

FINAL

**LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, February 15, 2023, 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, Christian Simon, Douglas Whittlesey, Devin Wilkie, and Karen Zook

MEMBERS ABSENT: George Sykes

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, Finance Director Vicki Lee, Deputy Finance Director Alesia Williams, Associate Planner Rebecca Owens, City Chief Assessor Michael Pelletier

1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 7:00 p.m.
 - City Manager Shaun Mulholland announced the meeting criteria for the public.

2. **PLEDGE OF ALLEGIANCE: Not Done**

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:** February 1, 2023 (Regular Meeting)

Amendments: For clarification purposes the following edits should be made: Page 12, Line 25: Change “Motion #1” to “Main Motion.” Page 12, Line 32: Should read: Assistant Mayor Below MOVED to amend the Main Motion as listed below.” Page 12, Line 34: Change “Motion #2” to “Motion to Amend.” Page 12, Line 35: Should read: Assistant Mayor Below Moved to Amend to Main Motion to read.....: Page 36 , Line 6: Should read “The MOTION to Amend was approved....; Page 36, Strike Lines 8-9, Line 11 should read: “Roll Call on the Main Motion as Amended.” Page 36, Line 16 should read: The Vote on the Motion as Amended was approved.

*Councilor Heistad MOVED to approve the February 1, 2023 minutes as amended and presented in the February 15, 2023 City Council agenda packet.
Seconded by Councilor Wilkie.*

**The Vote on the Motion was approved (8-0)*

Item 7., Appointments was taken out of order from the agenda packet. All items are now listed in the order they were discussed by the Council

8. **PUBLIC HEARING ITEMS:**

- A. **ELDERLY TAX EXEMPTIONS:** A public hearing for the purpose of receiving public input and taking action to review and modify Elderly Tax Exemptions.

Included in the agenda packet:

1. February 2, 2023 Memo from Michael Pelletier, Assessing Agent; re: 2023 Elderly Tax Exemptions including Summary of Elderly Tax Exemptions ([Pages 31- 39](#))

City Manager Reviewed the proposed changes to the Elderly Tax Exemption.

BACKGROUND

In response to concerns over higher assessed values following the 2022 citywide revaluation and the dramatic increases in real estate prices, the Assessing Office was asked to review existing Elderly Exemptions to see if changes to the qualifications were appropriate at this time. Many property owners are seeing dramatic increases in their assessed valuations. Real estate values have been on the rise since 2012, with the most dramatic increases occurring between 2019 and 2022. The cost of living and inflation levels are changing at a rate that has not been seen in 40 years.

What is being proposed is changing the value of the assessed property limits/values as follows:

- Changing the Elderly I Tax Exemption for ages 65-74 from \$66,000 to \$116,000.
- Changing the Elderly II Tax Exemption for ages 75-79 from \$114,000 to \$164,000.
- Changing the Elderly III Tax Exemption ages 80+ from \$240,000 to \$290,000.
- The income limit is currently \$45,000 for single applicants and \$65,000 for married couples. The asset limit is \$100,000 for both single and married applicants.

It is noted that a clerical error was discovered following the scheduling of the public hearing on February 1st. In the agenda materials provided to the Council for the February 1st meeting, the current exemption amount for ages 75-79 was incorrectly cited as \$145,000 when, in fact, the current amount is \$114,000. For additional details and proposed recommendations, please see memo and explanation of the Elderly Tax Exemption process as completed by Assessing Agent Michael Pelletier. ([Pages 33-38 , Council agenda packet](#))

Mayor McNamara opened the Public Hearing.

In response to a question from the public, Mayor McNamara clarified the three categories of the Elderly Tax Exemption as explained above.

Mr. Michael Pelletier explained how they came up with these figures, noting that when the changes were calculated, they had an issue arise from people who were used to receiving the complete exemption amount. When the revaluation was done, the exemption amounts did not cover the tax increase. He then figured out what the median tax increase was due to the revaluation and made an adjustment to each exemption amount based on the median increase.

Mayor McNamara noted there is a set of criteria for assets, income and the value of property and suggested people contact the City Assessing Office who would be able to help people fill out the forms. The deadline to fill out these forms is April 15, 2023, and will affect the fall bill. He also explained this is due to the incredible demand for housing in Lebanon, which has driven prices up. Correspondingly, due to COVID, commercial property revaluations did not increase as much, because there was no demand for commercial property. Revaluations are determined by the State of New Hampshire, and we have to

follow their guidelines as to when they should be done. The City fell outside a set of State Standards so we were forced to do revaluations in accordance with the State's criteria.

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

ACTION:

Councilor Liot Hill MOVED, that the Lebanon City Council, in accordance with NH RSA 72:39-b, hereby increases the amount of assessed property value exempted for three elderly age groups as follows:

- ***Elderly I (ages 65-74) amount of assessed property value exempted increased to \$116,000 (One Hundred Sixteen Thousand Dollars)***
- ***Elderly II (ages 75-79) amount of assessed property value exempted increased to \$164,000 (One Hundred Sixty-Four Thousand Dollars)***
- ***Elderly III (ages 80 and above) amount of assessed property value exempted increased to \$290,000 (Two Hundred Ninety Thousand Dollars).***

BE IT FURTHER MOVED that the amount of assessed property value exempted, as set forth above, shall be effective immediately.

Seconded by Councilor Heistad.

Mayor McNamara noted income levels for the elderly would be discussed at a future Council meeting.

****The Vote on the Motion was approved (8-0)***

7. APPOINTMENTS:

- West Lebanon Revitalization Advisory Committee, James Marshal (Appointment as a Ward 1 Resident Member)

Councilor Simon MOVED to NOMINATE James Marshal for appointment as a Ward 1 Resident Member of the West Lebanon Revitalization Advisory Committee.

Seconded by Councilor Liot Hill.

****The Vote on the Motion was approved (8-0)***

9. OLD BUSINESS - NONE

Mayor McNamara noted that Item 10. D, New Business, would be taken out of order from the agenda packet, so the following will be presented in the order as discussed by the Council.

10. New Business

D. Presentation of 2022-2023 Lebanon Historic Landmark Designations

In this twenty-fifth (25th) year of the City's Historic Landmark Designation Program, the Lebanon Heritage Commission has identified ten (10) properties for designation as local Historic Landmarks. Since the Program's inception in 1997, there have been eighty-six (86) other properties selected for Landmark Designation throughout the City.

This year's designations include the following properties:

- ❖ Storrs Hill Ski Area, 60 Spring Street; Owned by City of Lebanon
- ❖ 15 Winter Street; Owned by Elizabeth and Harry Studer
- ❖ 19 Winter Street; Owned by Rennie and Michael Howerin
- ❖ 79 Hanover Street; Owned by Barry Schuster, TTEE
- ❖ 91 Hanover Street; Owned by Asher 3 LLC
- ❖ 93 Hanover Street; Owned by 93 LLC
- ❖ 119 Hanover Street; Owned by David Walthour
- ❖ 136 Hanover Street; Owned by Richard Zablocki
- ❖ 144 Hanover Street; Owned by Noppakao and Sompradthana Woonbamroong
- ❖ 149 Hanover Street; Owned by Geoffrey Tomlinson

Included in the agenda packet: *(Please refer to pages 149-161 in the Council agenda packet for detailed information and pictures of the above listed properties.)*

1. Designated Property Details
2. Historic Landmark Designation Program – Inventory and Plaque Status Verification as of November 15, 2022 (does not include the ten proposed designations for 2023)

Ms. Nicole Burley, Heritage Commission Chair and City Historian, reviewed the background/history of the Lebanon Heritage Commission, The Historic Landmark Designation Program, and described this year's (2023) ten (10) designation properties.

BACKGROUND

The Lebanon Heritage Commission was established in 2006 to take the place of the Historic District Commission. In addition to its regulatory role within the Lebanon Historic District, the Heritage Commission plays an advisory role citywide, and is responsible for the dissemination of information regarding the City's historical resources and for conducting the Historic Landmark Program.

In accordance with its purpose statement, the Heritage Commission is responsible for the proper recognition, use, and protection of resources, tangible or intangible, primarily man-made, that are valued for their historic, cultural, aesthetic, or community significance within their natural, built or cultural context. Lebanon is endowed with a trove of properties having historic, architectural, and/or cultural significance that the Heritage Commission strives to recognize to foster individual and community pride.

The Historic Landmark Designation Program was created to identify and aid in the protection of sites of significant community value in the City. Among the action items of Chapter 11, Historic Resources, in Lebanon's Master Plan, is the following: "Continue identifying structures that qualify for the State and/or National Historic Register and the Historic Landmark Designation Programs." (#11.1.A3). The Program aims to increase awareness in, and encourage, property owners to invest in the rehabilitation of their buildings, in turn to conserve property values and strengthen the local economy. There may also be some direct benefits to the property owner; for example, with the recent expansion of 79E Economic Revitalization zone boundaries for tax credit eligibility landmark designation could bolster 79E qualifications.

The Landmark Designation Program is an honorary celebration of our community's legacies and does not subject properties to any special or additional regulations or restrictions within the City or otherwise. Property owners of proposed designated landmarks are contacted by mail prior to submission for Council nomination. Of the eleven (11) properties originally proposed in 2022, only one property owner (84 Hanover St.) declined the



recognition.

For a building to receive Historic Landmark Designation it must possess **historical, architectural and/or cultural significance**. For example, qualifying sites may be associated with historical events or with the lives of significant persons in our past, or the site may embody the distinctive characteristics of a particular style.

It should be noted that most of the candidates vetted by the Commission for 2022 designation have been ‘pre-screened’ by professionals. Specifically, dozens of “contributing” properties in the Colburn Park National Register-designated Historic District and other National Register- eligible locations in Lebanon (Maple Street, Hanover Street, etc.) are detailed with neighborhood-scale and property-specific research in Area Forms provided by the State of New Hampshire. As a result, it is anticipated that this program has a robust pipeline for future designations as well, until a logical cap is determined based on what is deemed eligible.

In addition to the above proposal of new designations, the Lebanon Heritage Commission, with efforts led by Jerry Rutte, Devin Wilkie, and Matt Smith, has evaluated the statuses of prior designations. The 86 existing landmarks were reviewed primarily for a) display of awarded plaques and b) physical state. Associated findings are summarized in the attached “Inventory and Plaque Status Verification spreadsheet”, noting that the display of plaques may be imprecise in some cases, as verification was based on viewability from the street. Commission members observed that at least three (3) of the properties that were designated in part due to the attributes of their structural elements have new physical states, i.e., have ceased to exist, including the Lebanon Baptist Church, and the Westboro Yard Roundhouse and Sandhouse. In recognition of these alterations, the Heritage Commission wishes to retire those properties from the active landmarks list and has created an emeritus designation for landmarks that are no longer in existence due to natural or human causes.

For more program details, visit: <https://lebanonnh.gov/1103/Historic-Landmark-Designations>.

Plaques were handed out to those property owners present in the audience. Plaques for those not present will be sent to them.

ACTION: No action required. Item for informational purposes only.

10. NEW BUSINESS

A. Presentation of 2021 Audit

Included in the agenda packet: *(Pages 40-141)*

Mr. Kyle Gingras of Plodzick & Sanderson presented and reviewed the 2021 Financial Audit as presented in the agenda packet pages listed above, starting on page 46.

He specifically spoke about the Independent Auditor’s Report, which was their opinion on the financial statements (*pages 49-51*); the City’s Management Discussion and Analysis (*pages 52-62*); The Basic Financial Statements (Exhibit A-Balance Sheet (*page 64*); Exhibit B, Revenues/Expenses (*page 65*); Exhibit C-1 to C-3, Balance Sheet for Governmental Funds (*pages 66-68*); Exhibit C-4, Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities (*page 69*); Exhibit D, Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund (*page 70*); Exhibit E-1,

Proprietary funds ([page 71](#)); Exhibit E-2 ([page 72](#)); Exhibit E-3 ([page 73](#)); Exhibit F-1 ([page 74](#)); and, Exhibit F-2 ([page 75](#)). *NOTE: All page numbers refer to the Council agenda packet.*

Council Discussions:

The Council and Mr. Gingras discussed the City's level of risk in the Governance Letter, with Gingras noting the Governance Letters is a standardized report with the format being laid out by the AICPA. For this year, they AICPA added the area of significant risks identified. In the Opinion Letter, what they do is identify any particular risks of the City and perform audit procedures relative to those risks. These three risks are consistent for all governmental entities that they audit and are: 1) Management override of controls. 2) Improper Revenue Recognition. 3) COVID 19 grant funds. They also discussed the difference between the single audit and the financial statements and how these were calculated.

From a management perspective, Mr. Gingras reviewed and explained a couple of supplementary schedules that are included on pages 122-128, Council agenda packet. He noted that a positive variance is favorable and a negative variance is unfavorable.

ACTION: No action required. Item was for informational purposes only.

B. Discussion & Set Public Hearing for March 1, 2023: Request to Rescind Prior Authorizations for Issuance of Bonds or Notes, to Rescind Prior Appropriations for Capital Projects, and to Transfer Appropriated but Unspent Funds.

Included in the agenda packet: ([Pages 142-147](#))

1. Memo from Finance Director Vicki Lee, dated February 8, 2023

Finance Director Vicki Lee reviewed the background and the reasons behind her request above.

BACKGROUND

The purpose of this agenda item is to request the City Council to rescind prior authorizations for unissued bonds or notes that are no longer required, and therefore, will not be issued. In addition, the Council is asked to rescind prior appropriation authority for capital projects and authorize the transfer of appropriated, but unspent project funds from completed capital projects to other capital projects. The total amount of prior authorizations for issuance of bonds or notes to be rescinded is \$924,296.09. The total amount of prior appropriation authority for capital projects to be rescinded is \$322,110.68. The total amount of funding and appropriation authority to be transferred from completed capital projects to a new capital project is \$184,679.82. And the total amount of appropriated, but unspent funds to be transferred from completed capital projects to ongoing capital projects is \$739,773.94.

Completed Capital Project	Rescind Bonding Authorization	Rescind Appropriation Authorization	Transfer Funding and Appropriation Authorization	Transfer Unspent Funds Only
Community Center	-		\$ 12,254.53	
Emergency Intersection Control System	-		\$ 24,539.00	\$ 9,050.00
Water Treatment Facility Upgrade		\$ 84,969.52		\$ 64,969.52

Hillcrest Acres infrastructure Construction	\$ 554,296.09		\$ 139,612.48	\$ 554,296.09
Miracle Mile Pedestrian and Transit Improvements	\$ 200,000.00	\$ 29,374.65		-
LPD HVAC Repair and Upgrade		\$ 133,521.08		\$ 83,521.08
LPD Radio Communications Repeater Replacement	\$ 170,000.00	\$ 46,308.18		-
Landfill Tarp Machine Replacement		\$ 27,937.25		\$ 27,937.25
Valley Cemetery Maintenance Building	-		\$ 1,513.81	
Parks Storage and Maintenance Building	-		\$ 6,760.00	
	\$ 924,296.09	\$ 322,110.68	\$ 184,679.82	\$ 739,773.94

Please see the memorandum in the Council agenda packet from the Finance Director for further description of the requested rescissions of bonding and appropriation authority and transfers of appropriated but unspent funds.

ACTION:

Councilor Liot Hill MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, March 1, 2023, beginning at 7:00 pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose of receiving public input and taking action to rescind prior authorizations for the issuance of bonds or notes totaling \$924,296.09, to rescind prior appropriations for capital projects totaling \$322,110.68, to authorize the transfer of appropriation authority and unspent funds to a new capital project totaling \$184,679.82, and to transfer appropriated, but unspent funds totaling \$739,773.94 from completed capital projects to ongoing capital projects.

Seconded by Councilor Heistad.

****The Vote on the Motion was approved (8-0)***

C. Discussion & Set Public Hearing for March 15, 2023: Request for Supplemental Appropriation in the Amount of \$1,800,000 for the Purchase of 14, 28 and 30 Main Street, West Lebanon and Authorization to Issue Bonds or Notes

Included in the agenda packet: [*\(Page 148\)*](#)

City Manager Mulholland reviewed the request for the Supplemental Appropriation as listed above.

BACKGROUND

On February 1, 2023, the City Council voted unanimously, pursuant to its authority under NH RSA 47:5, to authorize the purchase of three parcels situated on Main Street in West Lebanon, including specifically: 14 Main Street (Tax Map 72, Lot 88; +/-0.11 Acres); 28 Main Street (Tax Map 72, Lot 84; +/-0.48 Acres), and 30 Main Street (Tax Map 72, Lot 83; +/-0.45 Acres) for a purchase price of \$1,750,000 (One Million Seven Hundred Fifty Thousand Dollars). As part of its motion, the Council designated and authorized the City Manager to act on behalf of the City Council to undertake all actions and execute all documents as may be required to enter into a Purchase & Sale Agreement (P&S) for the acquisition of the properties and to perform all obligations of the City under the P&S.

Based on the City Council's action, the City Manager has initiated due diligence efforts, including environmental review of the properties prior to closing. It is estimated that Phase 1 and Phase 2 Environmental Site Assessments will cost approximately \$50,000, bringing the total cost of acquiring the properties to \$1,800,000.

Mayor McNamara thought this was a once in a lifetime opportunity for the City to acquire property in Downtown West Lebanon to give us some real options down the road to use these properties for either a public purpose or to use as a public-private partnership. This will give the City some control over the way Downtown West Lebanon will look for the next one hundred years into the future. He was encouraged that we would be able to do something that will then encourage other private landowners to invest in Downtown West Lebanon, which has not happened for a significant period of time. In his opinion, this falls into what he would term a strategic investment.

ACTION:

Councilor Wilkie MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, March 15, 2023, beginning at 7:00pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose of receiving public input and taking action to appropriate the sum of \$1,800,000 to fund the purchase and acquisition of properties located at 14, 28 and 30 Main Street, West Lebanon, and to authorize the issuance of bonds/notes in the amount of \$1,800,000 in accordance with the Municipal Finance Act (NH RSA 33).

Seconded by Councilor Whittlesey.

****The Vote on the Motion was approved (8-0)***

11. City Manager Report:

Mayor McNamara updated the Council on the following:

- He had a very productive meeting with the Twin Pines Housing Trust regarding 3 Seminary Hill, which we think is a viable project, noting they have some conceptual designs for a 4-unit townhouse building. Twin Pines, at their cost, has retained an architect to look into this and do some preliminary cost estimates. We hope to have these in the next 2-3 months. Sources of funding would be procured through Twin Pines Housing Trust, which would allow us to leverage some funds to get the price down. The idea is that these would be owner occupied, would be sold as work force housing, potentially to a restricted group (i.e., City and School District employees). These would be well below market rate housing, with a capped repurchase option, which would allow someone to buy into a property at an affordable price, build a reasonable amount of equity, and when they decide to move out they would only be able to take advantage of a limited amount of equity, not the full market price of the property. Because this project is highly dependent on Federal Funds, it will take a long time to work through this process and will more likely be a 2023 construction project. He would like to see this project up and running before the Dry Bridge Project.
- At the Mayor's meeting, they had a presentation by Coast Transportation who serves portions of Maine and coastal New Hampshire. They, along with the cities of Dover and Portsmouth, are looking to have a proposal made to the State to increase the amount of funding for public transportation. The summary provided by Coast Transportation was shocking and compared New Hampshire to all the remaining New England States. New Hampshire's funding for public transportation is around \$0.15 per capita, which is well below what Massachusetts and others are providing. Like a lot of things in New Hampshire, public transportation gets pushed down to the communities and donors, noting that for Advance Transit, Vermont is essentially subsidizing

NH. He will be coming before the Council in the near future to seek a Resolution in support of this. Whether we get any traction from the State on this matter is uncertain.

- The Mayor's group has assembled a Homelessness Working Group (HWG), which now consists of 10 out of the 13 municipalities. It is hoped that within 60-90 days they can bring their recommendations to the Mayor's group for their review before submission to the State.

City Manager Shaun Mulholland updated the Council on the following:

- Purchase of 1 High Street: It will be cheaper for us to buy this property than it would be to wait on the State and further spoke about his reasons for doing so.

12. COUNCIL REPRESENTATIVES TO OTHER BODIES:

Assistant Mayor Below noted that the Connecticut River Joint Commission has a series starting on February 23, 2023, with a virtual session starting at 2:30 PM with regard to climate migration. They will also have a program on March 29th (details TBD). He spoke about a couple of links on their website, which talked about studies regarding migration into the Connecticut River Valley, noting there was a 7.1% increase in the population for Lebanon over the past 10 years and further gave statistics on migration during the COVID pandemic, which ranked our region as the second quickest growing community in the entire country.

13. FUTURE AGENDA ITEMS: Next Meeting on March 1, 2023 @ 7:00 PM, City Hall, Council Chambers

14. NON-PUBLIC SESSION:

Session #1

Councilor Wilkie MOVED to go into NON-PUBLIC SESSION #1 for the purpose of discussing RSA 91-A:3, II(e) – “Consideration or negotiation of pending claims or litigation which has been threatened in writing or filed by or against the public body or any subdivision thereof, or by or against any member thereof because of his or her membership in such public body, until the claim or litigation has been fully adjudicated or otherwise settled. Any application filed for tax abatement, pursuant to law, with anybody or board shall not constitute a threatened or filed litigation against any public body for the purposes of this subparagraph.”

Seconded by Councilor Whittlesey.

Roll Call Vote:

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

None voted Nay.

****The Vote on the MOTION was approved (8-0).***

Staff Present: City Manager Shaun Mulholland, GIS Coordinator Mark Goodwin, City Attorney Matthew Decker.

The Council entered into NON-PUBLIC Session #1 at 8:19 PM

The Council discussed a strategy for a mediation session in the Patch litigation.

Session #2

Councilor Simon Moved to enter into Non-public Session #2 for the purpose of discussion RSA 91-A:3II(a) “the dismissal, promotion, or compensation of any public employee.

Seconded by Councilor Whittlesey.

Roll Call Vote:

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

None voted Nay.

****The Vote on the Motion was approved (8-0).***

Staff Present: City Manager Shaun Mulholland

The Council entered into NON-PUBLIC Session #2 at 9:50 PM

The Council Discussed Scott Traudt’s email to the City Council

Councilor Whittlesey MOVED to come out of NON-PUBLIC Session.

Seconded by Councilor Heistad.

Roll Call Vote:

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

None voted Nay.

****The Vote on the MOTION was approved (8-0).***

The Council came out of Non-Public Sessions #1 and #2 at 10:00 PM

The Council was now in Regular Session.

15. ADJOURNMENT:

Councilor Whittlesey MOVED for adjournment.

Seconded by Councilor Heistad

Roll Call Vote:

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

None voted Nay.

****The Vote on the MOTION was unanimously approved (8-0)***

The meeting was adjourned at approximately 10:01 PM.

Respectfully submitted,

Dona E. Gibson

Recording Secretary