark and the difficulties in getting to mid-town. The fact is, the Newark Liberty International Airport has a direct connection to the northeast corridor line. You can pick up five (5) trains/hr. going to Penn Station, which is also where Cape Air drops off customers. In looking at this, flying into Newark was likely faster than the limo service from Westchester Airport, noting that while Westchester Airport is large, it is still a community airport and is not a major hub airport. As he thought about where Lebanon is going, where our growth is coming from, and what we could expect to see in the future, Newark is going to serve as a much better catchment area. In Newark, you are reaching the entire country and gives us another major hub into/out of Lebanon. The other compelling piece is the ability to drive tourism into Lebanon and the Upper Valley. While the Tecnam is a beautiful plane, you cannot fit skis or golf clubs in them as it is really designed to meet the needs of your commuter travelers and that would be limiting the passengers who are inherently going to use the service. Giving that, we have been operating at a 50% load capacity for a number of years (excluding COVID), Cape Air has not ever averaged more than 50-55%. For him, it was really about driving up ridership up here.

Mayor McNamara emphasized that the City Council does not make this decision. Ultimately the FAA makes this decision and they have requested the City Council to make a recommendation on the carrier we would like. He also stressed that if Lebanon does not get 10K enplanements/year, we stand to lose our central air service contract subsidy with the Federal Government, which is about \$1 million/year that goes towards subsidizing the Lebanon Airport. This is a very big deal. Currently, we are somewhat close to the 10K enplanements. In December, there are some promotions and we just slip over the edge (i.e., the last non-COVID year we ended up with 10,091 enplanements as of December 31, 2019. Six thousand three hundred and eighty-one (6381) of those (10,091 enplanements) went to Boston and the remaining went on to White Plains). Amazingly, in the first seven (7) months of 2022, we are at 3,926 to Boston, which is 99% of where we were the first seven (7) months in 2019 and we were at 2207 to White Plains, which is 93% of where we were the first seven (7) months in 2019. Right now, it looks like we are just on track to hit those 10K enplanements in 2022, which is a critical number for us.

Airline Presentation Summaries:

Southern Airways Express Proposal (Pages 58- 73, Council agenda packet)

Mr. Mark Cesteri (Southern Airways Express - SAE) came forth to review and discuss Southern Airways Express proposal and summarized the following points:

Consistency in the Marketplace:

He noted consistency and reliability are really their stock and trade. Many of the other commuter airlines have been badly hurt by the pilot situation and we have not because of the aircraft type that we fly. This has allowed us to have the best reliability in the industry. When you are the only airline in town, that is the most important thing.

Reliability: He understands there has been some issues with the current carrier in terms of reliability, but also knows they do an excellent job.

Fare Issues: He also felt there was a fare issue with Cape Air. SAE is proposing that if you keep them below \$100, you do much better than if you go above, and we are committed to doing that.

Cargo: Another major defining difference is the cargo capacity. To the Mayor's point, the weak months in this market are the winter months and we see those as an opportunity for us to seize and bring skiers to

town, which would drive up the number of passengers. Not being able to carry skis is a major deficiency of the current carrier. From an economic development perspective, this is a key advantage (that we can offer).

Connectivity: We have interline agreements with American, Alaska, and United and have worked very hard to establish those interline agreements. We fly to Dallas (American Airlines) and four markets in the mid-Atlantic (United Airlines hub at Washington’s Dulles Airport) and our load factors in those markets have hit a record every single month this year. We will be able to bring that benefit here with the United Airlines service. Additionally, the competitor has a relationship with Jet Blue Airways, who is contemplating a merger with Spirit Airlines. Especially for your higher end customers, Spirit Airlines will drive the Jet Blue Airline down to the Spirit level. That is who your connections are going to be at Boston Logan. He did not say this in a disparaging way, he was just saying this as a reality of what is in the pipeline for Jet Blue.

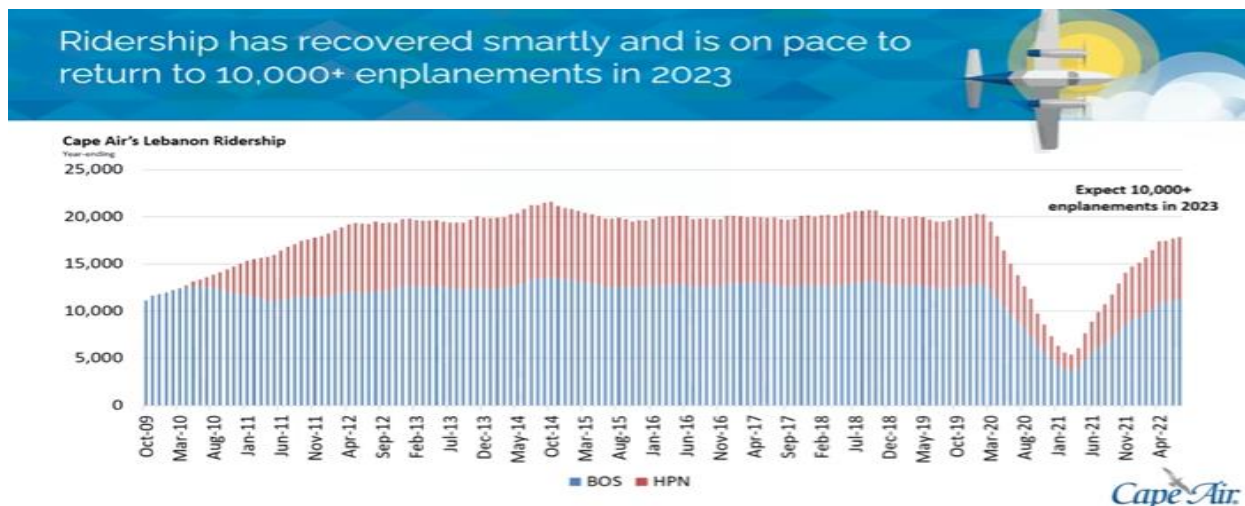
For the Newark hub, he understands that for some folks the benefit of having door-to-door service from Westchester to Manhattan is a benefit, but in aggregate, the number of international destinations out of Newark, and the weatherproof transportation that is offered from Newark vs. van service, gives us the best of both worlds in addition to our connectivity at Boston.

Reliability: Again, when you are the only airline in town, this is the most important thing.

We ask you (Council) to consider all these very objective differentiators and ratify the Selection Committee’s recommendation.

Cape Air Proposal:

Mr. Andrew Bonney (Senior Vice President of Planning for Cape Air), Mr. Chuck Fererra (VP Corporate and Airport Affairs), Mr. John Nikolovski (Lebanon’s Station Manager) and Mr. Allen Joseph (Owner of the Ground Transportation Co. in New York), all came forth representing Cape Air’s proposal.

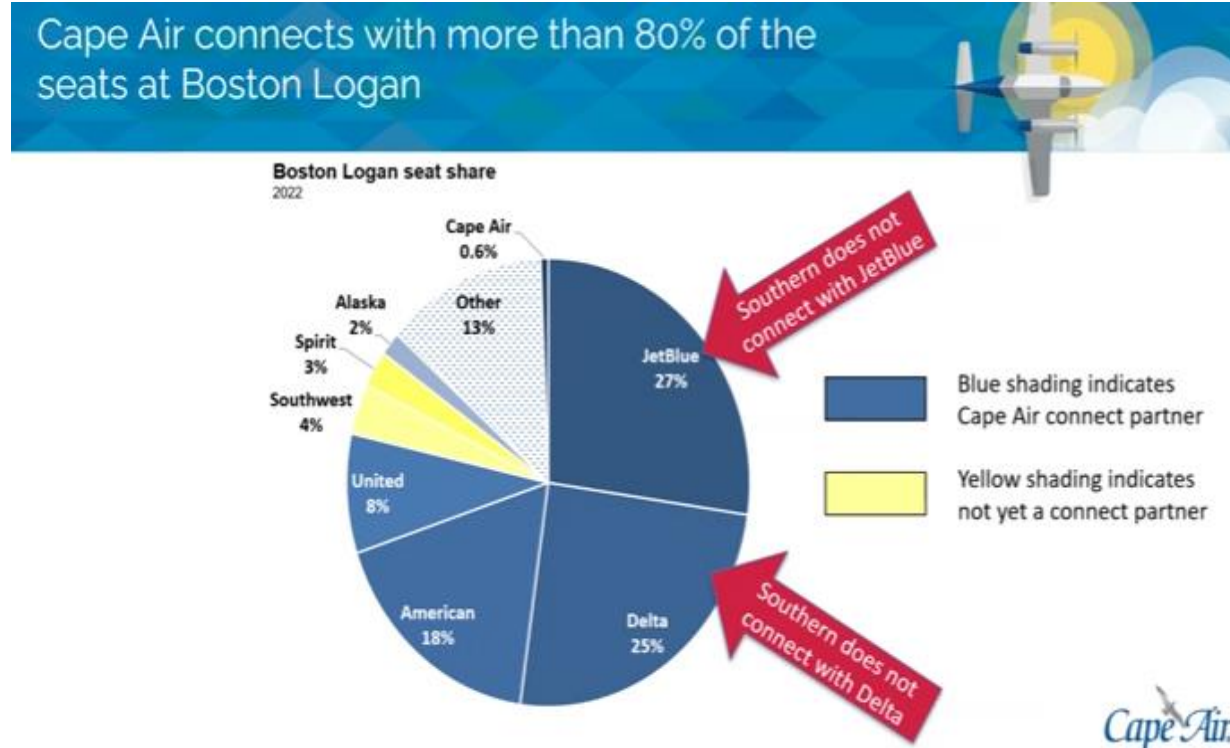


Mr. Bonney noted that when Cape Air was first invited to serve the Upper Valley in 2008, we were given a very specific mandate and it was to make sure that we had 10K enplanements every year because of the Lebanon Airport Improvement Funding, which is so critical to this community. He was really pleased that Cape Air’s record was acknowledged for hitting that (mandate) consistently year end and year out while we have been in Lebanon. He also noted they see encouraging signs on bookings and ridership for this year (2022).

He focused specifically on some of the features of Cape Air’s proposal. (The full proposal is on the USDOT website as well). One of the unique features of Cape Air is that we are interlining/co-chairing with all of the major carriers, which is important for connectivity and it is particularly important for driving. It is one thing for someone from the Upper Valley to know to use the local airport, but when someone from LA or Phoenix is looking at visiting up here, they need to be able to go onto any of their favorite websites and book the tickets here.



This community is granted six (6) daily departures by USDOT, and in both Cape Air and Southern’s proposal, four (4) of those are going to Boston. He knows there was a lot of discussion about New York, but our New York Service is doing pretty well, with a load factor in the 60’s. He refocused on where the majority of Lebanon’s flights are going, which is to Boston, noting Cape Air has been servicing since 1989.



Cape Air has interline agreements with airlines that offer 80% of their seats at Boston Logan. If Southern Airways Express were to serve Lebanon, you would lose the #1 airline there (Jet Blue) and the #2 airline there (Delta). Combined, those two airlines provide 52% of the capacity at Boston Logan.



Regarding New York City, if you recall when Cape Air took over the service, you actually had service to LaGuardia. When we started offering ground transportation service into midtown (NYC), you were actually shaving 45 minutes to an hour off the door-to-door trip time compared to when people had access to LaGuardia. The big piece of the time saved was not having to taxi around in the airplane at the major hub airport. When we go to White Plains, we are in a private facility that has no TSA, so you can show up just before your flight and just roll right out to airplane. We have a terrific partner, Allen Joseph, who has been our ground transportation provider for the last 10-years. He noted ground transportation is contracted with Cape Air, so you never have to worry about missing your flight.

Connectivity is also important, and Boston has over 140 nonstop destinations served by all carriers. Boston has changed in a huge way over the last 15 years in terms of becoming a hub. It was mentioned earlier that Newark has a connecting bank complex, which is absolutely correct, but this comes with some downsides, namely congestion. If you are arriving at prime time (in Newark), you will have long airline taxi times and congested terminals. Cape Air loves going to Westchester for access to NYC, and all have been on time. Cape Air does not charge extra for the ground transportation, that is part of your booking.

Fares: Cape Air's average fare in the last full calendar year (2021) for Boston was \$63 and for New York it was \$100. Mr. Bonney wanted to make sure the actual facts were presented.

Cape Air proposes service in our fleet of new twin-engine Tecnam Travellers

Cape Air's Tecnam Traveller



Features

- **Two engines, for safety**
- 9 passenger seats*
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports
- **LEB's only proposal which preserves Lebanon's federal entitlement to multi-engine service**

*Flights may be restricted to 8 selling seats



What Cape Air is pleased to bring you, is our brand new twin engine aircrafts, the Tecnam Traveler. Cape Air was thrilled that on August 22, 2022, we were actually able to take folks out to the airplane. We now have 30 of these on our property, and we will have the airplane ready to start in Lebanon by December 1, 2022, with a new contract. This aircraft does have less baggage space than the Cessna Caravan, but the baggage queue on this aircraft is custom designed by Cape Air for commuter-type service. Luggage is easier to load for staff, with the modern bags, and that includes golf clubs. Skis are another matter, and we could see that Southern Airways Express Cessna would be better for carrying skis because it has a freight pedigree, which is what it was designed for. Because it was designed as a freight airplane, it was designed with a single engine. The turbines are fabulous engines, but risk is probability times consequences if there is ever an issue. Cape Air now has 104 multi-engine aircraft and we continue to grow with multi-engine aircraft because we think that is the right thing to do for our communities.

Cape Air is pursuing a green future, having put cash deposits down on 75 Eviation Alice electric aircraft

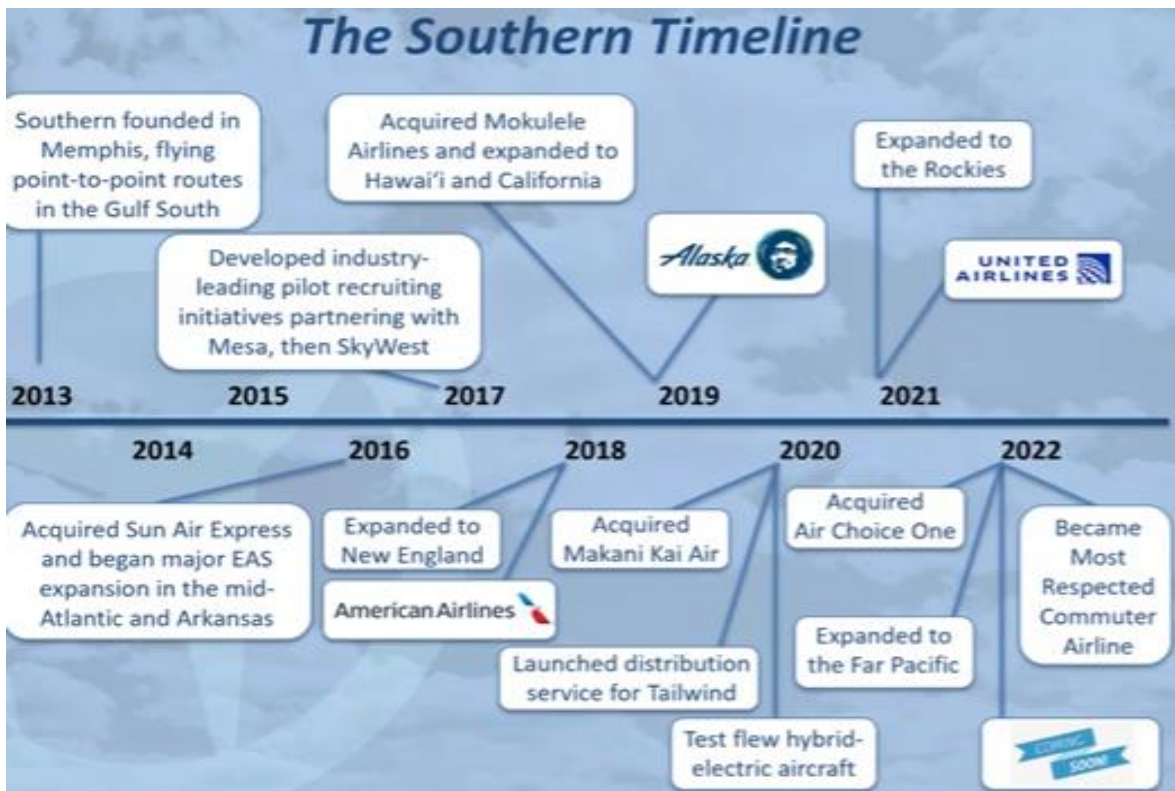




Mr. Bonney noted Cape Air is working on electric aircraft for the future. The Tecnams are already here (Lebanon) and certified. We have cash deposits down for 75 electric airplanes and are expecting our first flight in the next couple of weeks.

Assistant Mayor Below directed his question toward Southern Airways and asked where the gates would be at both Logan and Newark. Mr. Cesteri noted at Logan the gate would be located at Terminal B, which is where United/American/Alaska are located. There would be no need to go through a 2nd TSA. In Newark, the gate would be located in Terminal C, also which is the commuter side of United, and there would be no need to go through a 2nd TSA. Assistant Mayor Below also asked about the extent of Boston and Newark in terms of hubs for United/American/Alaska. Mr. Cesteri noted the way SAE is looking at this is that the Boston service has a higher percentage of local travelers, but they see the primary connecting pathway to United's hub at Newark, especially with the addition of all the international destinations served from there.

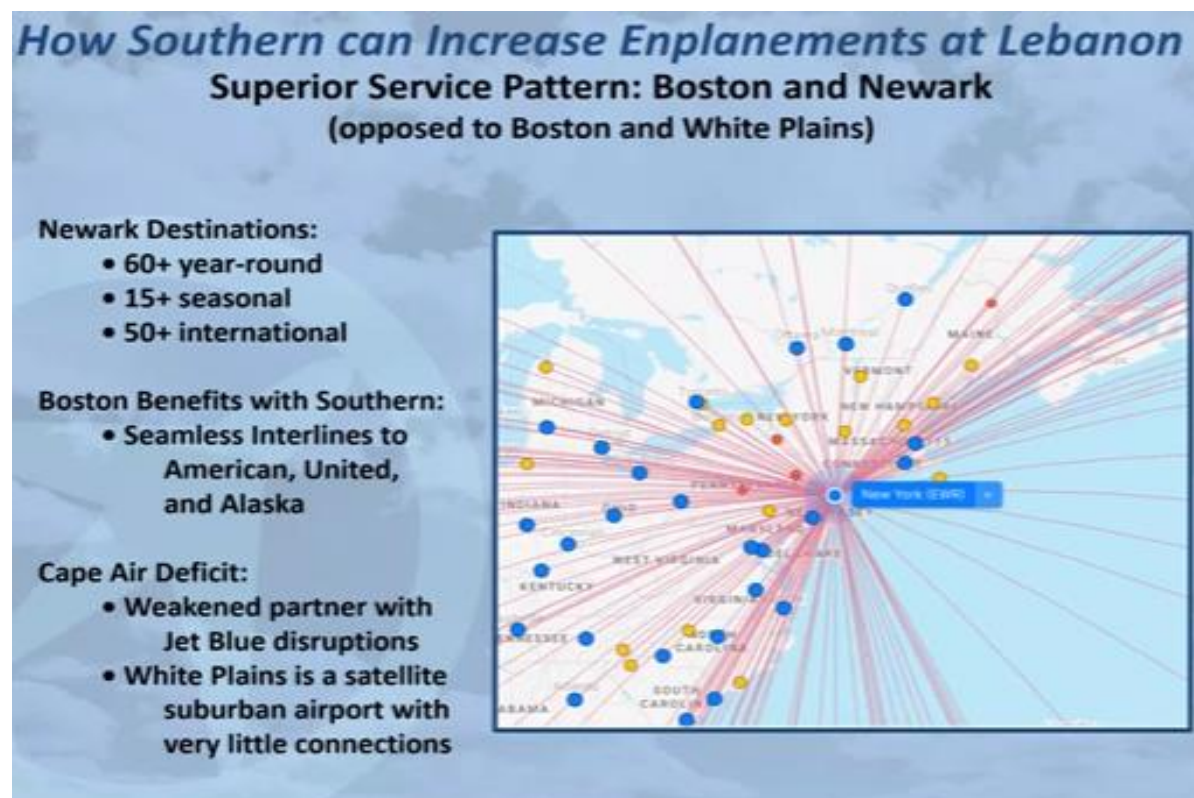
Since Mr. Cesteri (Southern Airways Express) did not present a slide presentation earlier in the meeting, Mayor McNamara extended the opportunity for him to do so. Mr. Cesteri presented and reviewed the following slides, of which some were not part of the presentation in the Council's agenda packet.



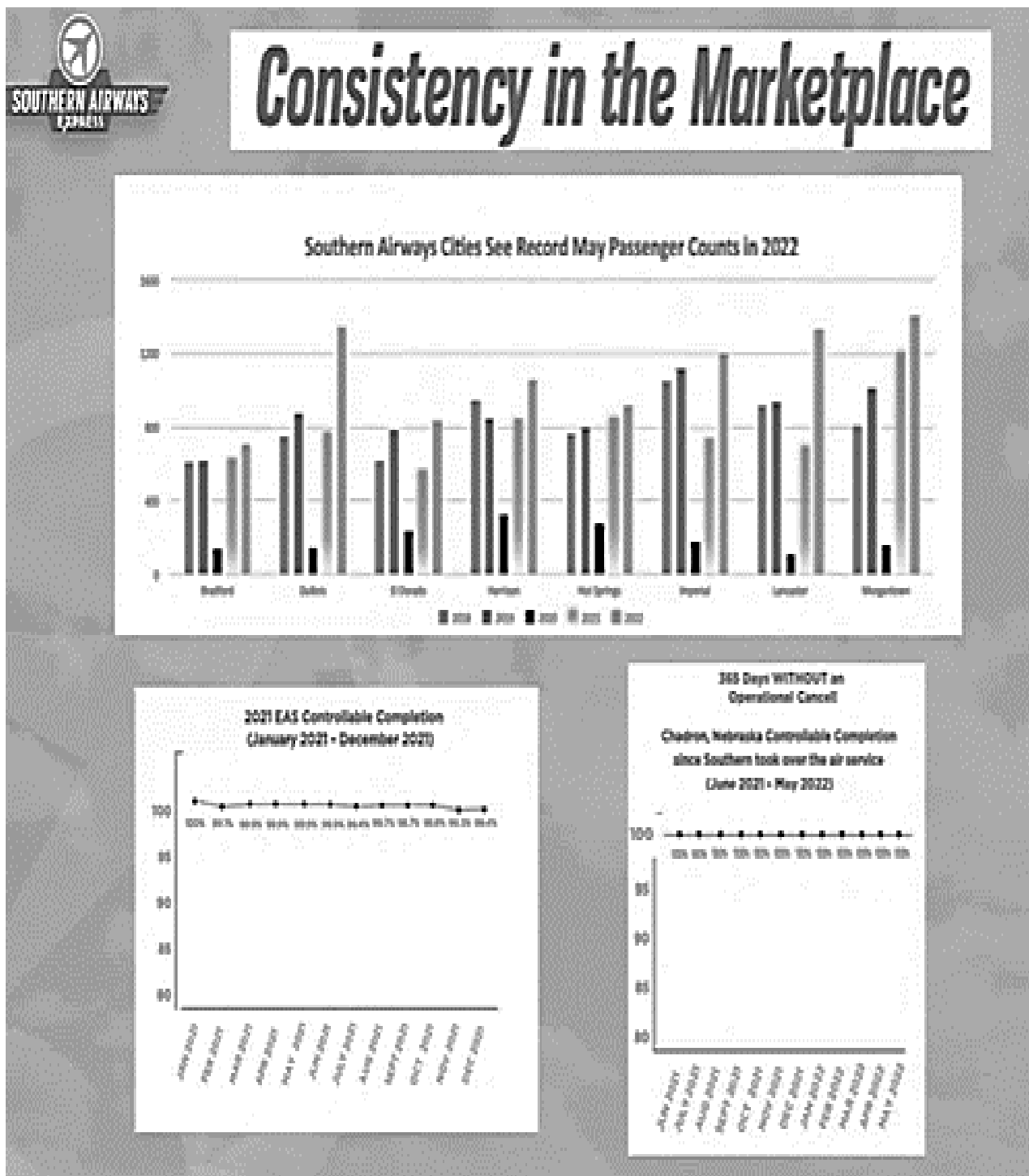
This slide is history about how Southern has grown to become the largest commuter in the country.



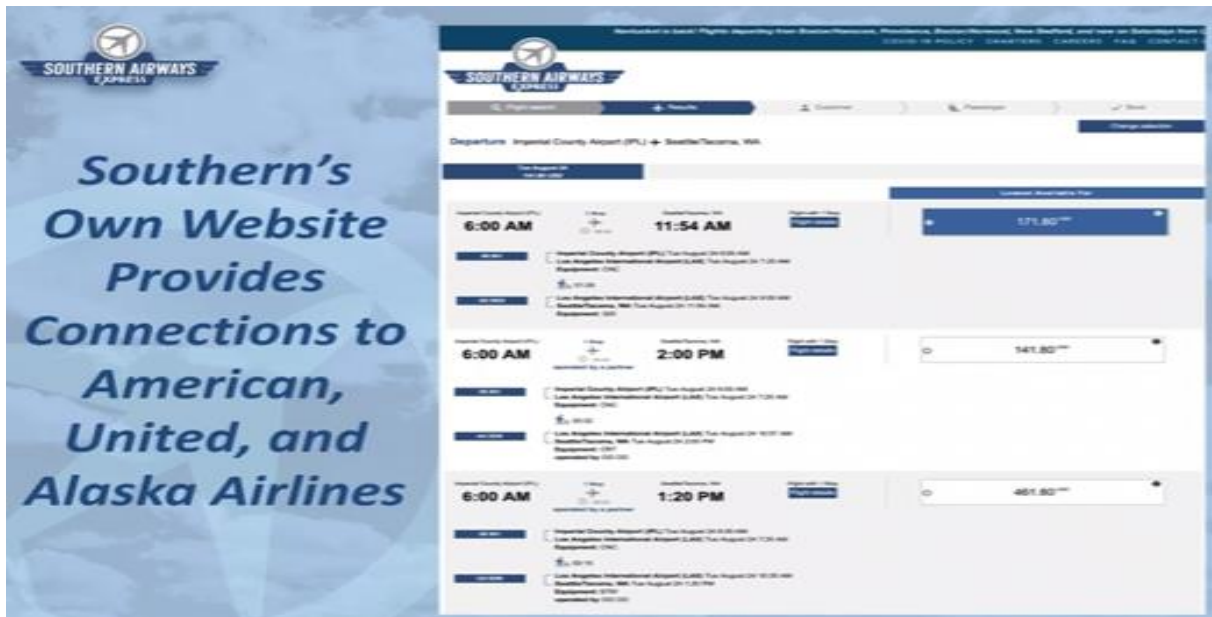
This slide shows the footprints of where SAE has services to. In response to Assistant Mayor Below's question, Mr. Cesteri noted SAE's current strategy for New England is a Nantucket base, not a Boston base, so we fly from four airports on the mainland to Nantucket. This Logan service would be new for us.



This shows what you get with flying into Newark.



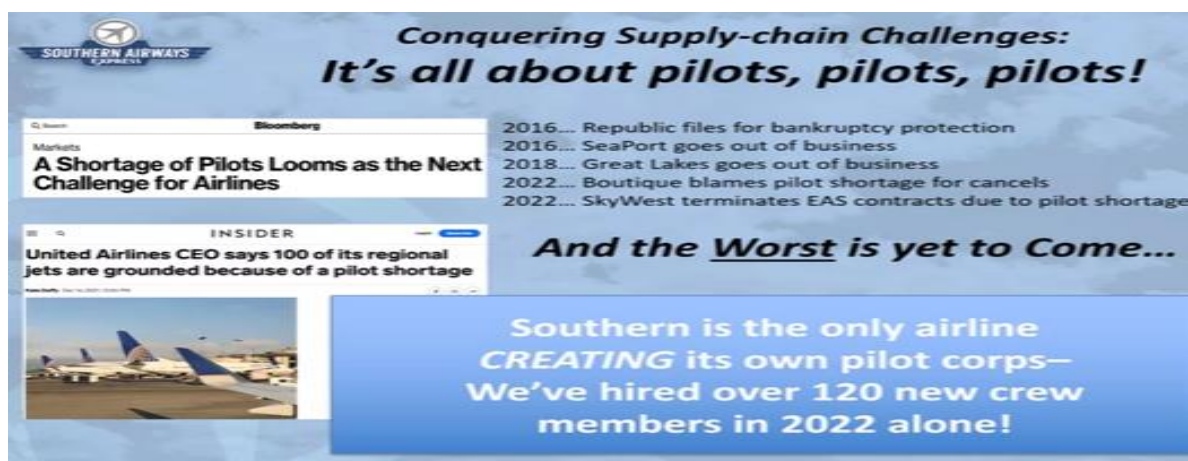
Slide above shows the benefits of connecting to Dallas/Fort Worth and Washington Dulles. We (SAE) are achieving boarding in every market. For SAE's reliability profile from January 2021-December 2021, there were 365 days without an operational cancellation.



One of the benefits of our interline agreements is that they are bilateral agreements, so you can go onto our website and buy a ticket on United/American or Alaska Airlines.



SAE's local community partnerships. The have corporate discount through ExpressPass, partnerships with hospitals and universities, and also with the town we sponsor.



The Southern Advantage
Smart Communities are Switching to Southern and Renewing EAS Contracts

Coming Soon: Muskegon, Michigan and Quincy, Illinois!

Southern is the Proven and Preferred Choice in 2022!

All of the communities above have been selected or re-upped this year. We have given references to our SAE communities to the search committee, and they did their due diligence on us.

The Southern Advantage
The Cessna Grand Caravan

Dispelling the MYTH that Two Engines are Better than One

According to NTSB accident reports of commuter airlines going back to 1982, in the continental United States, there have been far more accidents involving twin engine piston aircraft than single turbine engine aircraft...and it is not even close.

**The Safest Plan for Quincy:
One Engine. Two Pilots.**

Make of Aircraft	Single Turbo Prop	Twin Piston
CESSNA 402C		18
PIPER PA-31-350		6
CESSNA 402B		3
PIPER PA-31		2
BEECH E185		1
BEECH G185		1
BRITTEN-NORMAN BN2A-2F		1
BRITTEN-NORMAN BN2A-MK3		1
CESSNA 310R		1
CESSNA 402		1
PIPER PA-23-250		1
PIPER PA-34-200		1
PIPER PA-31-310		1
PIPER PA31-350		1
CESSNA 208A	1	
de Havilland DHC-2	1	
de Havilland DHC-3T	1	
TOTAL	3	39

*Raw data available at NTSB.gov

Here are the statistics according to the NTSB (National Transportation Safety Board).

Councilor Liot Hill wanted to make sure she correctly heard that:

1. Southern does not currently provide Logan-based service, so this would be a new enterprise. Mr. Cesteri stated this was correct.
2. Was a Market Study done as part of the process to see whether there is any data supporting Newark airport's attractiveness to Lebanon's market, noting it was not clear to her that Newark was particularly attractive for our (Lebanon's) market. Mr. Cesteri said there was one done about 10-years ago.

Councilor Sykes was curious to hear about flights to/from Nantucket, etc. and where does Southern Airways stand in terms of adding more flights if there is a market for it. Mr. Cesteri stated their air service does not allow for that. You are limited to the number of flights per week in the contract. Anything done above the contract, we would do on a market-based bases. However, in some markets they did do this and gave examples (i.e., certain university alumni gatherings, flight from a small city to New York for Christmas shopping, etc.)

In response to Councilor Sykes question about adding flights to/from Lebanon if there is a market for it, Mr. Cesteri said yes, noting their model is 50% essential air service routes and 50% market-based routes. If there is customer demand, and they will pay the freight, we have planes and pilots.

Mr. Bonney (Cape Air) noted the number of flights in Lebanon is specified by the USDOT and they are able to operate additional planes depending on the market where this would work.

Councilor Sykes also wanted to confirm with Cape Air that their bid includes Tecnams and that the 40 year-old Cessna's will be going away, for at least Lebanon's Airport. Mr. Bonney confirmed.

Councilor Sykes question was directed to Cape Air, SAE, and the airport manager, noting it was not clear to him why we would be willing to give up the right to have multiple engine aircraft to Lebanon's Airport. The very fact that we are meaning to sign a waiver for this, gave him pause.

Mr. Carl Gross (Lebanon Airport Manager) stated that when essential air service was started, everyone had certain rights under the essential air services (agreement), which was the ability to use two engine aircraft as a sole designator for the reason for selecting your carrier. Another reason that the Lebanon Airport has given up recently was the requirement to have a 30-seat aircraft. Under the SAE proposal, that would have been two flights a day on a 30-seat airplane. This was a selection criteria, but does not mean that it will remain so in the future. All it means is that we cannot make the sole selection criteria based on a twin engine aircraft. He wanted to be very clear on this.

City Manager Mulholland noted that what this does is open up the market. In the past, the only ones who could bid on this (airport) had to have twin engine aircraft. Now that we have a proposal for a single engine aircraft, we can now consider this if we choose to do this. It does not exclude the ability to have a twin engine aircraft.

Councilor Whittlesey emphasized that the Airport Selection Committee did look into this, noting this was the proposal requirement. Part of why the Selection Committee did not focus on this requirement as a necessity, was due to circumstances of Lebanon. Cape Air has been the sole proposal for prior years without any competition. It seemed to him that if Lebanon could get more proposals with a broader array of offerings it would be good for Lebanon. He also noted that once we waive that requirement (twin-engine aircraft) through the FAA, we are waiving our rights to make that requirement.

Councilor Simon wanted to make sure that Lebanon was not giving up a right to services in the future by going from two engines to one engine.

City Manager Mulholland again noted this would allow more airlines to participate in the process. Right now, the only airlines who can participate (in this process) are twin engine aircraft. It does not allow other carriers to be able to do this. The threat that we have is the loss of the essential air service funds, which is more than \$1M. If we lose that, then the property taxpayer here will have to make up the difference to run our airport.

Councilor Whittlesey stated that it is not we cannot go back to using twin engine aircraft. We can and gave examples. We just cannot automatically opt out twin engine aircraft proposals exclusively on the basis that they do not have two engines. He also reiterated that there is no competition with one provider, so there is no real choice. By broadening our criteria, it allows us to have a broader pool we could potentially select from, whether it is a single engine/twin engine/other type of aircraft in the future.

Councilor Sykes asked if Cape Air has the range to work out of Lebanon using their new electric airplane. Mr. Bonney said yes.

Councilor Liot Hill noted that the issue of growth is a very sensitive topic in Lebanon, particularly at the Lebanon Airport. While we have the need to protect the 10K enplanements and the financial subsidies that come from the Federal Government, we also have a need to balance that with the communities mixed feelings about growth. What she was hearing from Southern is to really leverage the Newark connections as a strategy for growth. She recognized Cape Air's strategies about making sure we get a little bit higher than the 10K enplanements, but not exceedingly so.

Mr. Bonney understands the importance of reaching the 10K enplanements, and Cape Air has been constantly making that mark, and makes sure this happens every year. He assured the Council and the community that they know the importance of doing this. For responsible growth, he felt the new airplane would be a significant attraction. In addition, our marketing budget for this community is \$65K per year, which is a significant increase from where we are today, and 2.5 times higher than the next largest marketing budget. Cape Air would be delighted to roll out a marketing plan for Lebanon with the new program. If you measure growth by enplanements, he cannot stress enough about the value of connectivity at the hubs. With Cape Air you get Jet Blue and Delta, the two biggest airlines in Boston. Without those two (airline) you would lose 52% of the connecting seats out of Boston.

Councilor Heistad brought up the subject of storage capacity and asked what the size was for storing skis and if this was something that could be handled with an electric plane. Mr. Bonney (Cape Air) noted this is still in the process. The battery pack goes low on the airplane and creates an opportunity to put long things in the airplane. We serve a lot of communities and, as a practical matter, we do not get a lot of skis, either inbound/outbound.

Assistant Mayor Below asked Mr. Bonney what the percentage was for coach flights in/out of Logan. Mr. Bonney explained that 100% of their flights are coach air flights. Mr. John Nikolovski (Cape Air, Lebanon) noted that since the connector in Boston has opened, coach flights have significantly increased. On the Boston routes, we are looking at 75-80% and since the partnership with Delta has developed, we have also seen a significant uptick in Delta bookings, including international service.

Mayor McNamara opened up the discussion to the public and the following came forth to express their comments and viewpoints.

Mr. Christopher Johnson (Quechee, VT): Frequent flyer to NYC. He spoke about his reasons for supporting Cape Air and spoke against flying into Newark (e.g., congestion/delays at Newark, which is one of the least liked airports; no bathrooms on SAE, etc.).

Kathleen Hebron (Lebanon, NH): She spoke about her and her husband's reasons for supporting Cape Air Cape Air: 1. Convenience; 2. Safety. 3. Logan to Jet Blue.

Richard Adler (Lyme, NH): He spoke about his reasons for supporting Cape Air, noting connectivity to NYC, convenience, price, redundancy of having twin engines, and defining the consumer. People from Cape Air are friendly and accommodating.

Susan Crane (Hanover, NH): She spoke about her and her husband's reasons for supporting Cape Air and the benefits of having twin engines, noting that Cape Air is essential to their lives. They could not get back and forth to New York with such convenience and effortless care if Cape Air was not in Lebanon. Her husband has never had a cancellation due to pilot shortage in 12-years. She also spoke about her reasons for not flying into Newark.

Thomas Oppel (Canaan, NH): He spoke about his reasons for supporting Cape Air, noting the convenience for flight connections to Washington, DC. Cape Air has been committed to the kind of values that are represented in the 2nd Resolution that the Council passed earlier this evening. He also spoke about the importance of staying with a company based in New England as opposed to a company that is not.

Andrew Heining (Woodstock, VT): He spoke about his and his wife's reasons for supporting Cape Air, noting they have flown to a number of locations, including internationally from Boston. They are happy with the way things are now, and strongly felt that if it is not broken, why fix it.

Peter Spencer (Hanover, NH): He spoke about his reasons for supporting Cape Air, noting he has flown from Manhattan over 250 times, and his family has done it about 50 times. He also spoke about reasons for not flying to/from Newark, noting the length of the journey will increase significantly due to delays, which does not happen in Westchester. If we want to hit the 10K enplanements each year, we need to look at the commuters who are taking that plane every week.

John Benson (Central, VT): He spoke about his reasons for supporting Cape Air. In addition to all the positive things mentioned previously, he wanted to note that Cape Air has been a part of this community for a long time. They have people who live/work in this community and if the decision is made to change (carriers), you have now just disrupted a dozen or more lives and families that will now have to move and find someplace else to go. These people have really pitched in and helped this City over the years. When it gets towards the 10K enplanements, and they see that it might run a little short, they have run specials at no benefit to them, but a great benefit to the City. He also spoke about his reasons for not flying into Newark.

Charles Freeman (Pilot for Cape Air): He noted he was not speaking on behalf of Cape Air, but was looking forward to joining their team later this year. He spoke about the pilots experience; their flight hours; and, the challenges of flying into the Lebanon Airport, noting there is no substitute for experience.

William Moscley (Lebanon, NH): He spoke about his reasons for supporting Cape Air, and echoed the comments made by others, noting he took over 40 flights last year to get to his second job in NYC. He spoke about the horrors of Newark. He also noted that when he did some informal polling from people at Dartmouth College, they had a look of horror when they heard about flying into Newark. He felt Lebanon would get more Dartmouth kids from the Westchester area than from the Newark area.

Rosemary Connelly (Lebanon, NH): She spoke about her reasons for supporting Cape Air, and questioned the problems that might occur in booking flights, care of baggage, connectivity issues, and if SAE staff would be trained so the carrier could be up and running by the end of the year.

Sean Cahill (Woodstock, VT): He spoke about his reasons for supporting Cape Air, and noted that if Lebanon was worried about enplanements, it would be a real mistake to switch to Southern because it is the commuters who make up the enplanements.

Peter Spencer (Hanover, NH): He questioned if this body has the right to veto the one-engine service. Mayor McNamara explained the Council has to authorize, to the FAA, our approval to go to a single engine configuration, which is now a twin engine. Mr. Spencer then commented that if the community wanted to keep Cape Air, and not surrender our two engine airplanes, then the USDOT actually does not have a decision to make, noting it is fully in the power of this body to still make that decision in favor of Cape Air.

Mr. Gross stated we can make a recommendation for Cape Air, but it is still up to the DOT to issue a contract.

Mr. Spencer questioned if this body could say: We will not accept service with one engine planes, and therefore, the only decision the DOT can make would be the Cape Air proposal.

After further discussions took place regarding the Council's response to the USDOT, it was noted that the Council, on behalf of the community, does have the power to recommend Lebanon should stay with Cape Air.

Dale Eickelman (Hanover, NH): He spoke about his reasons for supporting Cape Air and questioned the discrepancies in ticket fares (\$63 for Cape Air and \$85 for SAE plus additional costs/discounts that are not really specified). What he has not heard about is the changing ecology of airports in this region and explained his reasoning.

Rangi Keen (Meriden, NH): He spoke about his reasons for supporting Cape Air, noting the environmental impacts of Cape Air are much more efficient (i.e., solar energy use, and the Tecnam aircraft).

Barbara Hirai (Lebanon, NH): She questioned what the difference would be regarding noise from the Tecnam single engine plane and potentially the electric aircraft. Both airlines responded and noted the hybrid electric airplanes will be quieter and more environmentally friendly.

Daniel Bekele (Westchester, NY): As a commuter to the Upper Valley, he spoke about his reasons for supporting Cape Air.

In response to Mayor McNamara's request to summarize the FAA's requirement regarding the September 30, 2022, Mr. Carl Gross noted his final discussion with them was that they should be issuing a contract by December 1, 2022, otherwise there would be a hold over with Cape Air. The DOT is looking for a recommendation. If another carrier is selected, typically DOT prefers to have 60-90 days to let that new contract establish their infrastructure. If someone is chosen, DOT will still need to filter this through several different layers of review before the Secretariate of Public Transportation signs a new contract. According to his conversation with DOT, if the decision was made to change carriers, they would keep Cape Air on and provide subsidies for those flights until the incumbent is on.

Council Discussions:

Mayor McNamara provided the options to the Council, which were: Taking more time to make a recommendation; use the option to not make a recommendation and let the FAA make their decision; validate the recommendation of the Selection Committee; or, make another recommendation. The motion provided in the Council's agenda packet can be changed, if the Council chooses to do so. His preference was for the Council to make a recommendation.

Councilors Sykes, Heistad, Liot Hill, Simon and Zook felt the Council should make a recommendation and each gave their reason.

Councilor Whittlesey: While he was not against making a recommendation, he felt the Council should take more time to digest the comments made by the public and the Council.

Assistant Mayor Below wanted more clarity on the issue of (general information) twin engine planes vs. single engine planes, noting that as he started to do research on his own, it appeared the literature on this was not so clear. There seems to be some substantial arguments in the industry that the turbo prop single engine can actually be safer than the two-piston engine. He tried to find statistics, but it was a little confusing to him. He was uncertain if this was a pivotal issue here and could go for a either little more time, or make a decision tonight.

Mayor McNamara: He agreed with Assistant Mayor Below's comments. He thought the difference between a piston engine and a turbine engine has meaning to it, and knows a lot of places in the world, including Hawaii, has a lot of single engine aircraft. He also understands this is a perception issue with people, and that may have nothing to do with statistics.

Councilor Wilkie: He gave a non-answer, which is to say that while he would love to make a decision based solely on the merits of the two proposals, he thought there were so many opinions and strong preferences from the public, he would feel comfortable recommending we retain our current service. He was uncertain if he would be prepared to support a recommendation to change service.

Councilor Liot Hill felt that if the Council takes more time, she was uncertain if we would get more data (i.e., does Newark perform the same way that Westchester does). Mr. Cesteri (SAE) disagreed, noting the customer base comments from those who fly out of Newark have not been taken into account.

Councilor Wilkie commented that we are hearing (testimonies) from primarily customers who currently use Cape Air. However, those are our constituents. We are trying to determine service for our constituents and for the people who are here.

Mayor McNamara noted he would not want to change something that was working for him, either, unless he had a very good reason to want to change.

Councilor Sykes pointed out that he, and this community have made changes before, when it was the best and right thing to do. In the last 12 years, Cape Air has done nothing but show him that the right decision was made by this community and felt it would be appropriate for someone to make a motion.

ACTION:

Councilor Sykes MOVED, that the Lebanon City Council hereby recommends to the United States Department of Transportation that Cape Air be selected to provide Essential Air Service to the Lebanon Airport for a four-year term beginning December 1, 2022.

Seconded by Councilor Liot Hill.

Councilor Sykes spoke to his motion noting: 1. Our job is to speak for the people. We have heard from the public and while there has been plenty of opportunity for the people, we have heard no comments from the public and from our constituents, in support of changing (carrier). He also believes we should not give up the use of the twin engine airplane, and 2. We should not be giving up a working route, especially one that has shown to perform, for an unknown route. Cape Air has consistently continued to

reach the 10K enplanement goal, which is critical to us. The other thing important to him was that the aircraft be changed out. It also seemed to him that there was a clear choice of connectivity and explained his reasons.

Councilor Liot Hill thanked the administration for doing their due diligence; Southern for their submission; Cape Air; and everyone who emailed the Council. She supported the motion and thought that changing providers has too many risks and was in favor of moving forward with the status quo at this time. She spoke about the concerns raised about Newark. Commuters who live between here (Upper Valley) and Manhattan are an important part of our community and contribute to our quality of life. Lebanon has a Lebanon First Policy, and we need to consider, not just those who use the airport, but also the people of Lebanon. It is important for Cape Air, or any provider, to make sure Lebanon is meeting the 10K enplanements and that we are doing it in a way that is most sensitive to our residents. Cape Air has been a good community partner and she expects this to continue. She thanked Cape Air for doing such a great job of taking care of people who thrive in our community.

Assistant Mayor Below explained that he is not necessarily adverse to change, but in his mind there was appeal to the idea of connecting to a real hub. Right now, he does not see that a twin engine vs. a single engine weighs significantly in his decision because there does not seem to be a clear cut safety issue one way or the other. With that said, he did think there was an argument that if we think of this not so much as trying to connect us to more occasional travelers, but as a commuter service, then it makes sense to try to retain the existing customer base and further explained his reasonings regarding connectivity hubs. He also felt there was a risk factor in changing to Newark, and it was clear a significant portion of the existing customer base might be lost. It makes sense to stick with what we know about the existing customer base and not face that loss.

***Councilor Liot Hill MOVED to extend the meeting to 10:15P
Seconded by Councilor Sykes.***

Roll Call Vote

All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara
None Voted Nay

****The Vote on the Motion was approved (9-0)***

Vote on Table Motion:

Roll Call Vote

All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara
None Voted Nay

****The Vote on the Table Motion was approved (9-0)***

11. City Manager Report:

City Manager Mulholland updated the Council on the following:

- Reminders:
 - Braver Angel's Program, September 26, 2022, 10-12P, Council Chambers

- Joint meeting with the Hartford Selectboard regarding Housing Issues: September 27, 2022, 6:30P, at the SAU building, Auditorium
- Budget Hearing Change in December: Moved from December 21, 2022 to December 14, 2022.
- Westboro Yard Status: Memo sent to Council. City Manager Mulholland urged caution on expectations because a lot of things can go wrong. The City Manager and Mayor McNamara explained the process that still needs to be done.
- CIP Overview: For the October 19, 2022 City Council Meeting, the Council will be starting their regular meeting at 5:30 PM. Starting at 7:00 PM, the Council will review and discuss CIP projects.

Councilor Sykes questioned why Lebanon did not have an Airport Advisory Committee. He was asked to submit an agenda request form so this could be discussed at a future Council meeting.

12. COUNCIL REPRESENTATIVES TO OTHER BODIES:

Assistant Mayor Below informed the Council that the Joint Legislative Committee on Administrative Rules unanimously approved a conditional approval request by the PUC for Community Power Aggregations Administrative Rules.

13. FUTURE AGENDA ITEMS: None

14. NON-PUBLIC SESSION: None

15. ADJOURNMENT:

*Assistant Mayor Below MOVED for adjournment.
Seconded by Councilor Whittlesey.*

Roll Call Vote

All voting Yea: Assistant Mayor Below, Councilors Heistad, Liot Hill, Sykes, Wilkie, Whittlesey, Simon, Zook, and Mayor McNamara
None Voted Nay

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

The meeting was adjourned at 10:10 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary