FINAL

LEBANON CITY COUNCIL
MINUTES, SPECIAL MEETING
JOINT CITY COUNCIL & BOARD OF ASSESSORS
Wednesday, December 9, 2020, 7:00 p.m.
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Bruce Bronner, Erling Heistad, Karen Liot Hill, Suzanne Prentiss, George Sykes, Jim Winny, Karen Zook

BOARD OF ASSESSORS MEMBERS PRESENT: John Jay Hutchins, Brian Ware, Frank Mastro, Barry Seaver, Falguni Mehta

MEMBERS ABSENT: None

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager Paula Maville, City Manager Executive Assistant Beth Beraldi, Planning & Zoning Director David Brooks, Police Chief Richard Mello, Deputy Chief of Police Phillip Roberts, Public Works Director Jim Donison, City Engineer Christina Hall, Finance Director Vicki Lee, Deputy Finance Director Tina Stearns, Fire Chief/Emergency Management Director Chris Christopoulos, Airport Director Carl Gross, Parks & Recreation Director Paul Coats, HR Director Gloria Leskiewicz, Human Services Director Lynne Goodwin, Library Director Sean Fleming, Solid Waste Manager Marc Morgan, Chief Assessor Rick Vincent, IT Director Perry Eaton, Meagan Henry

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1. **Call to Order:** Mayor McNamara called the meeting to order at 7:00 p.m.
   Councilors who attended the meeting remotely are listed above.

   Special Session Board of Assessors Call to Order: Chair Jay Hutchins called this portion of the meeting to order at 7:01 p.m.
   Board of Assessors members who attended the meeting remotely are listed above.

This meeting took place virtually due to the COVID-19 Pandemic and was conducted in accordance with the Emergency Orders issued by the New Hampshire Governor according to NH RSA 91-A "Right-to-Know Law."

2. **Pledge of Allegiance:** Councilor Bronner led the Council in the Pledge.

3. **Public Forum:** Mayor McNamara made the Public Forum announcement.

4. **Open to Public: No one from the public came forth.**
   - City Manager Shaun Mulholland announced the passing of Richard (Dick) Hinch, NH Speaker of the House.

5. **New Business**
   A. Acceptance of Bid and Authorization of Sale of 695 Dartmouth College Highway, Lot #2

(Property was acquired through Tax Deed)

Included in the agenda packet (pages 3-7): The September 16, 2019 Tax Collector's Deed; the City of Lebanon Property Record Card and NH RSA 80:80.

City Manager Mulholland came forth to review the Acceptance of Bid and Authorization of Sale of 695 Dartmouth College Highway, Lot #2 (Property was acquired through Tax Deed), noting the City has received one bid and one bid only in the amount of $1,875, leaving approximately $28K in taxes owed to the City.

On September 16, 2019, the City Council accepted the tax collector's deed for the mobile home located at 695 Dartmouth College Highway, further identified as Tax Map 99, Lot 8, Plot 200 in accordance with the provisions of RSA 80:58-86. The former property owner has not expressed an interest in re-purchasing the property at this point.

On August 5, 2020, the City Council authorized the City Manager to initiate the process to sell the property by sealed bid. One bid was received for the opening that was scheduled for November 25, 2020. The bid was submitted by Gordon Bagley Jr. in the amount of $1,875. Mr. Bagley is the owner of the mobile home park. The amount of his bid is reflective of the amount of rent the City owed since taking ownership of the mobile home, plus the cost for property maintenance and winterizing of the structure.

The Council was asked to accept the bid and authorize the City Manager to execute the documents necessary to sell the property.

Board of Assessors member Frank Mastro signed into the meeting at approximately 7:07 p.m.

ACTION:
***Councilor Bronner MOVED*, that the Lebanon City Council hereby accepts the bid from Gordon Bagley Jr. in the amount of $1,875 to purchase the mobile home located at 695 Dartmouth College Highway, Tax Map 99, Lot 8, Plot 200, and in accordance with City Policy CC-102, Real Property Transactions and NH RSA 80:80, authorizes the City Manager to take all actions necessary to execute the sale of the mobile home.**
Seconded by Councilor Heistad.

Councilor Liot Hill asked if this property valuation was actually $42K and questioned why it was being sold for $1,875. Councilor Bronner explained this property was in such poor condition the bidder is going to tear it down.

Roll Call Vote:
Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Sykes, Winny, Zook and Mayor McNamara, all voting Yea.
None voted Nay.
****The Vote on the MOTION was unanimously approved by those present (8-0).***

Councilor Prentiss signed into the meeting remotely at approximately 7:10 p.m.

B. Review and authorize City Manager to sign Payment in Lieu of Taxes (PILOT) and Mobile Integrated Healthcare (MIH) Agreements with DHMC

Included in the agenda packet:

1. First Amendment to 2002 PILOT Agreement between the City of Lebanon and DHMC (pages 10-18, agenda packet.)
2. January 24, 2002 PILOT Agreement between the City of Lebanon and DHMC (pages 19-53, agenda packet)
3. Proposed Mobile Integrated Healthcare-Community Paramedicine Program Agreement (pages 54-61, agenda packet)

Discussions regarding potential agreements with DHMC are two parts:

1. A joint discussion between the City Council and Board of Assessors regarding the merits of the negotiated PILOT agreement with Dartmouth Hitchcock Medical Center. While the City Council will have input on the provisions of the agreement, it is the Board of Assessors that has the authority to enter into PILOT agreements in accordance with the provisions of NH RSA Chapter 72; and

2. A discussion with the City Council regarding a proposed three-year agreement for the provision of a Mobile Integrated Healthcare Program. The City Council has the authority to enter into the negotiated MIH agreement.

On January 24, 2002, the Board of Assessors and the City Manager executed the first PILOT agreement with DHMC. That agreement specified the amount of the payment in lieu of taxes that would be paid to the City on an annual basis for the term of the agreement which is set to expire on December 31, 2020.

On February 19, 2019 the City provided a letter to DHMC signaling its intent to negotiate a renewal of the PILOT agreement. During this same time period, City Manager Shaun Mulholland and Fire Chief Chris Christopoulos began unrelated discussions with DHMC regarding a possible agreement between the City and DHMC to begin a Mobile Integrated Health program.

City Administration and DHMC officials have negotiated the respective agreements for consideration and action by both parties. The PILOT agreement would increase at a rate of 2.5% each year over the next twenty years of the agreement. As DHMC adds more property to the PILOT agreement the base square footage will be adjusted and added to the amount of the annual payment to the City. DHMC will provide the City with a one-time payment in the amount of $189,050 for the emergency vehicle intersection pre-emption system to be installed along the Route 120 corridor between Hanover Street and the Hanover town line.

Finance Director Rick Vincent came forth and reviewed the PILOT Agreement between the City and Dartmouth Hitchcock Medical Center. The agreement before the Council is a result of two years of discussions between the two parties. Discussions went well. Both sides were cooperative and there were no major hurdles to overcome. While he was not present for the original negotiations 20 years ago, he was sure these negotiations were far easier than the prior negotiations. Exhibits A (pages 19-24, agenda packet), Exhibit B (pages 25-29, agenda packet), Exhibit C (pages 30-32, agenda packet), and Exhibit D (pages 32-35, agenda packet) have been added to clarify some confusing language in areas that were sort of gray and hard to understand so down the road future parties who are involved with the agreement can better understand the agreement's intent. Updates have been done with all the base figures, base payments, and the base sq. footage. Over the course of the 20 years, there were properties that DHMC purchased off campus and those have been added to the agreement.

On the addenda, everything was brought back to year one on all base calculations. So, instead of starting with the 1 million 700 sq. ft. from 20-years ago, we are starting with 2.2 million sq. ft. The base payment that was originally $800K it is now $1.7 million, which is the payment that will start in 2021 and is based on all properties included in the agreement plus the annual 2.5% increase to that payment. The vast majority of the agreement, other than a few words being changed for clarity, is identical to the original agreement and the intent is the same.

Mayor McNamara said his understanding is there are several ways over the next 20 years that this annual payment can be changed and asked what they were, noting the first way is by an escalated 2.5% per year, so the year one payment is $1,776, 597 and that gradually increases until the final payment of $2,840,157 in 2040.

Adele Fulton, Attorney for the City, said that in addition to what is called a base payment, DHMC has to pay additional monies to the City for every taxable property they buy and convert to an exempt use. The rationale for this was to keep the City level funded. For example, if they have taxable property now, the City will lose that money in taxes if DHMC were to buy it and begin using it for their medical reasons. The amount of tax DHMC has to pay, when they first buy a property and it is folded into the PILOT, will go up by 2.5% per year, the same as the base contributions. This is so the City has assurance it will not lose taxes if DHMC buys new taxable property. The 3rd way the City gets additional contributions as a payment in lieu of a tax is based on all improvements DHMC constructs. Every sq. ft. of new space that DHMC constructs, starting now and going through the next 20 years, is folded into a formula by which they have to make additional payments that reflects every new sq. ft. She referred back to page 25 of the agenda packet for the formula, noting every time DHMC adds new building space they have to increase their PILOT contribution to the City based upon the agreed formula.

Councilor Bronner questioned how we are dealing with the fact that DHMC is now controlling Alice Peck Day Hospital (APD). Attorney Fulton noted APD is not part of this agreement.

Mayor McNamara announced the PILOT Agreement is not voted on by the Council. It is voted on by the Board of Assessors.

Councilor Heistad felt it was interesting we can assure the hospital will only have a 2.5% increase when we cannot make that assurance to our own residents. He would like to see the hospital's taxes tied to the rate the rest of the City is paying, noting this has been brought up to him by many of the City's residents.

Bryan Ware (Board of Assessors) said one of the things he looks at is what he calls proportions and questioned what the total tax bill is for all the residents of Lebanon.

Mayor McNamara questioned if all the PILOT taxes from DHMC will go to the City and not to the County or State. Attorney Fulton said this is her understanding.

Mr. Ware noted DHMC probably has $25M worth of potentially taxable dollars if they were to be taxed like the Cancer Institute of the United States, which is a for profit organization. It seems like we are putting the burden back on the Lebanon City taxpayer. The Mayor makes an excellent point when he says Lebanon is turning itself into more of a regional center than a small NH City.

Mayor McNamara commented that if we assume DHMC is paying taxes on $25M, the City would be getting about a third of that amount ($8-9M, yr.) compared to the $2M we will be getting this year.

Assistant Mayor Below said he looked up the $22.3M that was being raised this year from property taxes for the municipal budget, and found DHMC was contributing almost 10%, which is not insignificant. Arguably they would pay more, but they are a nonprofit and do a fair amount of charity care where they write off medical bills for people who cannot afford to pay. It is a national issue trying to control healthcare costs, and in general, most hospitals in NH are nonprofit and are not paying property taxes.

Councilor Sykes thought DHMC also paid some property taxes for certain small portions of their facility, which are actually commercial in nature. This is separate and distinct from the PILOT. When we talk about their total amount of funds they send to the City, it is not just the PILOT that we should be looking at. It should be the total package. Assistant Mayor Below also noted DHMC pays taxes on vacant land outside the hospital area.

The Council continued discussions on DHMC's property taxes and what they would pay if they were to pay the same amount as the City's residents; the DHMC/City PILOT Agreement's benefits to the City; the potential impact of rejecting the PILOT Agreement, which could cost the City a lot of money in legal costs and time; the benefits of building a good relationship with DHMC, especially since the City will be working with them on a Mobile Integrated Healthcare-Community Paramedicine Program; the importance of recognizing that DHMC is under no legal obligation to pay even a PILOT, and; the guaranteed revenue stream for the next 20 years to the City.

Hearing no further questions from the Council, Board of Assessors or the public, the following **actions were taken by the Board of Assessors and City Council:**

ACTION: THE BOARD OF ASSESSORS
For approval of the PILOT Agreement.

Chair John Jay Hutchins MOVED*, that the Lebanon Board of Assessors hereby approves the Payment In Lieu of Taxes agreement between the City of Lebanon and Dartmouth Hitchcock Medical Center as outlined in the "First Amendment to Agreement" presented in the December 9, 2020 City Council/Board of Assessors Joint Meeting agenda packet; and hereby authorizes the City Manager to execute all documents and take any action necessary to enter into this agreement. *Seconded by Falguni Mehta.

Roll Call Vote of the Board of Assessors:
Chair John Jay Hutchins, Brian Ware, Frank Mastro, Barry G. Seaver, Falguni Mehta all voting Yea. None voted Nay.
The Vote on the MOTION passed unanimously (5-0).

ACTION: LEBANON CITY COUNCIL
***Councilor Bronner MOVED*, that the Lebanon City Council hereby ratifies and reaffirms the authority of the City Manager under the Council resolution of August 6, 1997 to negotiate agreements for payments in lieu of taxes and, further, reaffirms the City Manager's authority to negotiate with Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic, Dartmouth-Hitchcock Medical Center and the Trustees of Dartmouth College for the renewal of a January 24, 2002 PILOT agreement that shall begin on January 1, 2021 and expire on December 31, 2040 as set**

forth in the "First Amendment to Agreement" presented in the December 9, 2020 City Council/Board of Assessors Joint Meeting agenda packet; and also hereby authorizes the City Manager to execute all documents and take any action necessary to enter into said "First Amendment to Agreement".
Seconded by Assistant Mayor Below.

Roll Call Vote of the City Council:
Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, Winny, Zook and Mayor McNamara, all voting Yea.
None voted Nay.
****The Vote on the MOTION passed unanimously (9-0)***

BOARD OF ASSESSORS ADJOURNMENT:
***Barry Seaver MOVED* to adjourn the Board of Assessors portion of this meeting.**
Seconded by Falguni Mehta.

Roll Call Vote of the Board of Assessors:
Chair John Jay Hutchins, Brian Ware, Frank Mastro, Barry G. Seaver, Falguni Mehta all voting Yea.
o None voted Nay.
****The Vote on the MOTION passed unanimously (5-0).***

The Board of Assessors portion of this meeting was adjourned at 7:41 PM.

Mobile Integrated Healthcare (MIH) Agreement:

Fire Chief/Emergency Management Director Chris Christopoulos came forth to review the MIH Agreement with the Council.

DHMC, through a separate proposed agreement (MIH Agreement), has agreed to fund the community paramedicine program and would fully fund a full-time paramedic or AEMT position in the Lebanon Fire Department, as well as 40 hours of staffing for the community nursing program in the City. This program would allow for the provisions of advanced healthcare in the community setting instead of the hospital which it is hoped will reduce healthcare costs and improve the quality of service for those who need it. The initial term of the agreement would be for a three year period with extended service beyond that if the program is successful. The total estimated amount of funding to the City for the agreement for the first three years is $715,280.

Mayor McNamara expressed his concern about the City adding a potential FTE after the end of three years. Chief Christopoulos said if the Council chooses to eliminate the program, then the position would go away, noting that 6-months prior to end of the agreement, a small group would meet to review whether or not the program is meeting the expectations of community needs, which is required by the hospital under their licensure report.

Mr. Mulholland said we will be adding another FTE. It is still being determined if the 40-hr. weekly nurse under the community nurse program will be an employee of the City.

Councilor Hill said this has been discussed and identified as a goal for some time and supported moving it forward.

ACTION:
For approval of the MIH Agreement.

***Councilor Bronner MOVED*, that the Lebanon City Council hereby approves the Mobile Integrated Healthcare-Community Paramedicine Program Agreement between the City of Lebanon and Dartmouth Hitchcock Medical Center as presented in the December 9, 2020 City Council/Board of Assessors Joint Meeting agenda packet; and hereby authorizes the City Manager to execute all documents and take any action necessary to enter into this agreement.**
Seconded by Councilor Prentiss.

Roll Call Vote:
Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, Winny, Zook and Mayor McNamara, all voting Yea.
None voted Nay.
****The Vote on the MOTION passed unanimously (9-0)***

C. Discussion and Questions Regarding Proposed 2021 Municipal Budget

Information available but not included in the agenda packet: 2021 Municipal Budget as proposed by the City Manager.

Due to the length of time needed for other discussion at the November 17th Budget Work Session, the Council did not have an opportunity for a wrap-up Question & Answer Session with City Administration. This agenda item will allow the members of the Council to ask any additional questions they may have regarding the proposed 2021 Municipal Budget in advance of the December 16 Public Hearing.

Mayor McNamara supported and will vote on the budget as proposed, noting he understands there are some controversial items. Since the budget was developed, the City has come up with an additional $113K in savings from some State programs and he would like to see those savings applied directly against the budget to reduce the tax rate, which would take us down to just over 2.5%. The City Manager was asked to look at the Capital Expenditure for renovations of the bathrooms on the 1st floor of City Hall, and this has come down by about $200K. He also recommended these savings be applied to the 2022 budget since they are not included in the 2021 budget.

Councilor Prentiss would not vote for the budget at a 3% increase or for the elimination of the Energy & Facilities Manager and would like to see the budget come down to between 2.3-2.5%. She felt additional savings could be found and spoke about the return of investment the Energy & Facilities Manager would add to the City.

Councilor Zook questioned if the $113K would be beneficial to those who are renting if applied to the tax rate. Mr. Mulholland explained this depends on the landlord/property owner.

Assistant Mayor Below requested to hear more about the $360K adjustment on the City Hall restrooms. He understands there is a proposal that would bring the costs down. Mr. Mulholland explained that bids came in for most of the work, but there are some portions of the work that we could not get bids on. Totals for the windows, the outside wall, the restrooms, the fixtures and dealing with the asbestos, etc. is $158K. If the Council were to appropriate $158K in the Capital Budget, it would be up to him to find other funding for the rest of the project. There are a couple of other opportunities that may be coming our way, such as additional CARES Act funding if approved by the Federal Government and residuals from Phases I & II, but the amount (of residual funds) is uncertain due to a number of issues being addressed.

Assistant Mayor Below put out a straw proposal on some budget adjustments that he thought were reasonable and could allow the funding of the Energy & Facilities position, as well as additional reductions in the projected tax rate. He informed the Council that at the last LEAC meeting, they voted unanimously to urge the Council to continue funding the Energy & Facilities position. He shared the following screen shots of his possible adjustment to the budget.

<u>City Council-Other Purchases</u> (page 86, agenda packet): This is the line item on the City Council's other purchases and felt the budget could be cut to $2K.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL	5 $ CHG VS 2020 BUDGET	6 % CHANGE VS 2020 BUDGET
CITY COUNCIL							
1100-4110-01-5500	CITY COUNCIL: OUTSIDE DUPLICATI	0.00	2,500.00	0.00	0.00	-2,500.00	-100.00%
1100-4110-01-5600	CITY COUNCIL: DUES/MEMBERSHIP	14,004.00	15,000.00	14,165.00	15,000.00	0.00	0.00%
1100-4110-01-5900	CITY COUNCIL: OTHER PURCHASED	1,902.53	3,000.00	571.33	3,000.00 2,000	0.00 -1,000	0.00%

<u>Building permits</u> (page 108, agenda packet). He felt we could go up to $350K in revenues because over the past 5-years we have brought in at least $350K.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL	5 $ CHG VS 2020 BUDGET	6 % CHANGE VS 2020 BUDGET
PLANNING AND ZONING REVENUE							
REVENUES							
1100-3230-01-0000	BUILDING PERMITS	360,931.41	275,000.00	1,298,101.29	275,000.00 350,000	0.00 +75,000	0.00%

Building Permit Revenues over time

Building Permits				
	Budgeted	Acutal		Actual compared with budget
2004	$ 110,000	$ 129,803		$ 19,803
2005	$ 280,000	$ 364,809		$ 84,809
2006	$ 200,000	$ 184,481		$ (15,519)
2007	$ 210,000	$ 229,490		$ 19,490
2008	$ 450,000	$ 452,405		$ 2,405
2009	$ 300,000	$ 212,991		$ (87,009)
2010	$ 360,000	$ 391,936		$ 31,936
2011	$ 550,000	$ 644,640		$ 94,640
2012	$ 235,000	$ 218,073		$ (16,927)
2013	$ 300,000	$ 683,776		$ 383,776
2014	$ 160,000	$ 179,914		$ 19,914
2015	$ 120,000	$ 234,061		$ 114,061
2016	$ 200,000	$ 719,746		$ 519,746
2017	$ 250,000	$ 342,008		$ 92,008
2018	$ 250,000	$ 533,526		$ 283,526
2019	$ 250,000	$ 360,931		$ 110,931
2020	$ 275,000	$ 1,468,331	as of 11.17.20	$ 1,193,331
Average	$ 264,705.88	$ 432,407	all rows	$ 167,701
2015-2019	$ 214,000	$ 438,054	5 yrs < 2020	$ 224,054
2010-2014	$ 321,000	$ 423,668	next prior 5 years	$ 102,668
2004-2013	$ 299,500	$ 272,198	oldest 5 year period	$ 22,198
2010-2019	$ 267,500	$ 430,861	10 yrs < 2020	$ 163,361
2004-2019	$ 264,063	$ 367,662	16 yrs < 2020	$ 103,599

<u>Police Revenues for Annual Alarm Fees</u> (pages 113, agenda packet). He felt projected fees could probably go up.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL		5 $ CHG VS 2020 BUDGET		6 % CHANGE VS 2020 BUDGET
1100-3420-05-0000	ANNUAL ALARM FEES-POLICE	78,584.00	69,000.00	79,390.94	69,000.00	79,000	0.00	10,000	0.00%

Police Expenditures (page 117, agenda packet). Due to the pandemic, there has not been the ability to travel for training, and in-person trainings have been greatly reduced. Realistically, we could afford to cut their expenditures by 25% because it seems unlikely, for at least the first 6 months of the year, in-person travel and training is not going to be feasible.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL		5 $ CHG VS 2020 BUDGET		6 % CHANGE VS 2020 BUDGET
1100-4210-04-5850	POL TRN: STAFF DEVELOPMENT	62,538.00	40,000.00	11,654.88	40,000.00	30,000	0.00	-10,000	0.00%
1100-4210-04-5870	POL TRN: TRAVEL	66.63	12,500.00	3,173.21	12,500.00	9,500	0.00	-3,000	0.00%

<u>Public Works Expenditures - Energy & Facility Manager position</u> (pages 130-131, agenda packet). He did not feel this position needed to be funded at exactly the same level as last year and presented his proposal changes as highlighted in red below. The net effect of keeping this position would be a $101K increase in appropriations, which is 12.3% lower than what we have had.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL		5 $ CHG VS 2020 BUDGET		6 % CHANGE VS 2020 BUDGET
FACILITIES & ENGERGY MANAGER									
1100-4310-03-1100	FAC & ENERGY MGR: FULL-TIME WA	0.00	79,960.00	64,424.35	0.00	80,000	-79,960.00	80,000	-100.00%
1100-4310-03-2150	FAC & ENERGY MGR: LIFE/DISABILIT	0.00	800.00	615.18	0.00	800	-800.00	800	-100.00%
1100-4310-03-2200	FAC & ENERGY MGR: FICA & MEDIC.	0.00	6,120.00	4,725.86	0.00	6,120	-6,120.00	6,120	-100.00%
1100-4310-03-2301	FAC & ENERGY MGR: RETIREMENT	0.00	8,930.00	7,196.17	0.00	8,930	-8,930.00	8,930	-100.00%
1100-4310-03-2600	FAC & ENERGY MGR: WORKERS' CC	0.00	190.00	349.86	0.00	400	-190.00	400	-100.00%
1100-4310-03-5500	FAC & ENERGY MGR:OUTSIDE DUPL	0.00	1,000.00	0.00	0.00	0	-1,000.00		-100.00%
1100-4310-03-5600	FAC & ENERGY MGR: DUES/MEMBE	0.00	1,450.00	450.00	0.00	500	-1,450.00	500	-100.00%
1100-4310-03-5850	FAC & ENERGY MGR: STAFF DEVEL	0.00	2,600.00	0.00	0.00	1,600	-2,600.00	1,600	-100.00%
1100-4310-03-5870	FAC & ENERGY MGR: TRAVEL	0.00	1,000.00	0.00	0.00	500	-1,000.00	500	-100.00%
1100-4310-03-5900	FAC & ENERGY MGR: OTHER PURCH	0.00	11,000.00	200.00	0.00	1,000	-11,000.00	1,000	-100.00%
1100-4310-03-6150	FAC & ENERGY MGR: SMALL TOOLS	0.00	1,000.00	578.00	0.00	500	-1,000.00	500	-100.00%
1100-4310-03-6200	FAC & ENERGY MGR: OFFICE SUPPI	0.00	500.00	816.59	0.00	500	-500.00	500	-100.00%
1100-4310-03-6700	FAC & ENERGY MGR: BOOKS/PERIC	0.00	600.00	0.00	0.00	150	-600.00	150	-100.00%
'ERATIONS & MAINTENANCE			115,150			101,000		-12.3%	(14,150) from what it had been

<u>Public Works Expenditures</u> (page 134, agenda packet). This includes some streetlights and traffic control lights, noting 5 streetlights behind meters will be converted to LEDs. He explained this was a complicated calculation because the rates went up this summer on street lighting. What he has assumed

in this reduction is the City will get the new streetlights in place, in average by April 1, 2021, and there may be a 3/4 savings on the streetlight conversion

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL		5 $ CHG VS 2020 BUDGET		6 % CHANGE VS 2020 BUDGET
UTILITIES									
ELECTRICITY/TELEPHONES									
1100-4350-01-5300	UTL ELEC/COMM: TELE/COMMUNIC/	1,039.39	1,110.00	250.25	1,110.00		0.00		0.00%
1100-4350-01-6220	UTL ELEC/COMM: ELECTRICITY	135,127.64	138,800.00	109,879.26	138,800.00	88,800	0.00	-50,000	0.00%

<u>Total Revenues, Taxes-General Fund</u> (page 179, agenda packet). He suggested we could comfortably go up to $170K, or about a $20K increase in revenue based on the history below.

		1 2019 ACTUAL As of December	2 2020 BUDGET	3 2020 ACTUAL As of October	4 2021 PROPOSAL		5 $ CHG VS 2020 BUDGET		6 % CHANGE VS 2020 BUDGET
1100-3190-01-0000	LATE TAX PAYMENTS	192,715.02	150,000.00	410,649.08	150,000.00	170,000	0.00	20,000	0.00%

	Budget Amount	Actual Received	Amt over/(under)
2010	$ 180,100	$ 283,167	$ 103,067
2011	$ 210,000	$ 267,425	$ 57,425
2012	$ 245,000	$ 291,195	$ 46,195
2013	$ 300,000	$ 316,038	$ 16,038
2014	$ 300,000	$ 223,418	$ (76,582)
2015	$ 180,000	$ 148,714	$ (31,286)
2016	$ 170,000	$ 171,018	$ 1,018
2017	$ 170,000	$ 320,285	$ 150,285
2018	$ 170,000	$ 160,157	$ (9,843)
2019	$ 170,000	$ 192,715	$ 22,715
2020	$ 150,000	$ 414,581	$ 264,581
Average	**$ 204,100**	**$ 253,519**	**$ 49,419**

The net effect of all this would be $169K in additional revenues budgeted, or reduced appropriations, minus $101K to fund the Energy and Facilities Manager position, which would net another $68K that could go towards reducing the tax rate. It is likely it would get us down to around the 2.2 or 2.3% for the projected tax increase for 2021. This is a better target in terms of these tight economic times.

Mayor McNamara's concern was with the deferred costs, except for the ongoing savings from the streetlights. He also expressed his concern about having to spend a $101K year for the Energy & Facilities Manager's position going forward. While the other cuts may help us balance the budget this year, we may still be faced with the same issues next year and the years following. He remained confident that we can achieve our sustainability goals by redistributing the Energy & Facilities Manager's responsibilities to other staff.

Councilor Hill appreciated Assistant Mayor Below's work and said his budget suggestions were based on sound reasoning from decades of work on the revenues and actual savings that would be generated from the streetlights. She supported moving his plan forward and felt keeping the Energy & Facilities Manager's position would maintain our sustainability goals. The cuts and revenue increases proposed by Assistant Mayor Below would help reduce the proposed tax rate increase. On another note, she heard from constituents regarding the closing of the pool for next year and questioned if the proposed closure was budgetary or public health related.

City Manager Mulholland said the reason for the cuts to the pool in 2021 are budgetary. When staff had the discussion about whether or not to open the pool in 2020, those reasons were health-related. The picture is unclear on what will happen in the summer of 2021. What we are seeing now is a surge in COVID-19 across the entire country and when that is going to end nobody is quite sure. We have reasons to believe that one or more vaccines will be available for the adult population sometime in the spring of 2021 and will be readily available to those who choose to take it. Nothing prohibits us from opening the pool under State law, but there are risks. At this time, we cannot make a decision on what will be done for the pool's opening in 2021. However, there is no vaccine for children yet, and it is expected there will not be one until towards the end of the summer or early fall. If we are going to make a decision to open the pool, it has to be done in March in order to fill positions. Paul (Coats) has worked on how the pool could be opened with limited operations (i.e., people would have to make reservations to use the pool) and spoke about how cost revenues would be negatively affected.

Councilor Zook said it seemed to her that since all departments had to make a budget decision, this felt like the right place to make those cuts. The Recreation Department is a really small department, so if a staff cut was made in this department, it would have a big impact on adult and children's programming extending well beyond 2021. She referenced a study done by Princeton about children gathering, noting these types of gatherings turn into super spreader events for a bunch of different reasons and gave examples. The under 12 population we know with 100% certainty will not be vaccinated by the summer. She understood why the pool is a resource the community wants to have available, noting it will be a resource that will be available again in 2022. If the worst thing that happens for any child over the next 12 months is that they do not get to swim in a pool, then we have all done a very good job.

Councilor Sykes supported moving forward with Assistant Mayor Below's concepts. He also wanted clarity before the Council meets on December 16: 1) If individual Councilors can make motions offering changes to a project budget as it now stands. Mr. Mulholland said yes; 2) If the Finance Department will be keeping a running total of costs for the Council. Mr. Mulholland said yes, they are prepared to do so; 3) He wants to see property taxes go down as low as they can be, and; 4) He is particularly opposed to layoffs.

Assistant Mayor Below said that the current Federal Administration had declined to commit to any more than 100M doses of the Pfizer vaccine. As a result, Pfizer said since they have so many other commitments they may not be able to have more of their vaccine available for the United States until halfway through next year. There are other vaccines in the works that will hopefully be available for adults by the 2nd quarter of next year. A number of leading experts have said it is very unlikely that children under the age of 18 will be widely vaccinated by the fall of next year. While he was sorry to see the prospect of the pool closed and noted that even if funds were put into the budget now it seems it is very unlikely we are going to be in a position to hire the staff. He heard some talk that the School Board may choose to drop the School Resource Officer position and thought if this did happen, the City could possibly repurpose the $60K, or half of that, back towards the pool, but still felt it was not prudent to budget for the pool's opening.

Councilor Bronner concurred with Assistant Mayor Below and would like the budget to be reduced from 3% to at least 2.5%, or go as far below that as we could. He was of the opinion that we can kick the can down the road regarding the pool's opening and make a decision in March using a Special Appropriation if necessary. We will have a much better idea of how vaccines are rolling out and what the actual infection rate looks like at that time.

Councilor Liot Hill concurred with Councilor Bronner and said it makes sense to take his approach by revisiting this issue in March when we have more information about the vaccines and how COVID is spreading. However, public health is the most important part of this discussion. She supported Assistant Mayor Below's proposal and the goal of keeping the tax rate increases as low as we can.

Councilor Winny supported Assistant Mayor Below's (The Below Plan). He felt value in keeping the Energy & Facilities Manager's position, noting there is still some work to be done. In terms of the pool, he will be happy to look at this down the road if the public health circumstances improve.

Councilor Prentiss supported The Below Plan, as it's been called. For the pool, she noted these are very uncertain times and we have to proceed with care. If it's a matter of holding off for a few months and looking at this again, maybe we will have a better picture by then or maybe we won't, but we have to act in the best interests of the public's health and this is one of the decisions (closing the pool in 2021), as hard as it is, we may have to make. She supported keeping the strategic investment in the Energy & Facilities Manager position. This is a position the City needs and explained her reasons, noting it is premature to make this cut because of the struggle with climate change.

Councilor Heistad agreed with Councilor Prentiss and supported keeping the Energy & Facilities Manager's position. In terms of health, he mirrored Councilor Prentiss' concerns about public health. We are here to make hard decisions for the safety of the community and whatever that decision is we need to know, from a medical decision, that we can safely open the pool. He supported waiting until March to make a decision on this issue.

ACTION:
No action is required by the Council. Item was for informational purposes only.

6. Adjournment:
Councilor Bronner MOVED for adjournment.
Seconded by Councilor Heistad.

Roll Call Vote:
Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, Winny, Zook and Mayor McNamara, all voting Yea.
None voted Nay.
****The Vote on the nomination was unanimous (9-0).***

The meeting was adjourned at 8:14 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary