FINAL

LEBANON CITY COUNCIL
BUDGET WORK SESSION
COUNCIL CHAMBERS OR
REMOTE VIA VIRTUAL PLATFORM
5:30PM, TUESDAY NOVEMBER 28, 2023

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

MEMBERS ABSENT:

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, City Clerk / Tax Collector Josie Ewing, Recreation, Arts, and Parks Director Paul Coats, Finance Director Vicki Lee, Deputy Finance Director Alesia Williams, Chief of Police Phil Roberts, Deputy Chief of Police Matthew Isham, Airport Director Carl Gross, Library Director Sean Fleming, Director of Cyber Services Perry Eaton, Human Resources Director Samantha Lauzon, DPW Administrative Services Manager Kelly Crate

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1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 5:31pm.
   City Manager Shaun Mulholland explained the meeting is available by phone, livestream via the City's website and virtually via Microsoft Teams. He said all three methods can be accessed live via the Meetings Page of the City's website. He said public comment is reserved for the Public Hearing, scheduled for December 13, 2023 at 7:00pm.

City Manager Mulholland explained the purpose of the work session. He noted that Councilor Zook was attending remotely.

2. **Review Of 2024 City Budget - Question & Answer Session**

   A. **CITY CLERK-** Presented by Josie Ewing, City Clerk / Tax Collector (Complete Line Item Details can be found on ***page 4 of the City Council agenda packet***).

   Ms. Ewing reviewed what is included in the 2024 budget for the City Clerk / Tax Collector Department, including wages for six full-time staff, six part-time Recording secretaries, 51 part-time election officials, software applications, and other costs of business for services, including election services.

   She noted that election costs were increased in the 2024 budget from last year because there will be four elections in 2024, and explained how the additional costs would be used for election services.

Ms. Ewing said the City Clerk staff brought in $2,670,000 in motor vehicle registrations, $13,080 in dog licensing, and $26,430 for vital records and marriage licenses. She said the Recording Secretaries work with other departments to ensure meetings are recorded properly and in a timely manner. She said election officials work throughout the year to provide voter registration services.

She noted that the City Clerk Department has experienced a lot of transition in 2023, and as of August, the department is fully staffed.

She detailed her staff's accomplishments:

- 2,118 dog licenses have been issued, with only 49 still delinquent
- Deputy Tax Collector Darlene Cook completed MS61 for the Department of Revenue
- Completed deeding of 3 properties with 2020 unpaid property taxes; of those waived from deeding process, several owners have entered into payment agreements
- Collected 98% of first half tax billing collected as of November 7, 2023; 20% of the second half tax billing as of November 28, 2023
- Transition to new tax software, which will be unveiled next year
- Working to fill Darlene Cook's position, who is retiring as of next year after 9 years with the City

[Councilor Karen Liot Hill arrived at 5:41pm.]

B. Recreation, Arts, and Parks

Director Paul Coats reviewed the budget materials for the Recreation, Arts, and Parks Department included in the agenda packet materials. (Complete Line Item Details can be found on ***pages 7 & 8 of the City Council agenda packet***).

Mr. Coats noted the longevity of the Recreation Department team. He discussed the value that Recreational programs provide for people when they consider quality of life decisions. He said people who utilize parks and recreational programs experience improved physical and mental health and decreased healthcare costs. He noted that quality of life is an important factor to many people when choosing a job.

He said Lebanon has a slightly larger number of residents per park than the national average, and the Recreation Department is very efficient in managing the parks. He said Lebanon provides more programs and residents have more access to parks than the national average, and the City is doing it for less money and with fewer people on staff.

He said 2024 revenues are anticipated to be up $23,800 (compared to 2023), and appropriations will be down $21,190 (compared to 2023).

He said maintaining 52 acres in 13 parks with a staff of three (1 full-time person and 2 seasonal laborers) continues to be a challenge. He proposed suspending the two seasonal employees and adding another full-time maintenance employee (at a cost of $75,000). He said it is always a challenge to hire qualified seasonal staff.

Mr. Coats addressed several questions that had been raised by Councilor Whittlesey:

- **What would be the impact of increasing pool fees by $1.00?** – Mr. Coats said that change would increase revenues by approximately $4,500. He noted that children aged five and under are not charged a fee to use the pool.

- **Could day camp fees be increased 10%, which would increase revenues about $9,700 and close the deficit to $15,000? –** Mr. Coats said day camp fees have increased from $140 to $155 per week for residents in all the time he has worked for the City. He said wages have increased to $15 per hour for day camp staff, which is the reason for the increase in rates. He said he would not advocate for a 10% increase but would consider another $10/week increase for day camp rates. He said that could increase revenues by about $5,000.

- **Has the Recreation Department thought about increasing revenues in other Recreation, Arts & Parks programs?** – Mr. Coats said he does think the department could increase revenues by another $5,000-7,000 from core programs (sports, swimming lessons, outdoor adventures, etc.). He said those fees have been kept low to make them accessible to all residents, but he said there could be increases in those fees by a few dollars.

- **Is there a plan for a Farmers Market instructional program for 2024?** – Mr. Coats said there are plans to find people to provide instructional programs to teach people what to do with food they are buying at the Farmers Market. He said it has been extremely difficult to accomplish this goal because the Farmers Market coordinator has limited hours, and it has been challenging to find vendors to conduct this kind of instructional program. He said the line item has been reduced for 2024 from $7,500 to $1,200 to try to secure at least a few programs.

- **Why are we increasing Lebanon Outing Club by $5,000?** – Mr. Coats said the amount budgeted in 2023 was $40,000 due to a clerical error – it should have been $45,000. He said the additional amount in 2024 is correcting that error.

Councilors Sykes and Heistad discussed the importance of the 20-meter jump – used in the Lebanon Outing Club's skiing instructional program - which has been taken down. They agreed it was a big loss for jumpers in the Upper Valley and surrounding area. Councilor Heistad said that hill has had more effect on the jumping community than any other hill in New England.

Mr. Coats said it was taken down in 2022 for safety reasons because it was old (constructed in 1947). He said it would be very expensive to reconstruct that kind of jump. He said the Outing Club has to consider how much money it wants to invest in a jump like this when, locally, only about six students are jumping at any given time.

Councilor Sykes said the jumping program is an incredible resource to Lebanon, and at least one Olympian came out of that program. Mr. Coats said he would research what the amount of the funding gap is and provide that data to the Council. He said there are other regional jumps of that size in the area that jumpers can use.

Mr. Coats also said other uses for that hill area have been discussed:
- Learn to Alpine Ski program
- Tubing

Mr. Coats explained the scholarship program for fees for Recreational Programs. He said families who are already qualified for other aid programs (free lunch, etc.) are considered qualified for fee scholarships to ease the application process.

Councilor Sykes noted that this is the first time he's seen the Recreational Department identify a staff shortage. He said the revenue increases that Mr. Coats has proposed do not come close to covering the wage of a full-time employee. He said the suggestion about fee increases may be a good one.

Councilor Hill asked if fees for road races, which are more focused toward adults, could be considered for increases, as opposed to day camps and programs for children. Mr. Coats said the department administers five road races through the Recreation Revolving Fund, which was approved by the City Council many years ago to fund these kinds of events without having to use additional expenses from the operating budget. He said revenues that are raised from races are used for other projects (for example, the updated playground in Colburn Park). He said the fees could probably be increased (for example, an increase of less than $5 per racer), but the challenge is to stay competitive with other area races.

Mr. Coats said increasing fees to core programs is probably the most difficult because they are the ones that the City wants to offer to the most people. He said, ideally, fee increases for specialized programs or camps would be better because participants are likely to pay more for specialized programming. He said it is important not to increase fees to a point where these programs are overpriced as compared to other communities.

- **Outside Recreation Services:**
  Mr. Coats said these programs have provided the same service to the community and the level of funding has not changed for several years:

- Youth Baseball Association
- Youth Hockey Association
- Lebanon Outing Club

C. Finance / Assessing

Finance Director Vicki Lee gave an overview of the Finance Department staff and responsibilities. (Complete Line Item Details for the 2024 Finance Department Budget can be found on ***pages 26 & 27 of the City Council agenda packet***).

Ms. Lee noted the following responsibilities of the Finance Department:

- Accounting and Reporting
- Debt and Risk Management
- Utility & Landfill Billing
- Accounts Payable & Credit Card Invoicing
- Budget Preparation and Administration
- Management of Capital Funds and Bonding
- Grant Accounting
- Payroll
- Assessing Department

Deputy Finance Director Alesia Williams said the Assessing Department is seeking to add another full-time position to ensure that parcel information is kept up-to-date. She said the Planning Department issued approximately 550 building permits so far this year; whatever reason that each building permit was issued must be added to the property information, which involves a site visit/review, to ensure tax information is accurate.

She said the City has one full-time Assessing clerk and the Department also utilizes MRI Consulting for additional services. She said the City is understaffed to handle the volume of work. She said it is very difficult to find Assessing professionals because the training is comprehensive and time intensive. She said they are requesting that a full-time Assessing clerk be hired at the end of 2024 so the current Assessing clerk can train that person before she retires in a few years. Ms. Lee said the cost in 2024 would be about $7,000 for the final month; the full wage of about $75,000 for an additional Assessing clerk would be included in the 2025 budget. Ms. Williams said there could be a slight cost reduction in 2025 because the additional staff person will reduce the number of hours that the contracted assessor is needed.

Councilor Whittlesey asked about the risks to the City if it does not have the proper staffing in the Assessing Department. Ms. Williams said the department right now meets the necessary guidelines and standards. She said the goal of the department is to conduct Cyclical Review of 20% of the properties each year to be prepared when it is time for revaluation. She said the properties for which new building permits are issued do not necessarily add up to 20% of the properties; some homeowners file more than one permit for new elements on a single property in a year. She said if the department does not keep up with reviewing all the properties, it can result in an improperly calculated tax bill and potential loss of revenue for the City.

Councilor Sykes noted that this new staff position proposal is really a long-term succession plan to replace the current staff member who will be retiring in a few years. He asked whether it would be more cost effective to hire another Assessor than to use contracted services. Ms. Lee said it is very difficult to find an Assessor.

City Manager Mulholland said the City has hired an in-house Assessor in the past and it has not been cost-effective. He said he does not want to go back to that situation; he said using consultant services is cheaper because of the extensive training and certification costs to hire and certify an in-house person.

Councilor Sykes asked about what training and certification programs are available. City Manager Mulholland said the state of New Hampshire adopted high standards for Assessors and the training is offered every other year, so it can be a few years before the required courses can be taken. He said many of the current Assessors are retiring and hiring is a challenge.

City Manager Mulholland said the 2024 budget includes wages for December 2024, but if there's funding available, the hiring of the additional Assessing Clerk could be moved up to November 2024.

D. Revenues, Interfund Transfers, Debt Service

(Complete Line Item Details can be found on ***pages 31 – 37 of the City Council agenda packet***).

City Manager Mulholland said the revenues data will have to be updated due to changes made by the Council. He said new figures will be provided before next week's Council meeting on December 6. Councilor Hill said she is interested in seeing those updated revenue numbers on December 6.

Councilor Below asked about the Payments in Lieu of Taxes revenue figure for Mascoma Hydro, which he noted was budgeted at $3,000 but made $11,000 this year. Ms. Lee said that large figure was not expected. Councilor Below said it was an upside of having a very wet year.

Councilor Below noted that the revenue for the property at 226 Mascoma Street was zeroed out. City Manager Mulholland said that property is being vacated and is planned to be used for a family in need.

E. General Q&A from All Previous Sessions
There were no questions from the Council.

The Work Session ended at 6:58pm.

Respectfully Submitted,
Paula Roux
Recording Secretary