LEBANON CITY COUNCIL
MARCH 20, 2024 - 7:00 PM
COUNCIL CHAMBERS, CITY HALL OR REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE

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1. Call to Order

A. To participate in this meeting, please join live via Microsoft Teams or call 929-229-5356 (access code: 579 523 089#). If you have trouble accessing this meeting, please email Shaun Mulholland.

The March 20, 2024 Lebanon City Council Meeting is hereby called to order.

2. Pledge of Allegiance

3. Public Forum Announcement by the Mayor

Any member of the public who desires to speak on any item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. **(Note: Speakers are asked to state their name, ward of residence, and to use the microphone provided.)**

4. Open to the Public

5. Recognitions

A. Americans with Disabilities Act Proclamation

6. Approval of Minutes

A. MOTION TO approve the minutes as presented in the March 20, 2024 agenda packet.

7. Appointments

A.
- Economic Development Commission, Dean Cashman (Regular Member)
- Diversity, Equity, and Inclusion Commission, Simone Whitecloud (Reappointment Alternate Member)
- Lebanon Energy Advisory Committee, William Stearns (Alternate Member)

8. Public Hearing Items

A. Ordinance #2024-05, Adoption of New City Code Chapter 164, Trees – A public hearing for the purpose of receiving public input and taking action to adopt Ordinance #2024-05 to add a new Chapter 164, Trees, to the Code of the City of Lebanon

i. Presentation:
ii. Opening of the Public Hearing:
iii. Questions & Comments by the Public:
iv. Closing of the Public Hearing:
v. Council Deliberation & Action:

B. Amend Ordinance 18, Salary Plan – A public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, to add the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) to the compensation and classification schedule
i. Presentation:
ii. Opening of the Public Hearing:
iii. Questions & Comments by the Public:
iv. Closing of the Public Hearing:
v. Council Deliberation & Action:

9. Old Business

A. Discuss possible NHMA Policy Positions for the 2024 NHMA Legislative Policy process

B. Action to Adopt Amendment to City Council Rules: §A191-8, Order of Business, as presented on March 6, 2024

10. New Business

A. Presentation of 2023-2024 Lebanon Historic Landmark Designations

B. Request for Zoning Amendments: Cicotte Properties, LLC – Text Amendment for Light Industrial (IND-L) District

C. Request for Zoning Amendment: Text Amendment for Section 214 (Governmental Uses) of the Zoning Ordinance

D. Discussion and Set Public Hearing for April 17, 2024: Supplemental Appropriation in the amount of $724,700 for Landfill Gas to Energy Project

E. Presentation of 2022 Financial Audit

F. City Manager Job Description

11. City Manager Report

12. Council Representatives to Other Bodies Report

13. Future Agenda Items

14. Non-Public Session

15. Adjournment

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

Future Board/Committee/Commission Appointments

Board/Committee: Arts & Culture Commission
Position: Regular Member
Applicant: S. Blanchard
City Councilor: D. Whittlesey
Assigned Date: 2/22/2024

Board/Committee: Pedestrian & Bicyclist Advisory Committee
Position: Regular Member
Applicant: T. Gilbert
City Councilor: C. Simon
Assigned Date: 3/5/2024

Proposed Future Agenda Items: Dates may be tentative, and this list is not considered all inclusive.
March 26, 2024 – Community Conversation with Councilors

March 27, 2024 – Organizational Meeting

April 3, 2024 (6:00pm start)
Public Hearing Items:
A. Proposed Amendment to the Zoning Ordinance for Council Adoption – Public hearing for the purpose of receiving public input and taking action on a proposed zoning amendment to amend Section 303.2 (IND-L District Table of Uses) to add “vehicular sales” as a use allowed by Conditional Use Permit in the Light Industrial (IND-L) District.
New Business:
A. Vote to Make Public Previously Sealed Non-Public Session Minutes of the City Council

April 17, 2024
Public Hearing Items:
A. Layout Of Widening Of Trues Brook Road – A public hearing for the purpose of receiving public input and taking action on the proposed Layout of a Widening of Trues Brook Road as a Class V Public City Road pursuant to a Layout Petition received by the City Council on January 26, 2024.
New Business:
A. Review and Discussion of 2023 4th Quarter Budget Report
B. Release of Collected Public School Impact Fees
C. Vote to approve annual compensation for the City Manager

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5. Recognitions:

- Americans with Disabilities Act Proclamation

Included in this Section:

1. Americans with Disabilities Act Proclamation

Proclamation

Americans with Disabilities Act

WHEREAS, The Americans with Disabilities Act, signed into law on July 26, 1990, brought our nation closer to the promise of equal rights for all. This landmark legislation enshrined into law equal access and protection from discrimination for people with disabilities. Passed by a bipartisan Congress and signed by President George H.W. Bush, the Americans with Disabilities Act banned discrimination in employment and ensured equal access to public services and accommodations, telecommunications, and transportation; and

WHEREAS, Enactment of the ADA was a hard-won victory. Today, thirty-four years since the ADA literally opened doors for people with disabilities, this community is making its mark in every sector of American life. As we celebrate the thirty-fourth anniversary of the enactment of the Americans with Disabilities Act, let us recommit to building a city that promotes independence and equality for all; and

WHEREAS, people with disabilities who call Lebanon, NH home, make significant contributions to the diversity, prosperity, and vitality of our city; and

WHEREAS, people with disabilities still face stubborn disparities in education, employment, and housing; and

WHEREAS, we are reminded that disability is a natural part of the human experience that in no way diminishes the rights of individuals to live independently, enjoy self-determination, make choices, contribute to society, pursue meaningful careers and enjoy full inclusion and integration; and

WHEREAS, the City of Lebanon, NH recommits to ensuring that our community is accessible and inclusive, and that no barriers keep people with disabilities from achieving their dreams.

NOW, THEREFORE, I, Timothy McNamara, Lebanon City Mayor, hereby, proclaim July 25, 2024 as “Disability Justice Day” in Lebanon, New Hampshire. I encourage all businesses and community members to learn more about the housing resources made available by Visions for Creative Housing Solutions and the services offered by other non- profits serving people with disabilities in our community, and to celebrate them for their contributions to our community.

Proclaimed this 20th Day of March in the year 2024.

Timothy J. McNamara
Mayor, City of Lebanon

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6. Acceptance Of Minutes:

Minutes To Be Accepted

- March 6, 2024 (Regular Meeting)

MOVED, to approve the minutes as presented in the March 20, 2024 agenda packet.

DRAFT

LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, March 6, 7:00 p.m.
Council Chambers
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT:	Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill (arrived 7:54P), Christian Simon, George Sykes, Douglas Whittlesey (Remote), Devin Wilkie
MEMBERS ABSENT:	Karen Zook
STAFF PRESENT:	City Manager Shaun Mulholland, Deputy City Manager David Brooks, Finance Director Vicki Lee, City Engineer Rod Finley, Planning Administrative Assistant Crystal Taplin

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

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

- City Manager Shaun Mulholland announced the meeting criteria for the public.
- Councilor Whittlesey was attending remotely due to childcare issues.

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 21, 2024 (Regular Meeting).
Amendments: Page 22, Lines 20-21: Add at end of first sentence on line 21: "because what is happening is also unprecedented.": Page 23: Strike Lines 41-43 and add: "Hearing no further discussion, Assistant Mayor Below called the question…"

***Councilor Heistad MOVED* to approve the February 21, 2024 minutes as amended and presented in the March 6, 2024 City Council agenda packet.**
Seconded by Councilor Wilkie.

Councilor Whittlesey arrived remotely at approximately 7:05 PM.

Roll Call Vote:
Voting Yea: Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie
None voted Nay.
Absent from vote: Councilors Zook, and Liot Hill
Abstained from vote: Mayor McNamara

****The Vote on the Motion was approved by members present (6-0-1).*** *Mayor McNamara abstained from vote because he was not present at the February 21, 2024 meeting.*

7. **APPOINTMENTS: NONE**

8. **PUBLIC HEARING ITEMS:**
   A. **SUPPLEMENTAL APPROPRIATION FOR CIVIC PARK PLAYGROUND IMPROVEMENTS**: Public hearing for the purpose of receiving public input and taking action to appropriate $270,000 for Civic Park Playground Improvements; and to authorize disbursement of $135,000 in Recreation Impact Fees as the means to pay for a portion of the work.

Included in the agenda packet: ***(All supportive documents and information can be found on pages 25-29, Council agenda packet)***
1. December 19, 2023 Memo from Recreation, Arts & Parks Director Paul Coats, including examples of the proposed playground design.

Paul Coats (Recreation, Arts & Parks Director) gave a previous PowerPoint presentation and reviewed the request as presented above.

BACKGROUND
Civic Park is the largest and most accessible park in the West Lebanon area, and it is the most actively programmed park in the City. The park is strategically located within walking distance of nearly 200 children's homes and is visited by hundreds of families on a regular basis during programmed activities. The popularity of Civic Park makes it a priority location for a playground to serve children 2-5 and 5-12 years old. No such playground currently exists.

Last year, the Recreation, Arts & Parks Department (RAP) created the "Civic Plays" task force to gather community input for a new playground design, to research manufacturers, and to raise funds through a capital campaign. The Civic Plays task force has been actively pursuing these objectives through 2023 and is now engaged in raising a portion of the needed funds.

RAP proposes to fund approximately 50% of the total project cost from Recreation Impact Fees collected from new development in the community. The remaining costs will be raised through leadership level gifts in the first quarter of 2024, followed by a public capital campaign. Since funds for the appropriation are to be transferred from Recreation Impact Fees to the Capital Improvements Fund, and will be supplemented with grants and donations, there will be no impact to the tax rate.

Please see the attached memorandum from Recreation, Arts & Parks Director Paul Coats for a detailed explanation about the project and examples of the proposed playground design.

Pursuant to Section C419:43, Appropriations After Budget is Adopted, requests for appropriations that are not included in the annual budget require a two-thirds (2/3) majority vote of the Council after a public hearing.

Highlights from Director Coats' presentation are listed below.

Mayor McNamara opened the Public Hearing and the following people came forth and spoke about their support and funding for the Civic Park Playground.

Lauren Groves (Ward-1, Director of Friends of Lebanon's Arts, Parks and Recreations);
Dan Moriarty (Ward-3, President of Friends of Lebanon's Arts, Parks and Recreations); and
Stephanie Yaroshevich (Ward Unknown by her).

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

ACTION:
Councilor Simon MOVED the following Resolution:

RESOLVED, by the City of Lebanon, that funds, in the amount of $270,000 (Two Hundred Seventy Thousand Dollars), be appropriated for expenditure from the Capital Improvements Fund for New Playground Improvements at Civic Park.

BE IT FURTHER RESOLVED, by the City of Lebanon, that funds, in an amount not to exceed $135,000 (One Hundred Thirty-Five Thousand Dollars), be disbursed from the Recreation Impact Fees Fund to the Civic Park Playground Improvements Capital Project for the purpose of financing a portion of the playground improvements at Civic Park, with the remaining project costs to be raised from grants and donations.
This Resolution shall be effective upon passage.

Seconded by Councilor Heistad.

Councilor Simon spoke to his motion noting this is the type of project they really want to see in the City of Lebanon.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilors Liot Hill and Zook

****The Vote on the Motion was approved by members present (7-0).***

9. OLD BUSINESS:

A. Discuss possible NHMA Policy Positions for the 2024 NHMA Legislative Policy process

Included in the agenda packet: ***(All supportive documents and information can be found on pages 3-32, Council agenda packet)***

1. 2025-2026 NHMA Explanation of Proposed Policy form

BACKGROUND

It is the time of year when the New Hampshire Municipal Association (NHMA) begins planning for the Legislative Policy Conference in the Fall. The policy process begins with solicitation of policy proposals from local officials to create an initial issues list. The deadline for submission of policy proposals is April 15, 2024.

NHMA's legislative policy committees - Finance and Revenue; General Administration and Governance; and Infrastructure, Development and Land Use – will review all policy proposals in order to make recommendations which will go to the NHMA Legislative Policy Conference in September.

Council Comments: None. They have until April 15, 2024 to send in their proposed legislative policy suggestions.

ACTION: ***No action is required at this time.***

B. Presentation of **Second Reading**: Amendment to Ordinance #18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, to add a new Chief Building Official & Health Officer as a Grade 13, Non-Affiliated position

Included in the agenda packet: ***(All supportive documents and information can be found on pages 33-34, Council agenda packet)***

BACKGROUND

The City Council was asked to take action to amend Ordinance #18, Salary Plan, as follows:

1. Article II, Non-Affiliated & LPASE Employees:
    I. Add the exempt position of Chief Building Official & Health Officer, as a Grade 13 position within the Planning & Development Department.

Article II, Non-Affiliated & LPASE Employees

City Administration is proposing the addition of a Chief Building Official & Health Officer position within the Planning & Development Department. This Grade 13, exempt position is being created to direct the plan review, permitting, and inspection of all construction activities within the City of Lebanon and to ensure compliance with adopted codes and ordinances. The position will oversee the City's role in restaurant and food inspections, enforce other health codes, as applicable, and provide accountability for the supervision and operation of the Code Enforcement Division of the Planning & Development Department. The position will supervise the Division's staff, providing professional oversight, advice, and direction, and will report to the Planning & Development Director.

Amendment Process

Amending Ordinance #18 requires three separate presentations (see City Charter subsections §419:22, §419:24, §419:25, §419:52), followed by a Public Hearing, and the vote of at least two-thirds (2/3) of all members of the City Council - six (6) members - to adopt.

The first presentation was recognized by the City Council on February 21, 2024. The Council is now asked to recognize the second of three presentations. The third presentation will occur on March 20, 2024, along with a public hearing to adopt the amendment as proposed.

The table below reflects all proposed changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification. These changes would be effective upon passage.

ACTION:

1. Acknowledge Second Presentation:

Assistant Mayor MOVED, that the Lebanon City Council acknowledges the second of three presentations to amend Ordinance #18, Salary Plan, Article II, by adding the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) in the Non-Affiliated & LPASE Employee compensation and classification schedules as outlined in the February 21, 2024, City Council Agenda Packet.

Below is an excerpt of the Non-Affiliated & LPASE Employees' compensation and classification schedules impacted by the proposed change described above. Changes to the compensation and classification schedules are shown in red type; new positions and retitled or reclassified positions are shown in **red bold** *type; position deletions are shown stricken and in red italics type.*

REGULAR FULL-TIME / REGULAR PART-TIME NON-AFFILIATED & LPASE EMPLOYEES 2024 SALARY & GRADES					
Grade	**Position Title**	**Hourly**		**Weekly**	
		Minimum	**Maximum**	**Minimum**	**Maximum**
13	**Chief Building Official & Health Officer**	-	-	*$1,734.53*	*$2,341.63*
	Chief Innovation Officer				
	Cyber Security Analyst	-	-	-	-
	Deputy Finance Director	-	-	-	-
	Deputy Human Resources Director	-	-	-	-
	Deputy Fire Chief**	-	-	-	-
	Information Systems Manager**	-	-	-	-

	Maintenance Manager	-	-	-	-
	Police Captain**	-	-	-	-
	Deputy Planning and Development Director	-	-	-	-
	Systems and Operations Administrator	-	-	-	-

**Denotes LPASE Employees

Seconded by Councilor Wilkie.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilors Liot Hill and Zook

****The Vote on the Motion was approved by members present (7-0).***

10. NEW BUSINESS:

A. Request from Lebanon VP, LLC for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property

Included in the agenda packet: ***(All supportive documents and information can be found on pages 35-37, Council agenda packet)***

1. February 16, 2024 email from Michael Drake, Lebanon Village Pizza
2. Location Map of Outdoor Seating Area for Lebanon Village Pizza

BACKGROUND

Michael Drake, owner of Lebanon Village Pizza, LLC, requested an expanded outdoor seating area within the pedestrian mall adjacent to his business. City Administration has no objection to the seating within the pedestrian mall.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption, states that, "Any person, recognized organization, organized group, family group or business may be exempted from the provisions of this article for a short period of time not exceeding 12 hours, upon first obtaining permission from the City Manager after consultation with and approval by the Chief of Police. For a period of time exceeding 12 hours but not exceeding one year, permission must first be obtained from the Lebanon City Council and reviewed on an annual basis." Whereas the current request is for an alcohol exemption/permit to cover the remainder of the current year through December, Council approval is required pursuant to §14-5 above.

ACTION:

Councilor Wilkie MOVED, that the Lebanon City Council hereby grants an exemption to Lebanon Village Pizza, LLC pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to permit the service of alcoholic beverages on the Lebanon Pedestrian Mall as shown on the map included in the March 6, 2024 City Council Agenda Packet. The exemption shall be valid beginning March 7, 2024 and shall expire on December 31, 2024.
Seconded by Assistant Mayor Below.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilors Liot Hill and Zook

****The Vote on the Motion was approved by members present (7-0).***

B. Request to Reschedule Public Hearing and On-site Public Meeting for Personal Examination for Layout of Additional Right-of-Way areas for Trues Brook Road

Included in the agenda packet: ***(All supportive documents and information can be found on pages 38-41, Council agenda packet)***

1. February 27, 2024 memorandum from City Engineer Rod Finley to City Council.
2. Plans entitled "Trues Brook Road Over Bloods Brook, Easement Plan (1 of 2) and Easement Plan (2 of 2)" (Sheets 8 and 9 of 47), prepared by Hoyle Tanner, dated January 2024, Project No. 21.906414.00

Rod Finley, City Engineer, briefly reviewed the background and the reasons why they wanted this topic rescheduled.

BACKGROUND
On February 7, 2024, the City Council voted to schedule a public hearing for March 20, 2024 for the purpose of receiving public input and taking action on approval of the layout of the widening of Trues Brook Road to facilitate the replacement of the Trues Brook Road Bridge and the reconstruction of the roadway and other improvements approaching each side of the bridge. The Council also scheduled an on-site public meeting for the same date for the purpose of making a personal examination of the proposed roadway layout in accordance with NH RSA 231:11.

As noted in the memorandum from City Engineer Rod Finley, DPW is requesting that the Council reschedule the public hearing and the on-site public meeting to April 17, 2024 in order to provide more time to issue notice of the public hearing to abutters and to mortgage holders, where applicable, to meet the required 30-day notice period as required by state law

Deputy City Manager Brooks suggested the public hearing on April 17, 2024 start at 7:00PM and the onsite public meeting take place at 5:30PM on April 17, 2024.

ACTION:
Councilor Wilkie MOVED, that the Lebanon City Council hereby reschedules a public hearing for Wednesday, April 17, 2024, 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 on approval of the layout of the widening of Trues Brook Road to facilitate the replacement of the Trues Brook Road Bridge and the reconstruction of the roadway and other improvements approaching each side of the bridge, as shown on the plans entitled "Trues Brook Road Over Bloods Brook, Easement Plan (1 of 2) and Easement Plan (2 of 2)", as included within the March 6, 2024 City Council Agenda Packet.

BE IT FURTHER MOVED, that an on-site public meeting be rescheduled for Wednesday, April 17, 2024, beginning at 5:30pm, for the purpose of making a personal examination of the proposed roadway layout in accordance with NH RSA 231:11.
Seconded by Councilor Simon.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilors Liot Hill and Zook

****The Vote on the Motion was approved by members present (7-0).***

C. Discussion and Set Public Hearing for March 20, 2024: to Adopt City Code Chapter 164, Trees

Included in the agenda packet: ***(All supportive documents and information can be found on pages 42-47, Council agenda packet)***
1. Proposed Ordinance #2024-05

City Manager Mulholland reviewed the background behind Ordinance #2024-05 to enact City Code Chapter 164, Trees.

BACKGROUND
The City Manager, along with the Department of Public Works and the Recreation, Arts and Parks Department, have been working in collaboration with the Tree Advisory Board to develop City Code Chapter 164 regarding trees. NH RSA 31:51 is the enabling legislation that allows municipalities to make regulations for the planting, protection, and preservation of shade or ornamental trees upon lands appropriated for public use.

The proposed new chapter outlines the authority to manage trees on public property and rights- of-way. Various provisions of NH RSA Chapter 231 provide statutory authority to municipalities related to public ways and rights-of-ways. There are several NH Supreme Court decisions that further delineate the authority of municipalities regarding trees.

There is an administrative policy that further articulates the management of trees under the statutory provisions and the provisions of Chapter 164 when Chapter 164 is enacted.

Council Discussions:
Councilor Heistad said that if this had been in place years ago, we would have had a lot less community angst about trees being downed in front of their houses because they did not know what was happening. Now that we will have this ordinance, we will be in much better shape as a City than what we were previously.

City Manager Mulholland noted that all the places the Conservation Commission manages is not covered by this proposed policy.

In response to Councilor Wilkie's question regarding exceptions to § 164-7 Injury Or Defacement Of Trees that would allow signs to be placed on trees using ribbons, City Manager Mulholland noted all we are doing is stating the State Statute. This is already law, and we cannot change State law.

Councilor Simon wanted to make sure this Tree Ordinance is only for trees on public property and does not include private property. City Manager Mulholland concurred this is only for public property.

ACTION:

Councilor Wilkie MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, March 20, 2024, beginning at 7:00 p.m. in Council Chambers, City Hall, and Remote via the City's Virtual Platform, for the purpose of receiving public input and taking action on proposed Ordinance #2024-05 to enact City Code Chapter 164, Trees.

Seconded by Councilor Heistad.

Roll Call Vote:

Assistant Mayor Below, and Councilors Heistad, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.

None voted Nay.

Absent from vote: Councilors Liot Hill and Zook

****The Vote on the Motion was approved by members present (7-0).***

D. Presentation & Discussion of Proposed Amendment to City Council Rules: §A191-8, Order of Business

Included in the agenda packet: ***(All supportive documents and information can be found on pages 48-57, Council agenda packet)***

1. Proposed amendment to City Council Rules, §A191-8, Order of Business
2. City Council Rules, as adopted on November 16, 2022

Mayor McNamara noted this is to formally clear up a process that the City Council has been following.

BACKGROUND

Included in the agenda packet is a proposed amendment to the City Council Rules, Chapter A191-8, to amend the process for changes to the order of business. Currently, the Council's Rules require a vote of at least 2/3 of the members present in order to suspend the rules and change the order of business. However, based on past practice, the Council rarely, if ever, holds a vote on the issue of whether to change the order of business during a given meeting.

In an effort to have the Council's Rules reflect the actual conduct of its meetings, a proposal is being made to allow the Mayor to change the order of business for good cause. Only if a member of the Council objects to the proposed change would the Mayor call for a vote on the question. In that instance, a vote of 2/3 of the members present would be required to change the order of business.

In accordance with Chapter A191-13 of the Council's Rules, amendments must be presented in writing at the preceding regular meeting, prior to adoption. As such, this amendment will be presented for adoption at the March 20th meeting. Adoption requires a 2/3 vote of all members of the Council.

Proposed change(s):

The business of all regular meetings of the Council shall be transacted in the following order, unless <u>the Mayor elects to change the order of business for good cause. If any</u> <u>member of the Council objects to the proposed change to the order of business,</u> the <u>Mayor</u> <u>shall ask that the</u> Council<u> vote on the proposed</u>

change, by a vote of at least 2/3 of the members present, to suspend-the rules and changes the order of business.

1. Call to Order.
2. Pledge of Allegiance.
3. Announcement by Mayor. Public forum. "Any member of the public who desires to speak on any agenda item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. (Note: Speakers are asked to state their name, ward of residence and to use the microphone provided.")
4. Open to public. (Limited to 10 Minutes)
5. Recognitions.
6. Acceptance of Minutes:
7. Appointments.
8. Public Hearings
   i. Presentation
   ii. Mayor Opens Public Hearing
   iii. Questions and Comments by the Public
   iv. Mayor Closes Public Hearing
   v. Council Deliberation & Action
9. Old Business.
10. New Business.
11. City Manager Report
12. Council Representatives to Other Bodies Report
13. Future agenda items
14. Nonpublic sessions.
15. Adjourn.

ACTION: ***No action is required at this time. Action on the amendment will be scheduled for March 20, 2024.***

E. Review and Discussion of Responses to 20 Spencer Street RFP and City Manager Recommendation on Preferred Developer

Included in the agenda packet: ***(All supportive documents, additional information, and picture renditions can be found on pages 58-121, Council agenda packet)***

1. Summary Table of RFP responses
2. Composite Table of Selection Criteria Scores
3. Excerpts of 20 Spencer Street RFP response from The Muse Lebanon, LLC /

Tamposi Available, but not included in this Section:

4. 20 Spencer Street Redevelopment Project, RFP response from Pennrose, LLC, including:
   a. February 9, 2024 interview presentation materials
   b. February 13, 2024 interview responses and supplemental information
5. 20 Spencer Street Redevelopment Project, RFP response from The Muse Lebanon, LLC / Stephen and Jake Tamposi, including:
   a. February 7, 2024 response to questions
6. 20 Spencer Street Redevelopment Project, RFP response from Weston Associates / Fulcrum Associates, including:

a. February 13, 2024 interview responses and revised concept design

BACKGROUND

In September 2023, the City issued a Request for Proposals (RFP) seeking to identify a qualified and capable non-profit, private developer, or development team to propose and complete the redevelopment and revitalization of the 20 Spencer Street property for the express purpose of having the site redeveloped for 100% residential workforce housing.

The City ultimately received three (3) responses to the RFP prior to the submission deadline of January 26, 2024. Responses were received from Pennrose, LLC of Boston, MA; The Muse Lebanon, LLC / Stephen and Jake Tamposi of Hollis, NH; and Weston Associates of Boston, MA / Fulcrum Associates of Amherst, NH. All of the respondents appear highly qualified and have relevant experience on similar projects throughout the region.

Following the receipt of the responses, the City Manager and Deputy City Manager conducted interviews with all three respondents on February 9, 2024. Following the interviews, the respondents were given an opportunity to summarize answers in writing and to provide any other supplemental information they felt was relevant and appropriate. A summary table of the RFP responses are included in the agenda packet and highlights the unit count, unit mix, proposed affordability levels, proposed land purchase price, estimated completed project value, and other project information.

Based on the RFP submittals, the subsequent interviews, and the supplemental information received, the City Manager and Deputy City Manager scored each response within the OpenGov bid portal pursuant to the selection criteria outlined in the original RFP. A table of composite scores were included in the agenda packet for the Council's review.

Based on the final proposals and scoring, the City Manager recommends that the Council authorize the City Manager to pursue further negotiations with The Muse Lebanon, LLC / Stephen and Jake Tamposi as the preferred developer for the future redevelopment of the 20 Spencer Street site for an affordable, workforce housing project.

Excerpts of The Muse Lebanon / Tamposi RFP response is included in the agenda packet. The full, original RFP submission materials, as well as any supplemental information, from each of the respondents are also available through the links listed above.

Council Comments:

Mayor McNamara noted he was pleasantly surprised that we received proposals for the 20 Spencer Street site and from three (3) outside developers, none of whom the City has worked with before but all three have excellent reputations.

Deputy City Manager Brooks reviewed the background, the RFP responses for 20 Spencer Street, the scorecard, noting that all of the responses came from outstanding development firms and were very qualified and highly capable firms. (The packet includes a brief synopsis of the responses received.) He reviewed and highlighted the different responses (from each developer) in terms of the total units proposed; the mix/size of those units; building size/height; some of the affordability components; and, financial aspects of the proposals. Each proposal listed below is in the order they came to the City :

20 Spencer Street RFP

Summary of Responses received on or before January 26, 2024

	Pennrose, LLC	The Muse Lebanon, LLC / Tamposi	Weston Associates / Fulcrum Associates
Total Units Proposed	67	80	118* (changed to 113 following interview)
Unit Mix / Avg Size (initial proposal)	39 -1Bd, 588 SF 22 -2Bd, 880 SF 6 -3Bd, 1078 SF	39 -1Bd, 621 SF 33 -2Bd, 840 SF 8 -2Bd L/W, 865 SF	5 -Studio, 642 SF 44 -1Bd, 695 SF 59 -2Bd, 985 SF 10 -3Bd, 1,268 SF
Unit Mix / Avg Size (subsequent proposal, if different)			39-1Bd, 695 SF 59-2Bd, 985 SF 15-3Bd, 1,268 SF
Building Size / Height	69,406 SF / 4-story	71,535 SF / 4-story	104,585 SF / 5-story
Affordability Level (initial proposal)	8 units@30% AMI 7 units@50% AMI 23 units@60% AMI 12 units@80% AMI 17 units@unrestricted	80 units@60% AMI	118 units@80% AMI
Affordability Level (subsequent proposal, if different)	8 units@30% AMI 7 units@50% AMI 52 units@60% AMI		30 units@60% AMI 83 units@80% AMI
Estimated Completed Project Value	~$24M	~$29M	~$37.4M
Purchase Price to City	$50,000	$400,000	$0
Estimated Property Tax (initial proposal)	$500/unit/year under PILOT Agreement	~$110,000/year under RSA 75:1-a	$0 for first 3 years (duration of construction), then subject to further negotiations with City
Estimated Property Tax (subsequent proposal, if different)	$500/unit/year under PILOT Agreement; or ~$112,111/year under RSA 75:1-a		$50,000/year for first 3 years; then $100,000/year for next 7 years; then $100,000 + annual adjustment for
On-site Parking Spaces	94 Spaces	89 Spaces	95 Spaces
On-Site Bicycle Parking	29-34	80	unspecified

Scoring results for each of developers can be found in the agenda packet.

Council Comments:

Mayor McNamara spoke about his reasons supporting the Tamposi proposal, noting they would add some additional income to the City by purchasing the property; they had a reasonable property tax revenue every year; loved the 60% AMI; how their 80 units were appropriate for the site; the live/work concept; access to the Rail Trail; and, the 80 spaces of indoor bike storage.

In response to Councilor Whittlesey's question regarding the justification of what drove the Tamposi proposal, City Manager Mulholland said Mr. Tamposi had a solid understanding of the process and the difference between the 9% and 4% programs. When they talked to the other two firms, they did not have as firm of an understanding of what that process was about, how it worked, and how competitive the 9% is. The fact that Mr. Tamposi is willing to rely more on the 4% financing plan, he thought was more realistic and further explained his reasons. There were some expectations/requests by others for the City to contribute significant amounts of money toward the project, which we had not anticipated. (This was a couple million dollars, which the City does not have or plans to do.) Mr. Tamposi had a firmer plan in terms of how they were going to finance the project and their experience in being able to do that.

Deputy City Manager Brooks added that the Tamposi proposal added value to the community because of their commitment to affordable housing and in generating revenue from property taxes.

In response to Councilor Sykes' question about the 60% AMI, Mr. Brooks noted that the definition of workforce housing for rental units in Grafton County is based on a 60% AMI for a family of three, which is $62,500. He also said that under the LiTech Program, which is used by the NH Housing Finance, the timeline for rental affordability is around 20 years. Mr. Tamposi explained the minimum (time loan) would be 30 years, but they would anticipate that this (property) would remain affordable in perpetuity and would not go beyond the statutory minimum of 30 years.

Councilor Heistad was impressed with the space, the gallery downstairs, the playground, and the bike storage/workshop.

Councilor Liot Hill arrived at approximately 7:54PM and Mayor McNamara briefly reviewed the discussions that had taken place by the Council.

Assistant Mayor Below said it looked like the Tamposi proposal also understands the floodplain issues and their commitment to be energy efficient.

City Manager Mulholland said that Mr. Tamposi has thoroughly read the RFP and understood what the City was looking for. He also noted that his plan is to take the $400K and put it back into the project and explained how this could be done.

ACTION:

Councilor Sykes MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into further negotiations with The Muse Lebanon, LLC / Stephen and Jake Tamposi regarding the redevelopment of the 20 Spencer Street property for an affordable, workforce housing development.

Seconded by Councilor Wilkie.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilor Zook

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

11. **CITY MANAGER REPORT:**

City Manager Mulholland updated the Council on the following:

- Lebanon's Childcare Facility: Call from Congresswoman Kuster notifying him that the NH House just passed the $1.616,279.00 for Lebanon's Childcare Facility.
- Westboro Yard: No progress has been done yet.
- Fire Station and the project funding increase that would be needed from Debt Service account.
- Lebanon's new well: New funding may be available, but the permitting process could take 2-3 years.
- Implicit Bias Training: April 15 & 16, 2024. All City of Lebanon's supervisory staff are required to attend. Mayor McNamara requested a letter be sent out to all Boards, Committees, Commissions members requesting their mandatory participation in one of the three training sessions.
- Canvass of Vote: Thursday, March 14, 2024 @ 8:00 AM. Councilors are requested to attend this session.

12. COUNCIL REPRESENTATIVES TO OTHER BODIES: None

13. FUTURE AGENDA ITEMS: None

14.   NON-PUBLIC SESSION: None

15.   ADJOURNMENT:

Councilor Heistad MOVED for adjournment.
Seconded by Councilor Sykes.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, and Mayor McNamara all voting Yea.
None voted Nay.
Absent from vote: Councilors Zook

****The Vote on the Motion was unanimously approved by members present (8-0).***

The meeting was adjourned at 8:13 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary

Agenda
Lebanon City Council
March 20, 2024

7. Appointments:

Appointments

Board/Committee Appointments as presented by City Clerk/Tax Collector Jaseya Ewing

- Economic Development Commission, Dean Cashman (Regular Member)
- Diversity, Equity, and Inclusion Commission, Simone Whitecloud (Reappointment Alternate Member)
- Lebanon Energy Advisory Committee, William Stearns (Alternate Member)

Included in this Section:

1. Memo from City Clerk/Tax Collector Jaseya Ewing dated March 20, 2024.

Office of the City Clerk & Tax Collector
51 N. Park Street
Lebanon, NH 03766

MEMORANDUM

DATE: March 20, 2024

TO: The Honorable Mayor & City Council

FROM: Jaseya Ewing, City Clerk & Tax Collector

RE: **Appointments Proposed for Council Discussion/Action:**

If the Council wishes to proceed with action on the appointments below, a nomination should be made and voted on for each appointment.
Note: nominations do not need to be seconded.

Economic Development Commission

- **Dean Cashman** – Appointment as a regular member of the Economic Development Commission for a two-year term. Interviewed by: George Sykes

  Term: 03/24-03/26

Diversity, Equity & Inclusion Commission

- **Simone Whitecloud** – Reappointment as an alternate member of the Diversity, Equity & Inclusion Commission for a two-year term.

  Term: 03/24-03/26

Lebanon Energy Advisory Committee

- **William Stearns** – Appointment as an alternate member of the Lebanon Energy Advisory Committee for a two-year term.

  Term: 03/24-03/26

Print

Board Member Application - Submission #9416

Date Submitted: 1/12/2024

Application Process

After submitting this application, you will be contacted and interviewed by one of our City Councilors. Your application will then go before the full Council at one of their regular meetings for consideration of appointment. If you have questions, please contact the City Clerk's Office at 603-448-3054 or cityclerk@lebanonnh.gov.

Basic Requirements

- Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)
- Willingness to learn
- Commitment to attend meetings
- Treat people fairly
- Consider the best interest of the community as a whole when making decisions
- Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.

First Name*

Dean

Last Name*

Cashman

Physical Address*

[redacted]

City*

Lebanon

State*

NH

Zip Code*

[redacted]

Is this your mailing address?*

- (•) Yes
- ( ) No

Mailing Address*

City* **State*** **Zip Code***

Home Phone Number* **Work Number**

[redacted]

Email Address*

[redacted]

How long have you resided in Lebanon?

This will not necessarily reflect on your possible appointment.

Is this an application for re-appointment?*

- ○ This application is for re-appointment.
- ◉ This application is not for re-appointment.

For which board, committee, or commission are you applying?*

Please note that City Council positions are elected positions. Those interested in serving on the City Council must file with the City Clerk's office during the designated filing period prior to the March election of each year. The filing period information will be listed on our Election Information page.

- ( ) Arts and Culture Commission
- ( ) Board of Assessors
- ( ) Board of Cemetery Trustees
- ( ) Class VI Roads Advisory Committee
- ( ) Conservation Commission
- ( ) Diversity, Equity, and Inclusion Commission
- ( ) Downtown Lebanon TIF Advisory Board
- (x) Economic Development Commission
- ( ) Heritage Committee
- ( ) Lebanon Airport-Tech Park TIF Advisory Committee
- ( ) Lebanon Energy Advisory Committee
- ( ) Library Board of Trustees
- ( ) Pedestrian and Bicycle Advisory Committee
- ( ) Planning Board
- ( ) Steering Committee for Implementation of Master Plan
- ( ) Tree Advisory Board
- ( ) West Lebanon Revitalization Advisory Committee
- ( ) Zoning Board of Adjustment
- ( ) Other (please fill in blank)

Other Committee

Qualifications for City Council*

Per City Charter Sections C419:16 and C419:18, the following are mandatory qualifications to serve as a member of Lebanon City Council.

- [ ] I certify that I have been been a Lebanon resident for 2 or more years AND that I am a registered Lebanon voter.

In which ward do you reside?*

Unless you are applying for a councilor at-large seat, you must reside in the ward boundary of the council seat for which you are applying. You can use our Find Your Ward tool to find your ward.

- ○ Ward 1
- ○ Ward 2
- ○ Ward 3

Why would you like to serve?*

As a Lebanon resident and Mascoma Bank employee, I am interested in learning and helping the city with economic development.

State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.*

Commercial Lender at Mascoma Bank
Resident of Lebanon

Certification*

☑ I hereby certify that I meet the basic requirements for applying to a Lebanon board / committee.

Councilor Interview Report Form
Councilor Name: George Sykes Date of Interview: 2/29/24 Applicant Name: DeanCashman
Board(s) to Which Applied: EDC
Regular Seat? Alternate seat?
Has Applicant Attended Meeting of Board to Which Applying? ____ Yes No X (If yes, indicate date of meeting.) Date: _______________ Recommend Appointment: X Yes _____ No Regular Seat Alternate Seat (PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.) Standard Questions for All Applicants:
1) What do you believe is the purpose of this Board/Committee?

Its purpose is to discuss economic vitality in the City of Lebanon.

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Yes, and yes he could be depending upon availability.

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

Yes, as a member of the West Lebanon Revitalization Committee. Also work experience as a Commercial Lender at a local bank.

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

Yes, depending upon availability.

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons? Not generally.

6) What do you think are the key challenges for this Board/Committee?

While I have not been a member of the EDC previously, my experience as a Commercial Lender suggests that the challenges are similar; for example on a case by case basis, interest rates, expense for materials and labor, and community resistance.

7) What do you think are the key opportunities for this Board/Committee?

Examining further use of mixed use development.

8) What would you like to see this Board/Committee accomplish in the next year?

Help in promoting progress towards the City's development goals.

George Sykes

[redacted] [redacted] #9615 for Board Member Application
Date: Wednesday, March 6, 2024 9:26:09 AM

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Board Member Application

Application Process

After submitting this application, you will be contacted and interviewed by one of our City Councilors. Your application will then go before the full Council at one of their regular meetings for consideration of appointment. If you have questions, please contact the City Clerk's Office at 603-448-3054 or cityclerk@lebanonnh.gov.

Basic Requirements

- *Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)*
- *Willingness to learn*
- *Commitment to attend meetings*
- *Treat people fairly*
- *Consider the best interest of the community as a whole when making decisions*
- *Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.*

(Section Break)

First Name	Simone
Last Name	Whitecloud
Physical Address	[redacted]
City	[redacted]
State	[redacted]
Zip Code	[redacted]

Is this your mailing address?	Yes
Home Phone Number	[redacted]
Work Number	*Field not completed.*
Email Address	[redacted]
How long have you resided in Lebanon?	2.5 yrs
(Section Break)	
Is this an application for re-appointment?	This application is for re-appointment.
For which board, committee, or commission are you applying?	Diversity, Equity, and Inclusion Commission
Other Committee	*Field not completed.*
Why would you like to serve?	I have enjoyed my 2 year tenure with the DEI Commission. It enables me to voice my opinion and help craft our city into a safe and welcoming place.
State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.	I am an underrepresented minority (Native American) and experience first hand discrimination and feelings of not belonging on a regular basis. I am a founding member of the DEI committee at my place of employment (5 years strong!).
Certification	I hereby certify that I meet the basic requirements for applying to a Lebanon board / committee.

Email not displaying correctly? [View it in your browser.]

[redacted]

Date: Thursday, February 22, 2024 7:17:43 AM

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Board Member Application

Application Process

After submitting this application, you will be contacted and interviewed by one of our City Councilors. Your application will then go before the full Council at one of their regular meetings for consideration of appointment. If you have questions, please contact the City Clerk's Office at 603-448-3054 or cityclerk@lebanonnh.gov.

Basic Requirements

- *Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)*
- *Willingness to learn*
- *Commitment to attend meetings*
- *Treat people fairly*
- *Consider the best interest of the community as a whole when making decisions*
- *Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.*

(Section Break)

First Name	William
Last Name	Stearns
Physical Address	[redacted]
City	[redacted]
State	[redacted]

Zip Code	[redacted]
Is this your mailing address?	Yes
Home Phone Number	[redacted]
Work Number	*Field not completed.*
Email Address	[redacted]
How long have you resided in Lebanon?	23 years
	(Section Break)
Is this an application for re-appointment?	This application is not for re-appointment.
For which board, committee, or commission are you applying?	Lebanon Energy Advisory Committee
Other Committee	*Field not completed.*
Why would you like to serve?	I would like to take part in the process of promoting and integrating Electric Vehicles into Lebanon's Energy future. I've spoken to multiple people in LEAC and the EV subcommittee and let them know that's my primary goal. They've suggested I should apply to be an alternate member of LEAC.
State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.	I'm a new EV owner and am actively taking part in multiple upcoming EV events to both show the technology and answer questions.
Certification	I hereby certify that I meet the basic requirements for applying to a Lebanon board / committee.

Councilor Interview Report Form

Councilor Name: ___Clifton Below____________ Date of Interview: ____3/10/24____

Applicant Name: _______William (Bill) Stearns____

Board(s) to Which Applied: ____

____ Regular Seat _X_Alternate Seat

Has Applicant Attended Meeting of Board to Which Applying? _X__ Yes ____ No

(If yes, indicate date of meeting.) Date: ___(2 of the last 3)

Recommend Appointment: __X___ Yes _____ No

_______ Regular Seat __X__ Alternate Seat

General Comments: _____As a Lebanon resident for the past 23 years, this is the first time Bill has volunteered to serve on a City Board or Committee. He is recently the proud new owner of an EV and is particularly interested in helping with the work of the EV subcommittee where he has become a regular attendee and contributor.________________

(PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.)

Standard Questions for All Applicants:

1) What do you believe is the purpose of this Board/Committee?

Overall, oth a community discussion area for projects that could be are being undertaken, sharing information, advising on projects and policies

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Would love to and be able to so interested in meeting with different groups and vendors working on new issues. Reasonably flexible work day.

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

Has not worked on a government advisory committee or board – but experience working in groups in technology and cyber security, including providing instruction in complex issues.

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

100% yes

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons?

No.

6) What do you think are the key challenges for this Board/Committee?

Getting a clear message across about why and trying to understand some push back around clean energy – explaining why there is a problem and what we can about it.

7) What do you think are the key opportunities for this Board/Committee?

So many gov't agencies, nonprofits, community groups, businesses etc. are pushing for clean energy – ability to partner with so many others.

8) What you would like to see this Board/Committee accomplish in the next year?

Continued work on EVs, some focus on residential and commercial heat pumps.

Agenda
Lebanon City Council
March 20, 2024

8. Public Hearing Items:

8.A – Ordinance #2024-05: Adoption of New City Code Chapter 164, Trees

A public hearing for the purpose of receiving public input and taking action to adopt Ordinance #2024-05 to add a new Chapter 164, Trees, to the Code of the City of Lebanon.

The City Council scheduled this public hearing at its March 6, 2024 regular meeting. The public hearing was properly noticed in the *Valley News* on March 9, 2024 in accordance with City Code and State Law.

Background

The City Manager along with the Department of Public Works and the Recreation, Arts and Parks Department have been working in collaboration with the Tree Advisory Board to develop City Code Chapter 164 regarding trees. NH RSA 31:51 is the enabling legislation that allows municipalities to make regulations for the planting, protection, and preservation of shade or ornamental trees upon lands appropriated for public use.

The proposed new chapter outlines the authority to manage trees on public property and rights-of-way. Various provisions of NH RSA Chapter 231 provide statutory authority to municipalities related to public ways and rights-of-ways. There are several NH Supreme Court decisions that further delineate the authority of municipalities regarding trees.

There is an administrative policy that further articulates the management of trees under the statutory provisions and the provisions of Chapter 164 once the chapter is enacted.

In accordance with City Code Chapter 115-3, the City Manager has obtained a legal review of the draft ordinance, which concludes that the ordinance language is consistent with the laws of New Hampshire and the City Charter, is within the City Council's authority to adopt, and is legally enforceable. In the process of reviewing the draft ordinance, the City's attorney has offered a set of minor clarifying edits, mostly to the proposed definitions, which are shown in the attached redline version of the document.

Action:

If the Council decides to move forward, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby adopts Ordinance #2024-05 to add a new Chapter 164, Trees, to the Code of the City of Lebanon, including recommended edits as suggested by the City's attorney, as presented in the March 20, 2024 City Council Agenda Packet, to be effective upon passage.

Included in this Section:

1. Ordinance #2024-05, including recommended edits as suggested by the City's attorney

2. March 13, 2024 Legal Opinion by Attorney Matthew C. Decker, RE: Draft Ordinance 2024-05 (Trees)
3. Notice of Public Hearing as published in the March 9, 2024 Edition of the *Valley News*

ORDINANCE 2024-05

AN ORDINANCE TO AMEND the Code of the City of Lebanon, to add Chapter 164, Trees, to establish regulations for trees in public spaces.

Be it ordained by the Council of the City of Lebanon as follows:

Section 1.

The Code of the City of Lebanon is hereby amended by adding §164, Trees.

§ 164-1. PURPOSE/INTENT

To enhance the quality of life and the present and future health, safety, and welfare of all residents, and to ensure proper planting and care of trees on public property and within City rights-of-way, the City Council pursuant to RSA 31:51 and RSA 47:1 herein delegates the authority and responsibility for managing public trees.

§ 164-2. DEFINITIONS

Damages- Damages as referred to in RSA 231:154, for the taking of tree rights within the limits of City public ways, highways, commons, parks, cemeteries, and other public grounds or easements, for the purpose of shade or ornamentation, shall ~~relating to tree rights shall mean the taking of ownership rights to trees that are located within the City's rights of way or areas where the City has or acquires an easement. Damages~~ equate to the dollar amount that is paid to the owner for the fair value of the trees taken and/or the property where the trees are planted.

Ornamental Tree- ~~a~~ A tree planted or valued chiefly for its aesthetic value.

Public Tree- Trees located on land owned by the City.

Shade Tree- ~~a~~A tree planted or valued chiefly for its shade from sunlight.

Shrub- Shrub and bush shall have the same meaning. A woody plant that is smaller than a tree and typically has multiple stems or branches growing from a base, in contrast to the single trunk of a tree. ~~Unlike trees, which generally have a single trunk, bushes or shrubs usually have a more rounded and bushy appearance~~.

Street Tree- Trees located within the City's rights of way or provided by separate easement.

Right of Way- Shall mean the area of land which constitutes a public highway under the provisions of RSA 229:1:~~,~~ "Highways are only such as are laid out in the mode prescribed therefor by statute, or roads which have been constructed for or are currently used for motor vehicle, bicycle, or pedestrian public travel over land which has been conveyed to a city or town or to the state by deed of a fee or easement interest, or roads which have been dedicated to the public use and accepted by the city or town in which such roads are located, or roads which have been used as such for public travel, other than travel to and from a toll bridge or ferry, for 20 years prior to January 1, 1968, and shall include the bridges thereon. Highway does not include any bridge, trail, or path intended for use by off highway recreational vehicles, as defined in RSA 215-A:1, or snowmobiles, as defined in RSA 215-C:1."

Tree - a woody perennial plant having a single usually elongated main stem generally with few or no branches on its lower part.

Tree Advisory Board - The City Manager established a Tree Advisory Board in 2021 to facilitate the goals of educating the public and working in an advisory capacity to ~~DPW~~the Department of Public Works, the City Manager and the other boards/committees/commissions of the City.

Tree Warden - The City Manager may appoint a Tree Warden to manage trees in the City's rights of way and City properties. The Tree Warden position is established pursuant to RSA 231:139, I. The duties of the Tree Warden are detailed in the job description created for the position by the City Manager. In the absence of a Tree Warden the duties of this position shall fall to the Public Works Director.

Tree Rights- relative to RSA 231:154, refers to owner of trees upon land appropriated to public uses or within the limits of City rights of way.~~whether they are located in the City's ROW or on private property~~.

Urban Compact- refers to Class IV highways within the compact sections of the City ~~A~~as defined by RSA 229:5, IV and V. "Class IV highways shall consist of all highways within the compact sections of cities and towns listed in RSA 229:5, V. The compact section of any such city or town shall be the territory within such city or town where the frontage on any highway, in the opinion of the commissioner of transportation, is mainly occupied by dwellings or buildings in which people live or business is conducted, throughout the year and not for a season only."

§ 164-3. AUTHORITY AND RESPONSIBILITIES

A. The Public Works Director is responsible for planting, care and maintenance of trees located within the City's public rights of way as well as other City-owned properties under the management of the Department of Public Works. All other trees located on City property or to be planted on City property shall be the responsibility of the director of the department which manages the property the tree is located on, except subject to provisions regarding the removal of trees as detailed in § 164-5, A, unless otherwise proscribed in the Code of the City of Lebanon or applicable State law.

B. The City shall have control of all shade trees, ornamental trees and shrubs situated within the limits of the City's public ways, state highways within the urban compact, village commons, parks, cemeteries, and other public grounds, which have been or may be acquired by gift or purchase, or planting by or with the advice of the Public Works Director, or by condemnation by the Public Works Director as provided in RSA 231:140.

C. Trees ~~located within the City's right-of-way but~~ located on private property but within the City's right of way are controlled by the property owner, not the City, other than the exceptions discussed below and as interpreted by the Courts[i]

§ 164-4. PLANTING OF TREES

A. **Taking Tree Rights. –** In accordance with the provisions of RSA 231:154, when any highway shall be laid out damages may be assessed to the abutting owners to provide for the maintenance or planting, from time to time, within the limits of such highway, of such shade and ornamental trees as may be necessary for the preservation and improvement of such highway. Damages may be assessed to abutting owners on any existing highway upon petition therefor, and such proceedings had as in the laying out of highways by the City Council to provide for the maintenance and planting from time to time, of such trees within the limits of such highways as may be necessary for the preservation and improvement of the same. When such damage shall be assessed and paid there shall be, in addition to the right of travel over such highway, a public easement to protect, preserve and renew the growth thereon for the purposes aforesaid.

B. **Public Ownership. –** in accordance with RSA 231:149, aAny young shade or ornamental tree planted within the limits of a public highway by the tree wardens or by any other person or persons, with the approval of the City Manager, or any young seedling tree or sprout left within the limits of the highway as specified in RSA 231:150 and designated by the tree warden to be preserved for its future value as a shade tree, shall become the property of the ~~municipality~~City; provided, that the abutting landowner, having been notified of the intention of the municipality to take and preserve such young tree, shall make no written objection to the tree warden within 30 days from the date of such notification

§ 164-5. REMOVAL OF TREES

A. **Shade and Ornamental Trees-** Whoever desires the cutting and removal in whole or in part of any public shade or ornamental tree owned by the City may apply to the Public Works Director, who shall give a public hearing upon the application, at least 10 days prior to the cutting or removal of ~~the trees~~such tree(s), ~~upon the application~~, and at some suitable time and place, after publishing and posting notices of the hearing in 2 or more public places and also upon the tree or trees which it is desired to cut and removed. No tree shall be cut, except to trim it, or removed by the City staff, without such hearing. The decision of the Public Works Director shall be subject to review by the City Manager.

B. **Hazardous Trees-** Notwithstanding the provisions of other sections of this Chapter and subject to the provisions of RSA 231:157 and RSA 231:158, the Public Works Director on class IV, V, and VI highways and City maintained portions of class II highways may declare any tree, either alive or dead, situated within the limits of City property, highways, roads, or streets to be a public nuisance by reason of danger to the general or traveling public, spread of tree disease, or the reliability of equipment installed at or upon utility facilities authorized under RSA 231:160 or RSA 231:160-a. After such declaration by the Public Works Director and notice to the abutting landowner on whose property such tree is located the said authority shall within a reasonable time remove the same without compensation or cost to the abutter. However, no such declaration and notice shall be required when the delay entailed by such declaration and notice would pose an imminent threat to safety or property, including electric transmission and distribution lines. Nothing in this subdivision shall be construed to relieve the public utility companies of their accepted responsibility of tree trimming and tree removal for the protection of their lines, or for the construction of new lines, or to alter the provisions of RSA 231:150-182 in any manner. The Public Works Director may require of the public utilities owning lines which pass through or near a tree or trees which are condemned for removal as a public nuisance to assist in their removal at their expense by either the temporary removal of their lines or by causing to be removed at their expense the top portion of said tree or trees from a point below their lines.

C. **Notice-** as detailed in RSA 231:146, notice to the abutting landowner of a tree declared a public nuisance shall be given by delivery at their place of residence or by sending by registered mail to their last known address and it shall clearly state the intention of removal of such tree. The landowner may appeal to the superior court as to the validity of such declaration within 30 days of delivery or mailing of said notice, and shall be entitled to a speedy hearing. The final judgment upon every appeal shall be a decree dismissing the appeal, or vacating the declaration complained of in whole or in part, as the case may be; but in case such declaration is wholly or partly vacated the court may also, at its discretion, remand the matter to the City for such further proceedings, not inconsistent with the decree, as justice may require. Following expiration of the aforesaid 30-day period of appeal, or following waiver of said right of appeal, the abutting landowner is relieved of any liability or responsibility in connection with the tree or trees declared a public nuisance and similarly is relieved of any liability or responsibility in connection with any stump or stumps left remaining.

D. Clearing Highways – In accordance with the provisions of RSA 231:150, the Public Works Director shall annually, and at other times when advisable, cause to be cut and disposed of, from within the limits of City maintained highways, all trees and bushes that may cause damage or pose a safety hazard to such highways or to the traveling public; provided however that no tree which has a circumference of 15 inches or more at a point 4 feet from the ground shall be removed in the absence of notice to the abutter in the same manner as provided above, except when the delay entailed by such notice would pose an imminent threat to safety or property. Shade and fruit trees that have been set out or marked by the abutting landowners or by the Public Works Director, and young trees standing at a proper distance from the highway and from each other, shall be preserved, as well as banks and hedges of bushes that serve as a protection of the highway, or that add to the beauty of the roadside.

E. Scenic Roads- The management of trees along scenic roads shall be conducted in accordance with the provisions of RSA 231:158 and Lebanon City Code Chapter 134, excepting the removal of trees or portions of trees which have been declared a public nuisance pursuant to RSA 231:145 and 231:146, when such trees or portions of such trees pose an imminent threat to safety or property. Such exceptions must be preceded by authorization of the Public Works Director. Further, that a public utility when involved in the emergency restoration of service, may without such hearing or permission of the Public Works Director, perform such work as is necessary for the prompt restoration of utility service which has been interrupted by facility damage and when requested, shall thereafter inform the Public Works Director of the nature of the emergency and the work performed, in such manner as the Public Works Director may require.

§ 164-6. ROLE OF THE TREE ADVISORY BOARD AND TREE WARDEN

A. The Tree Advisory Board in accordance with the provisions of its charge may provide guidance to the Public Works Director regarding the planting, care, maintenance and removal of trees on public property or within public rights of way. Notices of public hearings shall be provided to the Tree Advisory Board on or before the time of posting under section § 164-5, or in the case of Section § 164-5, B and C, on or before the time of notice. The Public Works Director shall take into consideration recommendations made by the Tree Advisory Board relative to the tree(s) that are under consideration for cutting or removal.

B. The Tree Warden shall provide guidance and recommendations to the Public Works Director relative to the planting, care, maintenance and removal of trees on public property including rights of way and where the City has easements.

§ 164-7 INJURY OR DEFACEMENT OF TREES

As detailed in the provisions of RSA 231:147, It shall be unlawful to cut, destroy, injure, deface, or break any public shade or ornamental tree; or to affix to any such tree a play bill, picture, announcement, notice, advertisement, political or otherwise, or other device or thing, or to paint or mark such tree, except for the purpose of protecting it and under a written permit from the Public Works Director. Additionally, persons responsible for the injury or defacement of trees shall make restitution for the replacement and/or mitigation of trees injured or defaced.

§ 164-8. 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 jurisdictions, such decision shall not affect the validity of any remaining sections, subsections, sentences, clauses, or part of this ordinance.

§ 164-9. EFFECTIVE DATE

This ordinance shall become effective April 1, 2024.

Graves vs. Shattuck, 35 N.H. 257 (1857); *Laconia vs. Morin,* 92 N.H. 314 (1943)

Drummond Woodsum
ATTORNEYS AT LAW

Matthew C. Decker
Admitted in NH, NJ, NY

603.792.7421
mdecker@dwmlaw.com

1 Court Street, Suite 320
Lebanon, NH 03766-1727
603.448.2221 Main
603.448.5949 Fax

March 13, 2024

FOR PUBLIC RELEASE
Approved by: db
City Manager's Office

Lebanon City Council
c/o Mayor Timothy J. McNamara
City Hall
51 N. Park Street
Lebanon, NH 03766

RE: **Draft Ordinance 2024-05 (Trees)**

Mr. Mayor,

The City Manager has requested my firm's review of a draft ordinance to establish regulations for trees in public spaces.

The City has the authority to regulate trees in public spaces per RSA 31:51 and RSA 47:1, which together provide that the City "may make regulations from time to time for the planting, protection and preservation of the shade and ornamental trees situated upon any lands within the limits of the town appropriated to public uses." RSA 231:139 to 231:158 ("Trees and Roadside Growth") establish further authority for the City's regulation of trees in public spaces.

It is my opinion that the draft ordinance is consistent with the laws of New Hampshire and the City Charter, is within the City Council's authority to adopt, and is legally enforceable. I note specifically that sections 4 and 5, pertaining to the planting of trees/acquisition of tree rights and removal of trees, hew closely to the provisions of RSA 231:139-158.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Matthew C. Decker

Matthew C. Decker
NH Bar ID #267540

Attachment (Draft Ordinance 2024-05)
cc: City Manager

Signature: David R Brooks
Email: David.Brooks@lebanonnh.gov

March 13, 2024

LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARINGS
Wednesday, March 20, 2024 - 7:00PM
Council Chambers, City Hall or REMOTE VIA VIRTUAL PLATFORM
LebanonNH.gov/LIVE

The Lebanon City Council will hold public hearings on March 20, 2024, beginning at 7:00pm for the following:

A. **ADOPTION OF CITY CODE CHAPTER 164, TREES** – A public hearing for the purpose of receiving public input and taking action on the proposed adoption of City Code Chapter 164, Trees

B. **AMEND ORDINANCE 18, SALARY PLAN** – A public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, to add the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) to the compensation and classification schedule

The March 20, 2024 City Council agenda packet and documents pertaining to the above-described public hearings will be available on the City's website beginning March 15, 2024: LebanonNH.gov/Agendas

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

NE-[illegible]

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Saturday, March 9, 2024.

Jaseya Ewing

Jaseya Ewing, City Clerk

Agenda
Lebanon City Council
March 20, 2024

8. Public Hearing Item:

8.B – Amendment to Ordinance #18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, to Add Position to Existing Salary Plan

A public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article II, by adding the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) in the Non-Affiliated & LPASE Employee compensation and classification schedules.

The City Council scheduled this public hearing at its February 21, 2024 regular meeting. The public hearing was properly noticed in the Valley News on March 9, 2024 in accordance with City Code and State Law.

Background

The City Council is asked to take action to amend Ordinance #18, Salary Plan, as follows:

1. Article II, Non-Affiliated & LPASE Employees:
    I. Add the exempt position of Chief Building Official & Health Officer, as a Grade 13 position within the Planning & Development Department.

Article II, Non-Affiliated & LPASE Employees

City Administration is proposing the addition of a Chief Building Official & Health Officer position within the Planning & Development Department. This Grade 13, exempt position is being created to direct the plan review, permitting, and inspection of all construction activities within the City of Lebanon and to ensure compliance with adopted codes and ordinances. The position will oversee the City's role in restaurant and food inspections, enforce other health codes, as applicable, and provide accountability for the supervision and operation of the Code Enforcement Division of the Planning & Development Department. The position will supervise the Division's staff, providing professional oversight, advice, and direction, and will report to the Planning & Development Director.

Amendment Process

Amending Ordinance #18 requires three separate presentations (see City Charter subsections §419:22, §419:24, §419:25, §419:52), followed by a Public Hearing, and the vote of at least two-thirds (2/3) of all members of the City Council - six (6) members - to adopt.

The first presentation was recognized by the City Council on February 21, 2024. The second presentation was acknowledged on March 6, 2024. The Council is asked to finalize the amendment process by acknowledging the third presentation and acting to amend the Salary Plan following the close of the public hearing.

The table below reflects all proposed changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification. These changes would be effective upon passage.

Action

The City Council is asked to act on the following:

1. Acknowledge Third Presentation:

MOVED, that the Lebanon City Council acknowledges the third of three presentations to amend Ordinance #18, Salary Plan, Article II, by adding the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) in the Non-Affiliated & LPASE Employee compensation and classification schedules as outlined in the March 20, 2024, City Council Agenda Packet.

Below is an excerpt of the Non-Affiliated & LPASE Employees compensation and classification schedules impacted by the proposed change described above. Changes to the compensation and classification schedules are shown in red type; new positions and retitled or reclassified positions are shown in **red bold** *type; position deletions are shown stricken and in red italics type.*

REGULAR FULL-TIME / REGULAR PART-TIME NON-AFFILIATED & LPASE EMPLOYEES 2024 SALARY & GRADES					
Grade	**Position Title**	**Hourly**		**Weekly**	
		Minimum	**Maximum**	**Minimum**	**Maximum**
13	**Chief Building Official & Health Officer**	-	-	*$1,734.53*	*$2,341.63*
	Chief Innovation Officer				
	Cyber Security Analyst	-	-	-	-
	Deputy Finance Director	-	-	-	-
	Deputy Human Resources Director	-	-	-	-
	Deputy Fire Chief**	-	-	-	-
	Information Systems Manager**	-	-	-	-
	Maintenance Manager	-	-	-	-
	Police Captain**	-	-	-	-
	Deputy Planning and Development Director	-	-	-	-
	Systems and Operations Administrator	-	-	-	-

**Denotes LPASE Employees

2. RESOLUTION:

FOR THE PURPOSE OF amending Ordinance #18, Salary Plan.

NOW THEREFORE BE IT RESOLVED, that the Lebanon City Council hereby amends Ordinance #18, Salary Plan, Article II, by adding the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) in the Non-Affiliated & LPASE Employee

compensation and classification schedules as outlined in the March 20, 2024, City Council Agenda Packet

Included in this Section:

1. Notice of Public Hearing as Published in the March 9, 2024 Edition of the *Valley News*

March 13, 2024

LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARINGS
Wednesday, March 20, 2024 - 7:00PM
Council Chambers, City Hall or REMOTE VIA VIRTUAL PLATFORM
LebanonNH.gov/LIVE

The Lebanon City Council will hold public hearings on March 20, 2024, beginning at 7:00pm for the following:

A. **ADOPTION OF CITY CODE CHAPTER 164, TREES** – A public hearing for the purpose of receiving public input and taking action on the proposed adoption of City Code Chapter 164, Trees

B. **AMEND ORDINANCE 18, SALARY PLAN** – A public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, to add the position of Chief Building Official & Health Officer (Grade 13, Non-Affiliated) to the compensation and classification schedule

The March 20, 2024 City Council agenda packet and documents pertaining to the above-described public hearings will be available on the City's website beginning March 15, 2024: LebanonNH.gov/Agendas

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

NE-4150600

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Saturday, March 9, 2024.

Jaseya Ewing

Jaseya Ewing, City Clerk

Agenda
Lebanon City Council
March 20, 2024

9. Old Business:

9.A – 2025-2026 NHMA Legislative Policy Process

Background

It is the time of year when the New Hampshire Municipal Association (NHMA) begins planning for the Legislative Policy Conference in the Fall. The policy process begins with solicitation of policy proposals from local officials to create an initial issues list. The deadline for submission of policy proposals is April 15, 2024.

NHMA's legislative policy committees - Finance and Revenue; General Administration and Governance; and Infrastructure, Development and Land Use – will review all policy proposals in order to make recommendations which will go to the NHMA Legislative Policy Conference in September.

Action

Should the Council decide not to submit proposed Legislative Policies, no action is required.

Should the Council decide to submit policy proposals, an Explanation of Proposed Policy Form (attached) must be completed for each proposal.

Included In This Section:

1. 2025-2026 NHMA Explanation of Proposed Policy form

New Hampshire Municipal Association

Explanation of Proposed Policy

Submitted by (Name): ______________________ Date: ______________

Title of Person Submitting Policy: ______________________

City or Town: ______________________ Phone: ______________

To see if NHMA will SUPPORT/OPPOSE:

Municipal interest to be accomplished by proposal:

Explanation:

A sheet like this should accompany each proposed legislative policy. It should include a brief (one or two sentence) policy statement, a statement about the municipal interest served by the proposal and an explanation that describes the nature of the problem or concern from a municipal perspective and discusses the proposed action that is being advocated to address the problem. Mail to NHMA, 25 Triangle Park Drive, Concord, NH 03301; or e-mail to mailto:governmentaffairs@nhmunicipal.org ***no later than the close of business on April 15, 2024*.**

Agenda
Lebanon City Council
March 20, 2024

9. Old Business:

9.B – Action to Adopt Amendment to Council Rules, §A191-8, Order of Business, as Presented on March 6, 2024

Background

In accordance with §A191-13 of the Council Rules, proposed amendments must be presented in writing at the preceding regular meeting, prior to adoption. Adoption requires a 2/3 vote of all members of the Council.

On March 6, 2024, the Council reviewed and discussed a proposed amendment to §A191-8, Order of Business, to amend the process by which the order of business may be changed. Currently, the Council Rules call for an affirmative vote of at least 2/3 of the members present to suspend the rules and change the order of business during a meeting. However, based on past practice, the Council rarely, if ever, holds a vote on the issue of whether to change the order of business during a given meeting.

The proposed amendment to §A191-8 would allow the Mayor to change the order of business for good cause. Only if a member of the Council objects to the proposed change would the Mayor call for a vote on the question. In that instance, a vote of 2/3 of the members present would be required to change the order of business.

Action

MOVED, that the Lebanon City Council hereby amends the Council Rules to include the amendment to §A191-8, Order of Business, as presented on March 6, 2024.

Included in this Section:

1. Proposed amendment to City Council Rules, §A191-8, Order of Business
2. City Council Rules, as adopted on November 16, 2022

§ A191-8. Order of business.

[Amended 6-21-1978; 4-7-1982; 5-7-1986; 4-6-1988; 3-27-1991; 6-23-1993; 7-19-1995; 5-15-1996; 4-16-1997; 6-7-2006; 9-3-2008; 4-1-2009]

The business of all regular meetings of the Council shall be transacted in the following order, unless the Mayor elects to change the order of business for good cause. If any member of the Council objects to the proposed change to the order of business, the Mayor shall ask that the Council vote on the proposed change, by a vote of at least 2/3 of the members present, to suspend~~s~~ the rules and change~~s~~ the order of business.

1. Call to Order.
2. Pledge of Allegiance.
3. Announcement by Mayor. Public forum. "Any member of the public who desires to speak on any agenda item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. (Note: Speakers are asked to state their name, ward of residence and to use the microphone provided.")
4. Open to public. (Limited to 10 Minutes)
5. Recognitions.
6. Acceptance of Minutes:
7. Appointments.
8. Public Hearings
   i. Presentation
   ii. Mayor Opens Public Hearing
   iii. Questions and Comments by the Public
   iv. Mayor Closes Public Hearing
   v. Council Deliberation & Action
9. Old Business.
10. New Business.
11. City Manager Report
12. Council Representatives to Other Bodies Report
13. Future agenda items
14. Nonpublic sessions.
15. Adjourn.

Chapter A191

COUNCIL RULES

[HISTORY: Adopted by the City Council of the City of Lebanon 9-18-1974. Amendments noted where applicable.]

GENERAL REFERENCES
Ordinances -- See Charter § C419:22.
Enactment of ordinances -- See Ch. 115.

§ A191-1. Council meetings.

A. The Council shall meet in regular session on the first and third Wednesday of every month at 7:00 p.m. until the conclusion of business or 10:00 p.m., whichever comes first. The 10:00 p.m. adjournment shall only be extended by a two-thirds vote of the Council. [Amended 11-7-1979; 4-15-1992; 6-23-1993; 3-30-1994; 7-19-1995; 10-18-1995; 5-21-2003]

B. Attendance. Prior to each meeting, unless prevented by emergency, a Councilor shall notify either the Mayor, City Manager or City Clerk if he or she will be unable to attend a meeting.

C. Remote Attendance. As long as a quorum of the Council is present in person, one or more members of the City Council at the discretion of the Mayor may participate in a meeting by electronic or other means of communication only when attendance is not reasonably practical. This procedure shall not be construed to mean that conferencing by electronic means shall be regularly used or used at every meeting of the Council but shall be used only as necessary to allow the participation of Council members who are unable to attend in person due to such circumstances as personal illness or disability, employment obligations, or a family or other emergency.

1) Member must notify the City Manager's office at least 24 hours in advance of the meeting, unless impractical, so that necessary communications equipment can be arranged. Inability to make the necessary technical arrangements may result in the inability of the members remote attendance.
2) Each part of a meeting required to be open to the public shall be audible or otherwise discernable to the public at the location specified in the meeting notice as the location of the meeting. Each member participating electronically or otherwise must be able to simultaneously hear the other members physical present or participating electronically during the meeting and shall be audible or otherwise discernable to the public in attendance at the meeting's location.
3) If participation is not in person, the member must state the reason such attendance is not reasonably practical, and that information must be included in the minutes of the meeting.
4) Sufficient security and identification procedures be employed, either at the outset of any meeting or at any time during the meeting as appropriate, to ensure that any and all members attending for discussion or voting purposes are in fact an authorized member with the right to speak and vote.
5) The person not in attendance shall identify the persons present (if any) in the location from which the member is participating.
6) If a member of the Council is participating by electronic or other means of communication, all votes must be recorded by roll call vote.
7) Electronic or other means of communication can include, but due to changing technology, are not limited to Telephone/Speakerphone/Conference Calls and Computer audio/video conferencing.

D. Remote Participation. Members of the public are permitted to attend and participate in meetings remotely through a live link provided on the City's website or via phone through the number provided by the meeting organizer for all Council meetings that are open to the public. At the beginning of each meeting, participants will be informed of rules for speaking on agenda items and will be called on by the Mayor in an order as determined by the Mayor.

§ A191-2. Temporary Chair.

In case of the absence of the Mayor and Assistant Mayor, the Clerk shall call the Council to order. If a quorum is found to be present, the Council shall choose one of its members to act as Chair.

§ A191-3. City Clerk. [Amended 3-30-1994]

The City Clerk or his/her designee shall be ex-officio clerk of the Council and shall keep minutes of the meeting and perform such other and further duties in the meeting as may be ordered by the presiding officer of Council. Copies of the minutes of meetings shall be furnished to each Councilor with the agenda of the next meeting.

§ A191-4. Legal counsel. [Amended 4-18-1990]

Designated legal counsel shall attend any meetings of the Council when requested by the Mayor or City Manager. Any member of the Council, upon notification to the City Manager, may call upon Counsel for an oral or written opinion to decide any question of law or parliamentary procedure.

§ A191-5. Robert's Rules of Order. [Amended 2-6-1991; 7-19-1995; 4-21-2004]

Robert's Rules of Order (most recent Edition) shall be used in all Council deliberations except as modified herein.

§ A191-6. Raise hand to be recognized.

Councilors do not have to stand to move motion or second.

§ A191-7. Agenda. [Amended 5-7-1986; 7-19-1995; 6-3-1998; 4-18-2007; 4-15-2009]

As stated in §A191-1 above, the Council shall meet in regular session on the first and third Wednesdays of every month at 7:00pm. Agendas for Council meetings are the responsibility of the City Manager and the Mayor.

Submission Deadlines:

- The first Wednesday of the month will be the date in which the agenda is set for the meeting on the first Wednesday of the next month.
- The third Wednesday of the month will be the date in which the agenda is set for the meeting on the third Wednesday of the next month.

Any Councilor wishing to have an item placed on an agenda must submit said item (in its proper format by utilizing a City Council Agenda Request Form, provided by the City Manager’s Office) to the City Manager's Office by Noon on the Tuesday preceding the Wednesday on which the agenda is to be set.

Items of an urgent nature which require special attention or are in need of immediate action by the Council may be placed on any agenda at the discretion of the Mayor and/or City Manager.

§ A191- 8. Order of business. [Amended 6-21-1978; 4-7-1982; 5-7-1986; 4-6-1988; 3-27-1991; 6-23-1993; 7-19-1995; 5-15-1996; 4-16-1997; 6-7-2006; 9-3-2008; 4-1-2009]

The business of all regular meetings of the Council shall be transacted in the following order unless the Council, by a vote of at least 2/3 of the members present, suspends the rules and changes the order.

1. Call to Order.
2. Pledge of Allegiance.
3. Announcement by Mayor. Public forum. *“*Any member of the public who desires to speak on any agenda item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. (Note: Speakers are asked to state their name, ward of residence and to use the

microphone provided.")
4. Open to public. (Limited to 10 Minutes)
5. Recognitions.
6. Acceptance of Minutes:
7. Appointments.
8. Public Hearings
    i. Presentation
    ii. Mayor Opens Public Hearing
    iii. Questions and Comments by the Public
    iv. Mayor Closes Public Hearing
    v. Council Deliberation & Action
9. Old Business.
10. New Business.
11. City Manager Report
12. Council Representatives to Other Bodies Report
13. Future agenda items
14. Nonpublic sessions.
15. Adjourn.

§ A191-9. Budgetary summary. [Amended 3-00-1985]

On a quarterly basis, and within the months of October and November, the City Manager shall submit a budgetary summary to the City Council. Discussion of the summary shall be placed on the agenda of the next Council meeting following submissions.

§ A191-10. Motion to be stated by Presiding Officer; withdrawal. [Amended 7-19-1995]

A. When a motion is made and seconded it shall be repeated upon request by the presiding officer before debate. At his/her discretion the presiding officer may request motions to be put in writing. A motion may not be withdrawn by the mover without the consent of the member seconding it and the approval of the Council.
B. The presiding officer may at any time, by a majority vote of the members present, permit a member to introduce an ordinance, resolution or motion out of the regular order.

§ A191-11. Communications. [Amended 12-9-1992; 7-19-1995; 6-16-2004]

A. Unattributed communications shall not be introduced in Council meetings. Information advocating a certain position obtained from constituent contact may be introduced at Council meetings if the name of the source is given. Electronic and written communications from any Councilor to four or more members shall constitute public comment and shall be transmitted to the City Manager's office for public record.

B. With the exception of the Mayor's use of City letterhead, stationery, or official City insignia for resolutions or proclamations, members of the City Council may only use such for purposes officially approved by the Council.

§ A191-12. Permission required to address Council. [Amended 4-7-1982]

Persons other than members of the Council and City officers shall be permitted to address the Council. A time limit of three minutes shall be in effect. The speaker shall not enter into a debate with any person, Mayor or Council member and shall speak only on a subject on that particular agenda item.

§ A191-13. Rules: Adoption, Amendment, & Suspension. [Amended 7-19-1995]

A. Each newly seated Council by motion shall formally adopt the Council Rules and Regulations currently in place.

B. These rules may be amended or new rules adopted by a 2/3 vote of all members of the Council. Any such alterations or amendments shall be submitted in writing at the preceding regular meeting and shall be placed on the calendar under the order of new business.

C. These rules may be suspended by a 2/3 vote of those members present and voting. The purpose for suspension must be clearly stated before the vote is taken, and 2/3 of the members present and voting must declare the matter one of such priority that it would be detrimental to hold it over until the next regular meeting.

§ A191-14. Appointment of Council Representatives to Other Bodies.

The Mayor shall designate and appoint representatives from the City Council to other bodies, including City boards, committees, and commissions, as the need arises.

§ A191-15. Council Appointments to City Boards, Committees, Commissions.

A. When vacancies occur on City boards, committees, commissions, either by resignation, removal or lapse of term, applications received by the City Clerk will be forwarded to the City Council in a timely manner in order for vacancies to be filled as quickly as possible. [Amended 4-2-2008]

B. All appointments shall be acted upon by the City Council as authorized by the City Code, the City Charter and New Hampshire Law. [Amended 8-2-1995; 5-21-2003; 4-2-2008]

C. The following procedure shall be followed for board, commission and committee appointments and reappointments: [Added 9-18-1996; Amended 4-2-2008]

    1) For initial appointment, the applicant shall fill out the standard application form. [Amended 5-21-2003; Amended 4-2-2008]
    2) For reappointment, the applicant can update the current form on file or complete a new updated application form. [Amended 4-2-2008]
    3) One member of the City Council shall interview applicants for initial

appointment within 30 days of receiving the application from the City Clerk and report to the full Council prior to any nomination for appointment. Applicants for reappointment to the same board, committee, or commission may be nominated for reappointment without completion of an interview with a City Councilor. [Amended 4-2-2008; Amended 11-16-2022]

4) While one city councilor is officially assigned to interview each applicant, any city councilor may interview any applicant for any position to better inform their decision.

§ A191-16. Constituent-Council contacts. [Added 5-13-1992]

Council members shall use the process outlined on the attached flow chart for constituent contacts.

§ A191-17. Confidential materials.

A. Classification.

1) In the event that materials need to be classified as confidential, a standard will be applied by the City administration to determine if a compelling purpose exists to require that the materials be confidential and that public disclosure of the materials would serve to undermine the interest of the City. The City administration's determination of confidentiality shall be made in accordance with RSA 91-A. [Amended 5-21-2003]
2) Some examples where materials would be classified as confidential would include positions in labor negotiations, personnel matters involving a right of privacy and settlement discussions of pending litigation.
3) In order to ensure that the government of the City of Lebanon conducts its affairs in public and not in private, and that the citizens' deliberation on public affairs in Lebanon be as fully informed as practically possible, hereby be it resolved, that the City promptly release to the public all legal opinions received hereafter by the City, including, but not limited to, memoranda from any legal counsel to the City, and opinions received by the City in private consultation with legal counsel (as allowed under RSA 91-A:2, Meetings Open to Public, I(c), Consultation with legal counsel), except that the following shall only be released at the discretion of the City Manager and City Council: [Added 5-15-2002]

(a) Opinions pertaining to the dismissal, promotion or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against the employee; [amended 4-01-2009]
(b) Opinions pertaining to the hiring of any person as a public employee;
(c) Opinions which, if released to the public, would likely affect adversely the reputation of any person other than a City Councilor; [amended 4-01-2009]
(d) Opinions pertaining to the consideration of the acquisition, sale or lease of real or personal property which, if released to the public, would likely benefit a party or parties whose interests are adverse to those of the City;
(e) Opinions pertaining to the consideration or negotiation of claims or

litigation which has been threatened in writing or filed against the City;

(f) Opinions pertaining to matters before quasi-judicial boards of the City;

(g) Opinions which, in the judgment of the City Manager and City Council, could potentially cause harm to the City if released.

B. Treatment of classified materials. When materials are classified as confidential, they will be identified and marked as "Confidential" and transmitted to the City Council in sealed envelopes marked as "Confidential." The reason for the confidential classification will be noted on the materials.

C. In the event that a significant portion of a document may be made available to the public without compromising the portions of a document which are necessary to be maintained as confidential in accordance with Subsection A of this policy, then such portion(s) shall be made available to the public with only the confidential portion(s) classified. [Amended 6-19-1996; 5-21-2003]

§ A191-18. Attendance at Seminars, Workshops, etc.

Any Councilor who wishes to attend (at the expense of the City) a seminar, workshop, or other function designed to improve their ability to serve on the City Council (or their respective board, committee, or commission) must first confirm with the City Manager that funds are available for use. If funding is in place, the following options are available:

(1) Register for the event through the City Manager's Office and request payment in advance of attendance; or

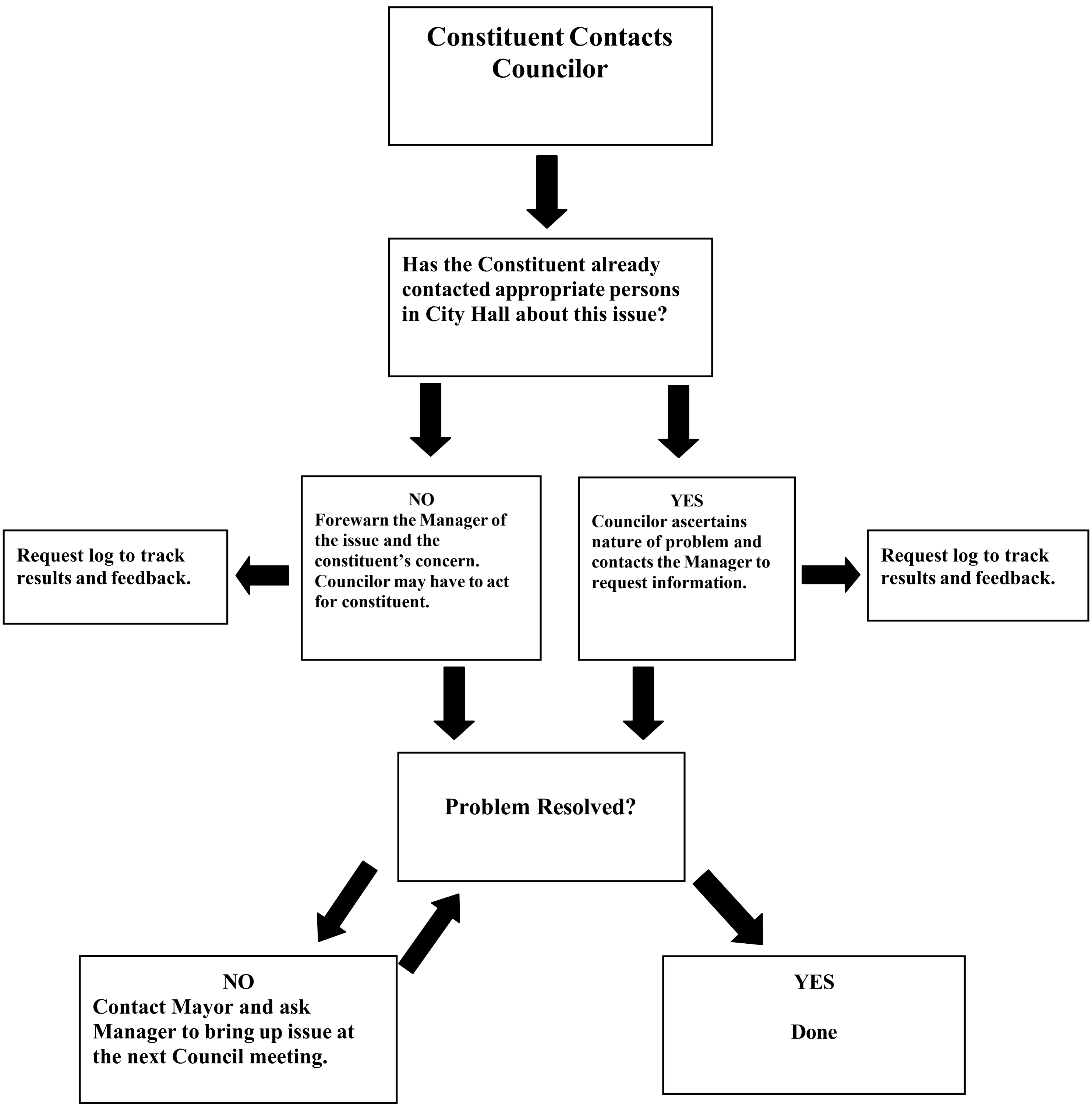
(2) Self-register for the event and request reimbursement after attending.

If option (2) is exercised, reimbursement is only guaranteed if confirmation of funding was requested in advance of attending and proper documentation, according to the City's Purchasing Policy, is submitted with the reimbursement request.

§ A191-19. Email and Computer Use

All City Councilors will be provided with City issued email addresses and computer devices to assist them in their capacity as elected officials. Use of City email addresses and/or computer devices is not mandatory. Councilors who elect to utilize City email addresses and/or computer devices must comply with and sign an acknowledgement form for compliance with any City computer use and cyber security policies.

FLOW CHART FOR CONSTITUENT-COUNCILOR CONTACTS
Council Rules, Section A191:16
[Amended 4-20-2011; 5-16-2012]



Agenda
Lebanon City Council
March 20, 2024

10. New Business:

10.A – Presentation of 2023-2024 Lebanon Historic Landmark Designations

In this twenty-sixth (26th) year of the City's Historic Landmark Designation Program, the Lebanon Heritage Commission has identified four (4) properties for designation as local Historic Landmarks. Since the Program's inception in 1997, there have been ninety-six (96) other properties selected for Landmark Designation throughout the City.

This year's designations include the following properties:

*250 Meriden Road, owner: family of Ms. Evelyn Morse
*44 Bank Street, owner: Catherine Filiano
*10 Great Brook Road, owner: Jennifer Muller
*39 N. Park Street, owner: Lebanon Housing Authority

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 Economic Revitalization Zone boundaries for tax credit eligibility, landmark designation could bolster qualification.

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.

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.

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

Action

No action is required by the Council. This item is for informational purposes only.

Included in this Section:

1. Designated Property Details
2. Historic Landmark Designation Program – Inventory and Plaque Status Verification

250 Meriden Road

This residence originally served as a Lebanon district school in District 9, also known as the Hough District School. The one-room schoolhouse educated students who lived in the vicinity of LaPlante, Meriden, and Daisy Hill Roads. After the closure of the school near Great Brook Road in 1898, the Hough School served students all the way to the East Plainfield town line. In 1855, the school educated 11 students. By 1900, it was host to around 16 students; by 1915, it was only 7. The school was closed and sold to Earl Kinne in 1934, when it was converted into a private residence.

44 Bank Street

44 Bank Street was built before 1860 by John Gustin, a local tinsmith. The Gustin family occupied the home until 1895. In 1923, the residence passed into the Lewis family, and Roy Lewis, co-proprietor of the long-running Lewis Brothers hardware store, would reside at 44 Bank Street until his death in 1969. Karen Wadsworth, former mayor of Lebanon and five-time representative to the New Hampshire House of Representatives, occupied the house for nearly two decades in the latter part of the 20th century.

The house is a two and a half story side hall plan, gable-fronted wooden frame house. The brick that so distinguishes the exterior is a veneer added by Roy Lewis as part of extensive interior and exterior renovations during his tenure.

10 Great Brook Road

Known as the Ticknor House for its original owner or the Gray House for the family that resided in it for a full century, this house is believed to have been built by John Ticknor in 1786. An inscribed stone in the kitchen hearth provides the 1786 date, and many of the building's original features are still extant, including wide floorboards and exposed wall and ceiling beams.

John Ticknor was born in Lebanon, Connecticut in 1761, and was living in Lebanon, New Hampshire by the time of the 1790 census. He and his wife, Mabel (Green), remained in Lebanon until at least 1800 before moving to Plainfield.

William Gray and his wife Harriet (Moore) purchased the house in 1858, and it would remain in the Gray family for the next 101 years. William sold the house to his son George and his wife Julia (Hastings), and upon George's death, it passed to his son Arthur and his wife Lilla (Kinney). They in turn sold it to their son Raymond in 1944, and in 1959, it passed out of the Gray family.

39 North Park Street – Rogers House

Constructed in 1911, the Hotel Rogers was developed by George S. Rogers and designed by architect John A. Fox. The steel and brick structure cost around $100,000 to build and boasted 44 rooms with hot and cold running water. The ground floor hosted a dining room and storefronts along North Park Street. Some of the businesses that occupied the first-floor shops between 1911 and 1970 included the Carrie L. Lowe dry goods and women's wear store (known as "a mecca for women"), Chipman's Pharmacy, the Modern Record Shop, the American Finance loan office, Stylers Beauty Salon, and Twin State Television.

The exterior of the building was superficially damaged by the 1923 fire that destroyed the neighboring town hall, but the structure remained largely unchanged through the 1960s. In 1970, the hotel was closed, and the building was sold to the Lebanon Housing Authority, who converted the building into senior housing. Renovations included the addition of a fourth story (replacing the original decorative parapet and "Hotel Rogers" sign), removal of the first-floor storefronts, new windows, and other interior and exterior modifications.


Hotel Rogers-Lebanon-N.H.


Hotel Rogers, Lebanon, N. H.


HOTEL ROGERS, LEBANON, NEW HAMPSHIRE
HOTEL ROGERS
HOTEL ROGERS
ICE CREAM BAR

City of Lebanon | Heritage Commission
Historic Landmark Designation Program - Inventory and Plaque Status Verification
https://lebanonnh.gov/1103/Historic-Landmark-Designations

Name	Designation Year	Approximate Construction Year	Plaque on Display	Landmark Type (original use)	Full Address	Village/Area
Campbell-Carter Mansion	1997	1845	Yes	House/Dwelling	1 Bank St	Lebanon
Cooper-Dwinell House	1997	1901	Yes	House/Dwelling	94 Bank St	Lebanon
Churchill House and Carriage House	1997	1892	Yes	House/Dwelling	3 Campbell St	Lebanon
Lebanon Public Library	1997	1909	Yes	City Building	9 East Park St	Lebanon
Stone Arch Overpass	1997	1848	Pending Verifica	Railway Infrast	Glen Rd	West Lebanon
Hough-Middleton House	1997	1770s	Yes	House/Dwelling	64 Great Brook Rd	Rural - Lebanon
MacLeod House	1997	1700s	No	House/Dwelling	91 Hardy Hill Rd	Rural - Lebanon
West Lebanon Congregational Church	1997	1849	Yes	Church	18 Maple St	West Lebanon
Young-Dulac House	1997	1790s	Yes	House/Dwelling	55 Mascoma St	Lebanon
Rivermill Complex	1997	1882	Inconclusive	Business	85 Mechanic St	Lebanon
Benwood Tavern	1997	1790s	Yes	Business	449 Meriden Rd	Lebanon
Soldier's Memorial Building	1997	1890	Yes	Civic Organizat	31 North Park St	Lebanon
Lebanon City Hall	1997	1924	Yes	City Building	51 North Park St	Lebanon
Old Pine Tree Cemetery	1997	1768	Pending Verifica	Cemetery	Old Pine Tree Cemetery R	Lebanon
Lyman Whipple House	1997	1868	Yes	House/Dwelling	19 Parkhurst St	Lebanon
Porter-Stearns-Wood Farm	1997	1792	No	House/Dwelling	98 Poverty Lane	Rural - Lebanon
Ascutney View Farm	1997	1776	No	House/Dwelling	450 Poverty Lane	Rural - Lebanon
Westboro Yard and Roundhouse	1997	1887	Emeritus	Railway Infrast	RailRd Avenue	West Lebanon
Lebanon Baptist Church	1997	1869	Emeritus	Church	11 School St	Lebanon
Dana House	1997	c1765	Yes	House/Dwelling	Seminary Hill Rd	West Lebanon
Seminary Hill School	1997	1855	Yes	School	Seminary Hill Rd	West Lebanon
Willis House	1997	1842	No	House/Dwelling	2 South Park St	Lebanon
Wood House	1997	1830	Yes	House/Dwelling	4 South Park St	Lebanon
Kendrick-Wood Brick House	1997	1828	Yes	House/Dwelling	8 South Park St	Lebanon
First Congregational Church	1997	1868	Yes	Church	10 South Park St	Lebanon
Whipple-Pulsifer Building	1997	1882	Yes	Business	West Park St	Lebanon

H.W. Carter & Sons Factory	1998	1822	Inconclusive	Business	11 Bank St	Lebanon
C.C. Benton House	1998	1806	No	House/Dwelling	14 Bank St	Lebanon
Craigen House	1998	1855	No	House/Dwelling	21 Bank St	Lebanon
Oulette House	1998	1826	No	House/Dwelling	26 Bank St	Lebanon
Hildreth's Hardware Building	1998	1903	Yes	Business	9 Hanover St	Lebanon
West Lebanon Public Library	1998	1869	No	City Building	57 Main St	West Lebanon
Downer-True Farm	1998	1763	Pending Verifica	House/Dwelling	423 Plainfield Rd	Rural - W. Lebanon
Kimball-Grow House	1998	1840	Yes	House/Dwelling	29 School St	Lebanon
Townsend Farm at Storrs Hill	1998	1769	Pending Verifica	House/Dwelling	125 Storrs Hill Rd	Lebanon
Walhowdon Farm	1998	1780	Pending Verifica	House/Dwelling	35 Walhowdon Way	Rural - Lebanon
Ziba Alden House	1999	1823	Yes	House/Dwelling	191 Bank St Ext	Lebanon
East Side Toll House	1999	1804	No	Toll House	219 Bank St Ext	Lebanon
Muchmore-Rodgers House	1999	1872	Yes	House/Dwelling	38 Green St	West Lebanon
Sprague-Chapman House	1999	late 1700s	No	House/Dwelling	53 Hardy Hill Rd	Rural - Lebanon
Buck-Fairbanks House	1999	c1830	No	House/Dwelling	8-10 High St	Lebanon
Wood-Loomis House	1999	1800	Yes	House/Dwelling	28 Loomis Rd	Rural - W. Lebanon
West Side Toll House	1999	1804	No	Toll House	77 Mascoma St	Lebanon
Samuel Wood House	1999	1790	Yes	House/Dwelling	241 Poverty Lane	Rural - Lebanon
Ela-Tatro House	1999	c1800	No	House/Dwelling	503 Poverty Lane	Rural - Lebanon
Passenger Station of Northern Railroad	1999	1823	No	Railway Infrast	2 Spencer St	Lebanon
Emery-Rice-Churchill House	2002	1871	No	House/Dwelling	10 Abbott St	Lebanon
Albert M. Shaw House	2002	1858	Yes	House/Dwelling	50 Bank St	Lebanon
Shepard-Chellis House	2002	1865	No	House/Dwelling	64 Bank St	Lebanon
Sartwell-Small House	2002	late 1700s	Yes	House/Dwelling	516 Dartmouth College H	Rural - E. Lebanon
Cutting-Dole House	2002	mid 1800s	Yes	House/Dwelling	31 Elm St	Lebanon
Sartwell-Mastro House	2002	1853	Yes	House/Dwelling	15 Green St	West Lebanon
Barrows-Densmore Brickyard	2002	1800s	No	Business	174 Hanover St Ext	Lebanon
Colburn-Doyle Brick House	2002	1820	No	House/Dwelling	120 Heater Rd	Lebanon
Beehive House	2002	1830s	Yes	School	3 Maple St	West Lebanon
Wilson-Leavitt House	2002	1805	Yes	House/Dwelling	40 Mascoma St	Lebanon
Westboro Yard Sandhouse	2002	1847	Emeritus	Railway Infrast	Westboro Yard	West Lebanon
Charles H. Emerson House	2008	mid 1880s	Pending Verifica	House/Dwelling	29 Elm St West	West Lebanon
Mill Workers Residence	2008	late 1880s	No	House/Dwelling	9-11 Mechanic St	Lebanon
Spring Hill Farm	2008	1799	No	Farm	263 Meriden Rd	Lebanon
The Mill Parcel	2008	1860s	Pending Verifica	Business	Mill Rd	Rural - Lebanon
The 1776 House and Barn	2008	1776	Pending Verifica	House/Dwelling	75 Prospect St	Lebanon
Old Horse Road, Cole Park	2009	1763	Pending Verifica	Road	Cole Park	West Lebanon

Allen/Porter Farm	2009	1792	No	House/Dwelling	9 Eagle Ridge Drive	Rural - Lebanon
Masonic Lodge/Unitarian Church	2009	1880	Yes	Church	25 Green St	West Lebanon
Palazzo House	2009	1790s	Yes	House/Dwelling	71 Hardy Hill Rd	Rural - Lebanon
22 Maple Street house	2009	Late 1850s	Yes	House/Dwelling	22 Maple St	West Lebanon
The Little Store	2009	1920s	Yes	Business	55 School St	Lebanon
Richardson-Hinckley House	2010	1860	No	House/Dwelling	26 Maple St	West Lebanon
Dairy Twirl/Bomhower Farm	2010	c1930	No	House/Dwelling	39 Mechanic St	Lebanon
The Stickney-Hibbard House	2010	c1890	Yes	House/Dwelling	52 School St	Lebanon
W. G. Walker Farmhouse	2010	c1780	Yes	House/Dwelling	42 Sunset Rock Rd	Rural - E. Lebanon
National Bank Block	2010	1894	Yes	Business	20 West Park St	Lebanon
274 Bank Street Extension	2012	c1780	Yes	House/Dwelling	274 Bank St Ext	Lebanon
Barrett-Wood House	2012	1860	Yes	House/Dwelling	28 Maple St	West Lebanon
15 School Street	2012	1860s	Yes	House/Dwelling	15 School St	Lebanon
Muriel's Donuts	2012	1890	Yes	Business	20 West St	Lebanon
10 Barrows Street	2013	unknown	Yes	House/Dwelling	10 Barrows St	Lebanon
29 Crafts Avenue	2013	1897	Yes	House/Dwelling	29 Crafts Avenue	West Lebanon
Peabody House	2013	c1830	Yes	House/Dwelling	7 Jenkins Rd	Rural - Lebanon
The Simeon S. Post House	2014	c1800	No	House/Dwelling	515 Dartmouth College H	Rural - E. Lebanon
89 Hanover Street	2014	1853	No	House/Dwelling	89 Hanover St	Lebanon
Glen View	2014	c1886	No	House/Dwelling	137 North Main St	Lebanon
Peck Homestead	2019	c 1780	Yes	House/Dwelling	127 Mascoma St	Lebanon
James Wood House	2020	1825	Pending Verification	House/Dwelling	523 Meriden Rd	Rural - Lebanon
9 Seminary Hill Road	2020	c1800	Pending Verification	House/Dwelling	9 Seminary Hill Rd	West Lebanon
Storrs Hill Ski Area	2023	1923	Yes	Historical Site	60 Spring Street	Lebanon
15 Winter Street	2023	1900	Pending Verification	House/Dwelling	15 Winter Street	Lebanon
19 Winter Street	2023	1900	Pending Verification	House/Dwelling	19 Winter Street	Lebanon
79 Hanover Street	2023	1870	Pending Verification	House/Dwelling	79 Hanover Street	Lebanon
The Fred Owen House	2023	1890	Pending Verification	House/Dwelling	91 Hanover Street	Lebanon
The Samuel Woodbury House	2023	1833	Pending Verification	House/Dwelling	93 Hanover Street	Lebanon
119 Hanover Street	2023	1900	Pending Verification	House/Dwelling	119 Hanover Street	Lebanon
Louis Caplan House	2023	1880	Pending Verification	House/Dwelling	136 Hanover Street	Lebanon
144 Hanover Street	2023	1900	Pending Verification	House/Dwelling	144 Hanover Street	Lebanon
The Perry House	2023	1851	Pending Verification	House/Dwelling	149 Hanover Street	Lebanon

Agenda
Lebanon City Council
March 20, 2024

10. New Business:

10.B – Request for Zoning Amendment from Cicotte Properties, LLC: Text Amendment for Light Industrial (IND-L) District

Background

On January 17, 2024, the City Council voted to move a proposed zoning amendment requested by Cicotte Properties, LLC through the amendment process outlined in Section 1000 of the Zoning Ordinance. The request by Cicotte Properties, LLC is to amend Section 303.2 of the Zoning Ordinance to add “auto sales and service” as a use allowed by Conditional Use Permit in the Light Industrial (IND-L) District.

Since the Council’s action on January 17, 2024, the amendment has been reviewed by the City’s legal counsel, the Planning Board, the Zoning Board of Adjustment, and the Conservation Commission. A summary of the proposed amendment is outlined in the attached memorandum from the Planning & Development Department. The City attorney’s legal opinion and excerpts of the Planning Board and Zoning Board of Adjustment draft meeting minutes are attached. The Conservation Commission meeting minutes are not available as of the preparation of the agenda, but will be provided when available.

Following discussion of the requested amendment, if the City Council decides to move forward with consideration of the proposal, a public hearing will need to be scheduled.

Action

If the Council decides to move forward with the proposed amendment, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, April 3, 2024, beginning at 6:00pm, in Council Chambers, City Hall, and Remote via the City’s Virtual Platform, for the purpose of receiving public input and taking action to amend Section 303.2 of the Zoning Ordinance to add “Vehicular sales” as a use allowed by Conditional Use Permit in the Light Industrial (IND-L) District.

Included In This Section:

1. Memorandum from Planning and Development Department staff, dated March 13, 2024, including associated attachments.

CITY OF LEBANON ~ PLANNING & DEVELOPMENT

MEMORANDUM

TO: Lebanon City Council

CC: Shaun Mulholland, City Manager
David Brooks, Deputy City Manager

FROM: Planning and Development Department Staff

RE: Request by Cicotte Properties, LLC, to Amend Section 303.2 of the Zoning Ordinance (IND-L District Table of Uses)

DATE: March 13, 2024

As set forth in a memo from Dan Nash dated January 2, 2024, Cicotte Properties, LLC, requests an amendment to Section 303.2 of the Zoning Ordinance to add "auto sales and service" as a use allowed by Conditional Use Permit in the Light Industrial (IND-L) District. Following the City Council's decision on January 17, 2024 to move the proposal through the process outlined in Section 1000 of the Zoning Ordinance, the amendment has been reviewed by the City's legal counsel, the Planning Board, the Zoning Board of Adjustment, and the Conservation Commission. Excerpts of the Planning Board and Zoning Board of Adjustment draft meeting minutes are attached. The Conservation Commission meeting minutes will be provided when available.

As noted previously, staff does not recommend that the Council adopt the proposed amendment at this time, nor does the Planning Board, as reflected in the attached meeting minutes. However, if the Council chooses to move forward, a public hearing will need to be scheduled. In that case, staff would also recommend, as noted previously, that the term "vehicular sales," which is an existing use category in the Zoning Ordinance, be used in place of the petitioner's proposed "auto sales and service" term.

ATTACHMENTS

- January 2, 2024 letter from Dan Nash, of Advanced Geomatics and Design, on behalf of Cicotte Properties, LLC, including attachment
- Legal opinion from Christine Johnston, Esq., dated February 26, 2024
- Excerpt of draft Planning Board meeting minutes from February 26, 2024
- Excerpt of draft Zoning Board of Adjustment meeting minutes from March 4, 2024

TO: NATHAN REICHERT, PLANNING & DEVELOPMENT DIRECTOR

FROM: DANIEL A. NASH, PE

RE: PROPOSED ZONING CHANGES

CC: SHAUN MULHOLLAND, CITY MANAGER

DATE: 2 JANUARY 2024

In reviewing the City Council agenda for 3Jan24, I observed what appears to have been an oversight. On item 10.G., the item includes no mention of the petitioned changes brought before the city council on 18Oct23. At that meeting, the council directed that the petitioned changes track with those prepared by planning staff, being routed to the Zoning and Planning Boards and the Conservation commission.

At the Planning Board meeting on 11Dec23, the petitioned requests were narrowed to include automobile sales and service as a Conditional Use in the RO-1 and IND-L zones. This refinement is acceptable to the petitioner. Attached is a transcription of the motion made by the Planning Board. I have attached recommended changes to the zoning tables for each zone. As I understand, the Zoning Board and Conservation Commission comments do not conflict with the Planning Board recommendation.

Can you please ensure that this information is sent to the City Council as supplemental information for Item 10.G. on their 3Jan24 meeting? Please let me know if you have any questions regarding this request.

M:\2023_projects\23-006\zoning\col_nr_zoningchanges_2jan24.docx

SECTION 303 LIGHT INDUSTRIAL DISTRICT (IND-L).

303.1 Purpose.

The purpose of the IND-L District is to provide land in appropriate locations for the establishment of manufacturing plants and other businesses of a similar nature, which improve employment opportunities and strengthen the economic base of the city. Such activities should not adversely affect the natural environment, adjacent residential areas or community facilities. A variety of manufacturing, distribution and service industries, and certain limited support activities are allowed in the district. However, in order to preserve appropriate land for such uses, residential uses and many types of commercial uses, such as retailing and ***personal services***, are not allowed.

303.2 Table of Uses.

<table>
<tr><th>Permitted Uses</th><th>Special Exception Uses
(see Section 801.3)</th></tr>
<tr><td rowspan="3">Commercial/Non-Residential
1. Airport
2. Bus terminal
3. Essential service
4. Equipment and machinery sales, rental and service
5. Group day care facility per Section 604
6. Health club
7. Light industry
8. Local government use
9. Outdoor storage per Section 303.4 (less than 20%)
10. Plumbing, electrical or carpentry shop
11. Publishing/printing
12. Research laboratory
13. Renewable energy system per Section 612
14. Retail product pickup
15. Retail showroom per Section 303.5 (less than 10%)
16. Trucking terminal
17. Warehouse
Planned Developments
18. Industrial PUD per Section 501
19. Planned business park per Section 508</td>
<td>Commercial/Non-Residential
1. Care and treatment of animals
2. Contractor’s yard
3. Educational facility, college/university
4. Educational facility, vocational school</td></tr>
<tr><td>Uses by Conditional Use Permit
(see Section 302.4)</td></tr>
<tr><td>Commercial/Non-Residential
1. Car wash
2. Inpatient rehabilitation facility
3. Office
4. Outdoor storage per Section 303.4 (more than 20%)
5. Retail showroom per Section 303.5 (between 10-20%)
6. Auto sales and Service</td></tr>
</table>

Planning Board Motion

Extracted from meeting media for 11Dec2023 meeting

Motion is on media from time stamp 2:22:28 to 2:25:13.

Richard Ford Burley moved: the Planning Board would like to recommend that

a) it would seem to us to be acceptable that allowing auto sales and service in the IND-L and RO-1 zones only as a Conditional Use could be acceptable as a stop gap measure given the pending Route 120 neighborhood planning effort

b) we would like to strongly encourage matters like the present to be considered in the pending neighborhood planning effort and potential rezoning

c) we believe that Lot 63-4 should be left zoned as RL-3 pending further zoning and environmental review.

Seconded by Jeremy Rutter.

Vote 6-0 in favor.

DrummondWoodsum
ATTORNEYS AT LAW

C. Christine (Fillmore) Johnston
Admitted in NH

603.792.7417
cjohnston@dwmlaw.com

670 N. Commercial Street, Suite 207
Manchester, NH 03101-1188
603.716.2895 Main
603.716.2899 Fax

February 26, 2024

Nathan Reichert, Director of Planning & Development
City of Lebanon
51 S. Park Street
Lebanon, NH 03766

RE: Petitioned Zoning Amendment
Uses in IND-L District; Section 303.2

Mr. Reichert:

This is a preliminary legal opinion as required by Section 1000.3(B)(2) of the Lebanon Zoning Ordinance concerning a proposed amendment to add "auto sales and service" as a Conditional Use in the IND-L District. I have reviewed the following documents in connection with this opinion:

- Request letter dated January 4, 2024 on behalf of Cicotte Properties
- Staff Memo to City Council dated January 9, 2024 regarding the requested amendment

The Ordinance requires this legal review to cover: (a) whether such amendments are within the authority delegated to the City under State law; (b) whether the form is appropriate; and (c) whether, from an administrative point of view, the amendments can be administered and enforced.

The proposal is simply to change the table of uses in Section 303.2 for the IND-L District. The appropriateness of particular uses in the IND-L District (or any zoning district) is a policy question. Consequently, my answer to the three questions in Section 1000.2.B(2) is "yes" and I discern no legal or administrative issues of concern with that request, except for the following recommendation: The petitioner's proposed use category of "auto sales and service" is not a term currently found in the Zoning Ordinance. The Ordinance does currently include "vehicular sales" as a defined use category in other districts. As I understand it, "vehicular sales" includes both auto sales and all accessory uses thereto, including auto repair, and would accomplish the petitioner's proposed goal without creating unnecessary confusion about whether there is any difference between the two terms. Therefore, I recommend that, if the amendment proceeds, the term "vehicular sales" be substituted for "auto sales and service."

Please do not hesitate to contact me about any aspect of this.

Sincerely,

C. Christine Johnston

C. Christine (Fillmore) Johnston

~~2) and Easement Plan (2 of 2), (Sheets 8 and 9 of 47), prepared by Hoyle Tanner, dated~~ January 2024, Project #21 point 906414.00 as contemplated by the City Council.

In approving, the Planning Board notes that an abutter has expressed concerns regarding the placement of the overhead wires, and the Council may wish to examine that aspect in greater detail.

The MOTION was seconded by Jeremy Rutter.

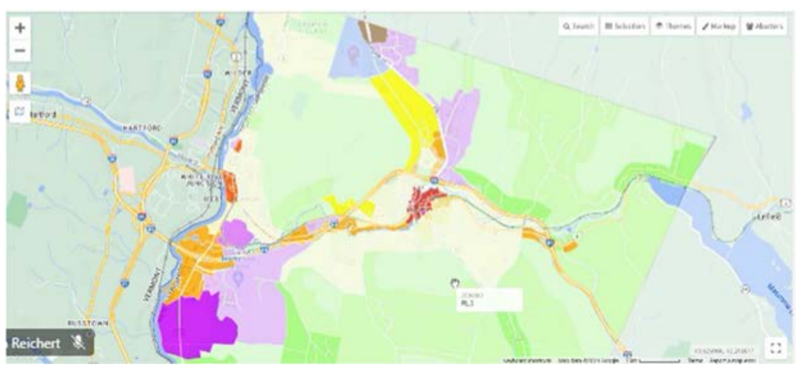
Roll Call Vote:
Voting in Favor – Mr. Hill, Mr. Rutter, Mr. Ford Burley, Mr. Kennelly, Mr. Faunce, Ms. Romano
Voting Against – None

~~*The MOTION was approved (6-0).~~

4. STUDY ITEMS

A. Cicotte Properties, LLC - Proposal to amend Section 303.2 of the Zoning Ordinance to add "vehicular sales" as a Conditional Use in the Light Industrial (IND-L) District

Mr. Corwin gave an overview of how zoning changes are typically made. He said this is an unusual situation because it is a citizen petition for a zoning change. He noted this particular change – to add “vehicular sales” as a Conditional Use in the IND-L – was a late addition to a batch of amendments proposed together last fall, and staff recommended more discussion was needed on this amendment. He said all three Land Use Boards would be asked for comment. He asked the Planning Board members to evaluate the proposed amendment from a policy perspective and recommend to the City Council on whether it would approve or not.



The group reviewed the map, which showed all the light purple areas in the City that are zoned IND-L. Mr. Corwin said the areas include (but are not limited to) the Lebanon Airport, Airpark Road, Plaza Heights, Nova Nordisk, Timkin, Etna Road, Altaria, the Centerra Business Park, and parts of the River Park area.

Attorney Barry Schuster was present on behalf of the applicant. He said the applicant wants the amendment so it doesn’t need to seek a variance every time it wants to make a change on its property.

The group discussed at length the Route 120 Study, which should be completed within the next six months, and the impacts it could have on many properties that are currently zoned IND-L. Planning Director Nate Reichert said the results of the study may lead to zoning changes that could impact a change made now for this applicant.

Mr. Schuster said he did not know what had happened since this was first proposed last fall that should change the way the Board would view this amendment. Mr. Rutter said things have changed, notably: the Cicotte Properties, LLC has purchased a large portion of land in the Route 120 area that could be made into one large car dealership; and the Planning Board has just been made aware of the status of the Route 120 Study, which could have a potentially huge impact on this decision.

The group agreed to wait until the Route 120 Study has been completed before considering this zoning change.

A MOTION was made by Richard Ford Burley that, whereas the Planning Board is concerned that the proposal could make a potentially over-broad change, given that it involves the entire IND-L district, and

whereas the results of the Route 120 study is expected to be available in less than six months' time, and

whereas that study will provide significant guidance as to the question of whether it is appropriate to allow vehicular sales by conditional use in properties zoned as light industrial, and

whereas there is no evidence of an immediate pressing need to change the zoning, the Planning Board therefore recommends that the City Council postpone any decisions on the matter until after the Planning Board has had the time to read and interpret the results of the Route 120 study.

The MOTION was seconded by Brandon Hill.

Roll Call Vote:
Voting in Favor – Mr. Hill, Mr. Rutter, Mr. Ford Burley, Mr. Kennelly, Mr. Faunce, Ms. Romano
Voting Against – None

****The MOTION was approved (6-0).***

~~**B. Master Plan Chapter Update Process**~~

~~Mr. Corwin said staff has been discussing the ideas that the Planning Board brought up at the last meeting regarding ways to make the Master Plan more usable. He said staff recommendations include condensing some chapters, tying some initiatives to Strategic Plan focus areas, etc. He said the discussion is on-going.~~

4. The character of the area **will not** be adversely affected. (§801.3.A.4)

5. **No** hazard or nuisance will be created. (§801.3.A.5)

6. The capacity of existing or planned community facilities and services (including streets and highways) **will not** be adversely impacted. (§801.3.A.6)

7. The granting of the Special Exception **will not** result in undue municipal expense. (§801.3.A.7)

8. The proposed Special Exception **will** be developed in a manner compatible with the spirit and intent of the ordinance. (§801.3.A.8)

9. The general welfare of the City **will** be protected. (§801.3.A.9)

III. DECISION

Now therefore be it resolved, the Lebanon Zoning Board of Adjustment, on this 4th day of March, 2024, hereby **GRANTS** the requested Special Exception pursuant to Section §703.1 and §801.3 of the Zoning Ordinance to permit the construction of an addition to the existing single-family dwelling, to be located +/- 4.5 feet from the right-side lot line where a right-yard setback of 15 feet is required, as set forth above and per testimony, plans, and materials submitted, and per the following conditions:

1. The applicant shall obtain a building permit, and shall comply with all applicable local, state, and federal regulations in the construction of the proposed addition.

2. Prior to the issuance of a Building Permit, the Applicant shall obtain applicable City of Lebanon Sewer Use Permit and Water Service Permits from the Lebanon Department of Public Works.

Seconded by Mr. Morris.

****The Vote on the Motion was (4-0).***

D. Pinewood Village Condo Association and George Blike & Rebecca Johnson, 6 Oak Ridge Road #9 (Tax map 4, lot 23, Plot 906), zoned R-3: Applicant requests a Variance to allow an addition to the existing condominium unit, to be located +/- 11 feet from the from lot line where 20 feet is required. **ZB2024-05-VAR**

This Hearing was postponed until the April meeting because adequate notice was not given to abutters.

4. STUDY ITEMS

A. Cicotte Properties, LLC – Proposal to amend Section 303.2 of the Zoning Ordinance to add "vehicular sales" as a Conditional Use in the Light Industrial (IND-L) District.

The Zoning Board is not to opine on the proposed amendment, or if this is a good idea or good policy or desirable. There was a request by the City Council that asked for comment if the proposed amendment is inconsistent with other sections of the ordinance, if it does not conflict with other sections of the ordinance, and if the meaning and effect is understood.

Although this is not a public hearing, members of the Public were present and were asked if they would like to make comment.

Barry Schuster Ward 3, representing Cicotte Properties, spoke. He said an opinion from the City Attorney is included in the packet and stated they are in support of the City Attorney's opinion. He asked that the Board proceed according to that opinion. No one else from the Public spoke.

Mr. Katz said he agrees with the opinion of the City Attorney, that a clearly defined use is already in the ordinance, and to not have to interpret that meaning in the future, is a good idea. The proponent, Cicotte Properties, and the City Attorney agree on the same terms and definition.

There were two amendment proposals. Mr. Nash's earlier proposal refers to adding auto sales and service which is not a defined use and category. Also, at the time his memo was written, on January 2, it covered changes to two districts. The first RO1 District was approved and added by City Council on February 7. The second proposal, by Cicotte Properties, asks to have approval for this use in both Districts, the RO1 and the Industrial Light District. City Council asked that the second proposed amendment be sent to various Boards and the Zoning Board is asked to comment prior to City Council review.

Mr. Newlove said Cicotte Properties have come before the Board numerous times. He asked if a car wash is part of this definition. The existing use code is related to a specific and narrowly defined term. A car wash would not be included. The Board asked for clarification, does vehicular sales include vehicular service. Mr. Reichert clarified the two different terms. Although not part of this discussion, it is thought that vehicular repair could be interpreted as an accessory use.

Mr. Katz stated the use is very limited. This is a term and use that would apply to anybody in that district. They are being asked if the term vehicular sales is clear. The Board is being asked to say if they understand the term vehicular sales. In the ordinance, vehicular repair is different from vehicular sales.

Mr. Katz MOVED the proposed amendment is not inconsistent with other applicable sections of the ordinance, the proposed amendment does not conflict with other sections of the ordinance and the meaning and effect of the amendment is understood provided the term recommended by the City Council and endorsed by the proponent is utilized.

Seconded by Mr. Newlove.

****The Vote on the Motion was (4-0).***

5. STAFF COMMENTS

None

6. ADJOURNMENT

Agenda
Lebanon City Council
March 20, 2024

10. New Business:

10.C – Request for Zoning Amendment: Text Amendment for Section 214, Governmental Uses, of the Lebanon Zoning Ordinance

Background

"Governmental use" is defined in NH RSA 674:54, I, as meaning: "a use, construction, or development of land owned or occupied, or proposed to be owned or occupied, by the state, university system, the community college system of New Hampshire, or by a county, town, city, school district, or village district, or any of their agents, for any public purpose which is statutorily or traditionally governmental in nature." Pursuant to the statute, governmental uses are not subject to local land use regulations, including zoning regulations and site plan review regulations. Projects that meet the statutory definition of "governmental use" may be reviewed by the governing body or by the Planning Board, but any comments issued pursuant to such reviews are non-binding and advisory only.

By contrast, Section 214 of the Lebanon Zoning Ordinance regulates Governmental Uses as follows: "Governmental Uses shall be governed by RSA 674:54; provided, however, that governmental uses proposed by the City of Lebanon shall be considered to be subject to this Ordinance, unless expressly exempted from it by vote of the City Council." Rather than rely on NH RSA 674:54, which exempts governmental uses from local zoning regulations, Section 214 specifically requires the City's governmental use projects to conform to the requirements of the Zoning Ordinance.

Requiring the City's governmental use projects to comply with local zoning regulations has the potential effect that certain projects will be designed in a suboptimum manner in order to comply with Zoning Ordinance requirements that were primarily drafted and intended to apply to private land developments and not public infrastructure projects. Alternatively, it requires those projects to obtain zoning relief from the Zoning Board of Adjustment. This concern was recently brought to the Council's attention in the context of the Trues Brook Road bridge reconstruction project, which would have required both a Variance and a Special Exception from the Zoning Board. Similarly, the Lahaye Drive/Mt. Support Road Intersection Project and the Lahaye Drive Multi-Use Path/TAP Project would have required Special Exceptions from the Zoning Board. The City Council ultimately exempted all three projects from the requirements of the Zoning Ordinance.

The conditions for granting a variance or special exception, as the case may be, are listed in the Zoning Ordinance and the Zoning Board is tasked with approving or denying the request on the merits of the application. Even if approved, any aggrieved abutter could appeal the ZBA decision. Any appeal could adversely affect a project's construction schedule and potentially lead to an undesirable result that is contrary to public interest.

As explained further in the attached memorandum from Attorney Christine Johnston, the statutory exemption of governmental uses from local zoning regulations reflects the nature of governmental uses, which have fundamentally different issues than private development. It is City staff's position that modifying Section 214 to exempt all governmental uses from the requirements of the Zoning Ordinance will ensure that municipal improvement projects, such as building roads, replacing bridges, constructing public facilities, and other governmental needs, are optimally designed to serve the public interest and aren't jeopardized by having to obtain approval from the Zoning Board of Adjustment. However, it is understood and acknowledged that projects undertaken by the City, or on City land or property, which do not meet the statutory definition of a Governmental Use, would continue to be fully subject to the provisions of the local zoning ordinance and land use regulations.

Action

If the Council decides to move forward with the proposed amendment to Section 214, the following motion is offered for consideration:

MOVED, that the Lebanon City Council in accordance with the City of Lebanon Zoning Ordinance, Article X, Section 1000.3, Amendment Procedures, submits the Zoning Ordinance amendment as shown in the redline dated March 11, 2024, included with the March 20, 2024 City Council agenda packet, to the Planning Board, Conservation Commission, and Zoning Board of Adjustment for their review and comment. The City Council hereby sets the following tentative review schedule:

Planning Board – April 22, 2024
Zoning Board of Adjustment – May 6, 2024
Conservation Commission – May 9, 2024
City Council Final Review – June 5, 2024
City Council Public Hearing – June 19, 2024

Included in this Section:

1. Proposed amendment (redline) of Section 214 of the Zoning Ordinance, prepared on March 11, 2024
2. Memorandum of Background Information on Section 214 of the Zoning Ordinance from Attorney C. Christine Johnston, dated March 10, 2024
3. NH RSA 674:54, Governmental Land Uses

DRAFT AMENDMENT TO SECTION 214 OF

THE CITY OF LEBANON ZONING ORDINANCE

ARTICLE II GENERAL PROVISIONS

SECTION 214 GOVERNMENTAL USES.

Governmental u~~U~~ses ~~shall be governed by~~as defined in RSA 674:54; whether proposed by the City of Lebanon or another governmental entity, shall be subject to the provisions of that statute and shall not be subject to the City of Lebanon Zoning Ordinance. Any use, construction, or development of land occurring on governmentally owned or occupied land but which is not a governmental use as defined in RSA 674:54 is fully subject to the City of Lebanon Zoning Ordinance; provided, however, that the City Council may vote ~~governmental uses proposed by the City of Lebanon shall be considered to be subject to this Ordinance, unless~~ to expressly exempt~~ed from it by vote of the City Council~~ any non-governmental use by the City of Lebanon from compliance with the Ordinance.

Prepared on 3/11/24

DrummondWoodsum
ATTORNEYS AT LAW

MEMORANDUM

TO:	Lebanon City Council; Shaun Mulholland, City Manager
FROM:	C. Christine Johnston
DATE:	March 10, 2024
RE:	**Background Information –Section 214 of Zoning Ordinance**

This information is provided pursuant to a request from the City Manager's Office for background information on Section 214 of the City's Zoning Ordinance and the current discussion of a potential amendment to that section.

Section 214 currently reads as follows:
"Governmental Uses shall be governed by RSA 674:54; provided, however, that governmental uses proposed by the City of Lebanon shall be considered to be subject to this Ordinance, unless expressly exempted from it by vote of the City Council."

In other words, governmental uses by any governmental entity other than the City are not subject to the Zoning Ordinance, but governmental uses proposed by the City itself are subject to it unless the Council votes specifically to make it exempt.

Historical background of the regulation of governmental uses of land:

Historically, municipalities have not been subject to their own zoning ordinances unless they have affirmatively chosen to include a provision in the zoning ordinance stating that the ordinance applies to the municipality itself. *McGrath v. Manchester*, 113 N.H. 355 (1973). In 1996, however, there was still some confusion about whether subdivision and site plan regulations applied to municipal land use projects. RSA 674:54 was first enacted in 1996 to answer this question and provide a clear process for municipalities to follow for their own land use projects.

The original form of the 1996 bill would have made almost all governmental projects subject to local land use ordinances and regulations to the same extent as private developments. However, significant concerns were raised by NH DOT, the university system, other state agencies, and some municipalities. Aside from the costs associated with the application and hearing process before various land use boards, the major concerns involved the very real potential for significant delays that could make many projects difficult or impossible to complete, and the potential that approvals would be denied, either at the local level or by a court on appeal. Although the new land use docket and the Housing Appeals Board have sped up land use appeals somewhat, complicated cases can still be tied up on appeal for a year or more, and a further appeal to the NH Supreme Court usually takes another year. Furthermore, many appeals go to court and are remanded back to the local land use board, only to be appealed again after the next round. This kind of delay can make some projects impossible to complete or take so long that they are no longer useful or effective.

Ultimately, the bill that was adopted in 1996 as RSA 674:54 was one that had been changed to substantially the form it is in today, in which a governmental entity planning a project for a governmental use is required to notify the Planning Board and governing body of the project, provide details, and obtain non-binding comments before the project can occur. In reaching this final language (which is, other than a few additions over the years, still the law today), the legislature concluded that there are fundamentally different issues involved with governmental land uses than there are with private development. While some private development may be focused on the common good (and that is usually the goal of land use regulation, of course), governmental land uses are intended to carry out governmental functions, which are, by definition, intended to benefit the public good in some way. The reason we have local government is to provide services and structure that society needs. When a government needs to build a road, replace a bridge, operate a wastewater treatment facility, build a fire station, expand or renovate City offices, develop a park, etc., such projects are all intended to directly or indirectly benefit the public. The legislature recognized that government can't be subjected to all of the same regulations as private developers because, if it is, government can't function in the way that we all need it to.

As a practical matter, very few cities and towns around New Hampshire have provisions in their zoning ordinances that specifically subject the municipality itself to its own zoning restrictions. Of the 13 cities, Lebanon is one of only two in which city land use projects are entirely subject to zoning (Nashua is the other one). Two others subject themselves to some but not all zoning: The City of Laconia requires its projects to obtain a conditional use permit from the planning board but is otherwise exempt; Keene includes standards for the construction of public infrastructure, regardless of who constructs them, but otherwise does not subject itself to its own land use regulations. The remainder of the cities are not subject to their own zoning.

RSA 674:54:

This statute applies to "governmental uses" of land, which are defined in the law as "a use, construction, or development of land owned or occupied, or proposed to be owned or occupied, by the state, university system, the community college system of New Hampshire, or by a county, town, city, school district, or village district, or any of their agents, for any public purpose which is statutorily or traditionally governmental in nature." RSA 674:54, I.

- When a governmental entity plans a land use project which is "statutorily or traditionally governmental in nature" and which "constitutes a substantial change in use or a substantial new use," it must provide written notice to the governing body and planning board of the municipality in which the project will occur.
- The notice must include plans, specifications, explanations of the proposed changes available at the time, a statement of the governmental nature of the use, and a proposed construction schedule.
- This notice must be provided at least 60 days before the beginning of construction.
- Either the governing body or planning board of the municipality where the project will occur may conduct a public hearing relative to the proposed governmental use. If a hearing is to be held, it must occur within 30 days after receipt of the notice. A representative of the governmental entity which provided the notice must be available at

the hearing to present the plans, specifications, and construction schedule, and to provide explanations.

- Within 30 days after the hearing, the governing body or planning board may issue non-binding written comments to the entity proposing the project regarding whether the proposal conforms (or not) with the normally-applicable land use regulations.

Of course, sometimes governmental entities are involved in land use projects which are not traditionally or statutorily "governmental" in nature (such as building a housing development). In those cases, the government would be fully subject to the provisions of the local zoning ordinance and land use regulations. RSA 674:54, II-a.

Certain kinds of projects are exempt from both local zoning and from the RSA 675:54 process:

- The layout and construction of public highways of any class
- Distribution lines or transmission apparatus of governmental utilities (not including wireless communications facilities)
- Erection, installation, or maintenance of poles, structures, conduits, and cables, or wires in, under, or across any public highways under RSA 231
- Licenses or leases for telecommunication facilities in, under, or across railroad rights of way (other than wireless communications facilities)
- The Governor also may declare any governmental use exempt from RSA 674:54 in the event of exigent circumstances where the delay entailed by compliance with that statute would endanger public health or safety
  RSA 674:54, III and IV.

TITLE LXIV
PLANNING AND ZONING

CHAPTER 674
LOCAL LAND USE PLANNING AND REGULATORY POWERS

Governmental Use of Property

Section 674:54

674:54 Governmental Land Uses. –

I. In this section, "governmental use" means a use, construction, or development of land owned or occupied, or proposed to be owned or occupied, by the state, university system, the community college system of New Hampshire, or by a county, town, city, school district, or village district, or any of their agents, for any public purpose which is statutorily or traditionally governmental in nature.

II. The state, university system, community college system of New Hampshire, county, town, city, school district, or village district shall give written notification to the governing body and planning board, if such exists, of a municipality of any proposed governmental use of property within its jurisdiction, which constitutes a substantial change in use or a substantial new use. Written notification shall contain plans, specifications, explanations of proposed changes available at the time, a statement of the governmental nature of the use as set forth in paragraph I, and a proposed construction schedule. Such notification shall be provided at least 60 days prior to the beginning of construction. Either the governing body or planning board of the municipality may conduct a public hearing relative to the proposed governmental use. Any such hearing shall be held within 30 days after receipt of notice by the governing body or planning board. A representative of the governmental entity which provided notice shall be available to present the plans, specifications, and construction schedule, and to provide explanations. The governing body or planning board may issue nonbinding written comments relative to conformity or nonconformity of the proposal with normally applicable land use regulations to the sponsor of the governmental use within 30 days after the hearing.

II-a. Any use, construction, or development of land occurring on governmentally owned or occupied land, but which is not a governmental use as defined in paragraph I, shall be fully subject to local land use regulations.

II-b. The construction and operation of any solid waste disposal facility on land owned or occupied by any city or town within another city or town shall be subject to local land use regulations to the same extent as if the land were owned and occupied by a private entity. Nothing in this paragraph shall affect the construction and operation of a solid waste facility on land owned by a solid waste management district formed under RSA 53-A or RSA 53-B or any combination of municipalities authorized by an act of the general court, if the land is located within a city or town that is part of the district.

III. This section shall not apply to:

(a) The layout or construction of public highways of any class, or to the distribution lines or transmission apparatus of governmental utilities, provided that the erection of a highway or utility easement across a parcel of land, shall not, in and of itself, be deemed to subdivide the remaining land into 2 or more lots or sites for conveyance for development purposes in the absence of subdivision approval under this title. For purposes of this subparagraph, "transmission apparatus" shall not include wireless communication facilities.

(b) The erection, installation, or maintenance of poles, structures, conduits and cables, or wires in, under, or across any public highways under RSA 231, or licenses or leases for telecommunication facilities in, under, or across railroad rights of way. For purposes of this subparagraph, "structures" shall not include wireless communications facilities.

IV. In the event of exigent circumstances where the delay entailed by compliance with this section would endanger public health or safety, the governor may declare a governmental use exempt from the requirements of this section.

Source. 1996, 262:1. 1998, 281:2. 2007, 29:1, eff. May 14, 2007; 361:32, eff. July 17, 2007.

10. New Business:

10.D – Discussion and Set Public Hearing for April 17, 2024: Request for Supplemental Appropriation in the Amount of $724,700 for Landfill Gas-to-Energy Capital Project

Background

Various components of the proposed Landfill Gas-to-Energy Project have required amendments due to changes in the scope of services requested by the City and provided by City's consultant, Waldron Engineering & Construction, Inc. Attached is a Change Order Request from Waldron, which includes work outside the original scope that has already been completed, additional costs associated with the expanded scope of work requested by the City, and costs associated with project delays outside the City's and the consultant's control. Specifically, National Grid requested a 16-month study for their substation on Poverty Lane, which Liberty Utilities will utilize in this project. This has caused major delays on the project and increased the costs for maintaining the equipment onsite along with the costs for labor and other materials for the subcontractors as outlined in the change order. The air permit was also submitted originally with catalytic converters, which required multiple redesign efforts, and permitting resubmittals to have them removed. Had this redesign not been done, it would have added significant cost to the project.

In addition, requested funds incorporate anticipated cost increases in the Factory Protection Plan, which covers all maintenance, any repairs as well as replacement of all turbine engines in year 10 of the plan. Due to the delays, the previous warranty extension on the microturbines will run out in August. In order to avoid potential cost increases during commissioning, we will need to sign our contract for the Factory Protection Plan prior to commissioning.

Lastly, requested funds will cover Capstone Factory training costs for two (2) staff members. See Vergent Factory Protection Plan letter dated October 30, 2023 outlining training cost.

Although these additional costs will be bonded by the City, the bond will be repaid from the Solid Waste Enterprise Fund, so there will be no impact on the property tax rate.

Department of Public Works staff will be on hand for the Council meeting on March 20th to review and discuss the proposed supplemental appropriation.

Action

The following motion is offered for City Council consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, April 17, 2024, 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 $724,700 to supplement current funding for the Landfill Gas-to-Energy capital project, and to authorize the issuance of bonds/notes in accordance with the Municipal Finance Act (NH RSA 33).

Included In This Section:

1. Change Order Request from Waldron Engineering & Construction, Inc., dated March 1, 2024.
2. Letter to Solid Waste Manager Erica Douglas from Vergent Power Solutions, dated October 30, 2023, regarding the Factory Protection Plan for CR1000S Microturbine at Lebanon Landfill, including brochure.
3. Landfill Gas-to-Energy Summary of Alternatives spreadsheet, updated through March 5, 2024.

WALDRON ENGINEERING & CONSTRUCTION, Inc.

CHANGE ORDER REQUEST (COR) FOR WORK OUTSIDE OF ORGINAL SCOPE OF WORK

Project:	Lebanon Landfill Gas to Energy Project	**COR #:**	6
		Date:	3/1/2024
		Waldron Project Code:	417.02
		Purchase Order Date:	1/26/2022
To Owner:	City of Lebanon	**PO #:**	22-00179
		Waldron Milestone #	

THIS COR IS FOR THE FOLLOWING:

To amend the contract to include costs associated with the out of scope engineering & services already completed by Waldron, additional costs associated with added scope of work requested by the City of Lebanon, and costs associated with project delay outside of Waldron's control.

This change order also amends the contract with regards to the Maintenance and Warranty section.

See attached Inclusion, Clarifications and Exclusions for Details.

Change Order Options

The numbers below are broken into three totals. The Out of Scope Work is the total cost necessary to complete the project as described in the attached inclusions and clarifications document. Add Alt 1 is for the replacement of existing flare skid blowers. Add Alt 2 is for work associated with the replacement of the existing flare skid control system.

Out of Scope Work			
	Engineering / PM / Previous Work	**$148,000**	
	1st Air Permit Pricing Effort	$34,000	130 hrs supporting lebanon & repricing work
	PM extension to 12/31/2024	$42,000	Projected 200 PM hrs to end of 2024
	Additional Equipment Handling	$31,000	157 hours, includes travel
	SCADA Design	$5,000	19 hrs spent on conceptual design & pricing
	2nd Air Permit Pricing Effort	$36,000	118 hrs supporting lebanon & repricing work
	Procurement	**$27,000**	
	Flow Meter	$20,000	Added requirement from air permit
	Microturbine Vendor storage requirements	$7,000	Additional long term storage requirement due to delay
	Construction Directs	**$223,000**	
	Civil Total	**$62,000**	
	Additional Management by Subcontractor	$6,000	Due to Project Delay and Multiple Pricing Efforts
	Escalation	$18,000	Escalation of Labor and Materials
	Additional Scope	$38,000	Mainly Comms Connection to Maintenance Building
	Mechanical Total	**$89,000**	
	Additional Management by Subcontractor	$8,000	Due to Project Delay and Multiple Pricing Efforts
	Additional Equipment Handling	$17,000	Some Additional Services Already Provided
	Escalation	$59,000	Escalation of Labor and Materials
	Additional Scope	$5,000	AHJ Flow Meter Requirement for Air Permit
	Electrical Total	**$72,000**	
	Additional Management by Subcontractor	$7,000	Due to Project Delay and Multiple Pricing Efforts
	Additional Equipment Handling	$9,000	Some Additional Services Already Provided
	Escalation	$29,000	Escalation of Labor and Materials
	Additional Scope	$27,000	Mainly Comms Connection to Maintenance Building
	Construction Management	**$14,000**	
	Out of Scope Services Already Provided	$8,000	Pricing and Contracting Efforts for COR6
	Escalation for Future Services	$6,000	Planned 2022 CM Currently Scheduled for 2024
	Commissioning	**$40,000**	
	Startup and Commissioning	$3,800	Escalation of Labor
	3rd party Stack Testing	$19,000	Escalation of Labor and Materials
	3rd party electrical Testing	$17,200	Escalation of Labor
	Total	**$452,000**	
Add Alt 1.	**Blowers Replacement**	**$75,800**	
Add Alt 2.	**Flare Skid Control System Replacement**	**$147,000**	

This COR utilizes the man-hour rates (attached)
This COR is subject to Terms & Conditions, mark-ups, and retainage as specified in the original Purchase Order.

The original Contractual Purchase Order amount was	$4,695,000	
Contract Price to date	$4,870,885	
The net change by this COR is	$452,000	(Base)
The new Scope of Work including this COR will be	**$5,322,885**	
The net change by this COR is	$527,800	(Base + Add Alt 1)
The new Scope of Work including this COR will be	**$5,398,685**	
The net change by this COR is	$599,000	(Base + Add Alt 2)
The new Scope of Work including this COR will be	**$5,469,885**	
The net change by this COR is	$674,800	(Base + Add Alt 1+ Add Alt 2)
The new Scope of Work including this COR will be	**$5,545,685**	

The Overall Schedule will be changed by TBD Days
The Date of Project Completion as of the date of this COR therefore is TBD
This COR will be rolled into the single monthly invoice for PO 22-00179

NOT VALID UNTIL SIGNED BY THE WALDRON'S PM and LEBANON's AUTHORIZED REPRESENTATIVE
ORGINALS OF THIS DOCUMENT MUST BE MAILED TO ERICA DOUGLAS

Waldron Engineering & Construction	City of Lebanon
Engineer/Contractor (Firm Name)	Owner (Firm Name)
37 Industrial drive Exeter, NH, 03833	370 N Plainfield Rd, West Lebanon, NH, 03784
Address	Address
______________________	______________________
______________________	______________________
By (signature)	By (signature
Alfred Luu	Shaun Mulholland
(typed name)	(typed name)
______________________	______________________
Date	Date

Inclusions

Out of Scope Work

Work Already Performed 3/24/2022 to 2/22/2024

- Additional Equipment Handling
- First Air Permit pricing effort:
  - Waldron found out 3/18/2022 that a draft air permit was submitted to the State of New Hampshire (NHDES)on 12/6/2021 (with no knowledge or any input from Waldron).
  - On 3/24/2022 Waldron alerted Lebanon to the Air Permit document discrepancies from Waldron's contracted scope of work (contract was signed on January 3, 2022) as submitted by Lebanon's Air Permit Consultants (D&K/Verdantas). Namely the air permit included the installation requirement of a Catalytic Converter (CC) on each of the five microturbines.
  - On 4/12/2022 Waldron requested pausing and rethinking approach to the air permit.
  - On 4/28/2022 Waldron stated concerns (i.e. out of scope) to Lebanon with proceeding with the air permit inclusion of the CC which did not match contracted design approach. Lebanon decided to proceed with submitting the air permit application on 4/12/2022 with the inclusion of the CC's despite Waldron's concerns.
  - On 6/14/2022 Waldron presented Lebanon with a change order request as a result of Lebanon's decision to move forward with CCs. Lebanon approved Waldron's change order request for the engineering and design scope only that would be required to accommodate the installation of the CC's (and their associated instrumentation and materials). The approved change order for engineering and design services was put on hold until Lebanon received affirmation from the Authority reviewing the air permit application (NHDES) that they would approve the permit application without modifications.
  - Upon the project's receipt of a "temporary" air permit approval notice from the State of New Hampshire (NHDES) on 12/2/2022, Waldron proceeded with engineering and design changes (previously approved by Lebanon, see above) to reflect the incorporation of the CC's.
  - After engineering and design work to incorporate the CC's was completed, Waldron developed the costs to implement the changes in scope precipitated by the incorporation of the CC's. The change order request was submitted to Lebanon on 5/3/2023.
- Second Air Permit pricing effort 5/11/2023 to 2/22/2024:
  - Waldron met with Lebanon project team members on 5/11/2023 to review the project's history on this issue and Waldron agreed to contact Bob Scott & Barbara Dorfschmidt at the NHDES to sound out the possibility of amending the air permit to remove the requirement for the CC's. If NHDES responded in the affirmative (which they did) then the air permitting modifications would be spearheaded by Lebanon's new air permitting consultant Sanborn Head.
  - Based on discussions with Sandborn Head and the air permitting authority, Lebanon decided to submit an amendment to the air permit to exclude the CC's.

- On 8/8/2023 the air permit was amended and submitted with the removal of the CC's.
- On 11/2/2023 Waldron was informed by Lebanon of the approval of the revised air permit submitted by Sanborn Head.
- From 12/8/2023 to 12/20/2023 Waldron and Lebanon discussed the scope included in this change order request (COR) submitted on 2/22/2024. Lebanon requested add alternates to be included and Lebanon directed Waldron to reprice based on the discussed scope.
- From 12/20/2023 to 2/22/2023 Waldron obtained updated pricing from subcontractors and vendors due to added scope as well as material and labor escalations due to the delayed start of mobilization and construction (2024 vs.2022).

<u>Air Permit Delays (Original Mobilization 2022, New Mobilization 2024)</u>

- Project management duration extension
- Long term storage requirements
- Construction Directs
  - Escalation material costs
  - Escalation Labor costs
  - Additional Project management by contractors
- Commissioning
  - Includes 3rd party electrical testing, 3rd party turbine stack testing, project startup & commissioning. All of which have been adjusted for:
    - Escalation material costs
    - Escalation Labor costs
    - Additional Project management by contractors

<u>New Work</u>

- Air Permit Flow meter Install (required by the Air Permit)
- Raceway and Communication media from equipment pad to Maintenance building (requested by Lebanon)
- Additional electrical raceway for future expansion (EV charging & building, all requested by Lebanon)

Add Alternate #1 to Out of Scope Work.

- Replace existing flare skid blowers

Add Alternate #2 to Out of Scope Work.

- Replace existing flare skid controls system.
- Demo existing flare skid control system.
- Engineering & Design of new control system.
- Installation, startup and commissioning of control system.
- Integration support to new Lebanon Master SCADA system (by others).

<u>Clarifications and Exclusions</u>

Clarification

1. All work to be accomplished by merit shop contractors, no prevailing wages

2. All work to be accomplished on a "straight" time basis, any shift, weekend, or holiday, or winter condition work is excluded.
3. All special insurances are excluded.
4. Turnover documents to be electronic only, excluding any hard copies provided by equipment vendors.
5. All costs are in 2024 dollars. Should the project extend beyond 2024 additional costs will need to be calculated and submitted as a change order request.
6. Add alternate prices are based on approval at the same time as the base change order.
7. All costs for repairs or replacement of equipment whose warranty has or will expire are the responsibility of the City of Lebanon. Lebanon should contact Waldron's project manager for those expiration dates.
8. Stack testing only includes NOx, VOC, and CO for 5 turbines. Any additional tests beyond these constituents will be at an added cost determined at the time of the testing.
9. Waldron assumes that Lebanon's new Master SCADA system will be completed prior to startup of the Microturbine and Gas conditioning system.

Exclusions

1. Stack testing does not include measuring Particulate Matter (PM).
2. Accommodation for future heat recovery capabilities is not included.
3. Lebanon's new Master SCADA System is by others.

Superior Energy Technology
Made Simple, For Our
Customers and the World

Midwest Office:
7244 Washington Avenue South
Eden Prairie, MN 55344

New England Office:
96 Cummings Drive
Woburn, MA 01801

Canada Office:
1895 Clements Road, Unit 133
Pickering, Ontario L1W 3V5

VERGENT
power solutions

October 30, 2023

Erica Douglas
Public Works Department
City of Lebanon, NH 03766

RE: Factory Protection Plan for CR1000S Microturbine at Lebanon Landfill

Dear Erica:

Vergent Power Solutions is pleased to offer the City of Lebanon the following proposal for the Capstone Green Energy Factory Protection Plan (FPP) on the Capstone Microturbine equipment.

The FPP, provided by Vergent Power, is an industry leading, "all-in" cost protection plan designed to give our customers full peace of mind. More comprehensive than traditional plans that cover only Preventative Maintenance, the Capstone FPP *covers all planned and unplanned* service. The annual cost of the FPP is fixed during the entire term, up to twenty years. Per your request, we propose two ten-year FPP options for your consideration.

Plan Option	**Term**	**Inclusive of**	**40,000-hour engine replacement**	**Annual Cost***
Plan C	10 years	Parts Only, all Planned & Unplanned	Yes	$128,700
Plan D	10 years	Parts & Labor, all Planned & Unplanned	Yes	$164,600

*Additional charges for remote monitoring services.

The City of Lebanon has the option of sending its personnel to Authorized Service Provider training by Capstone and Vergent Power. The cost of the training and certification program is approximately $5,500 per trainee and involves both classroom/virtual instruction and hands-on training.

If the City elects the Parts Only Plan C, Vergent Power can provide support from its service engineers for a rate of $175/hour plus reasonable travel expenses. Vergent Power reserves the right to raise its hourly rate after two years.

If the City elects Plan D, it will be serviced by Vergent Power's Woburn-based technicians. Only Capstone factory-trained and certified Authorized Service Providers will perform work on your systems.

Sincerely,

THE VERGENT POWER TEAM

Factory Protection Plan Benefits

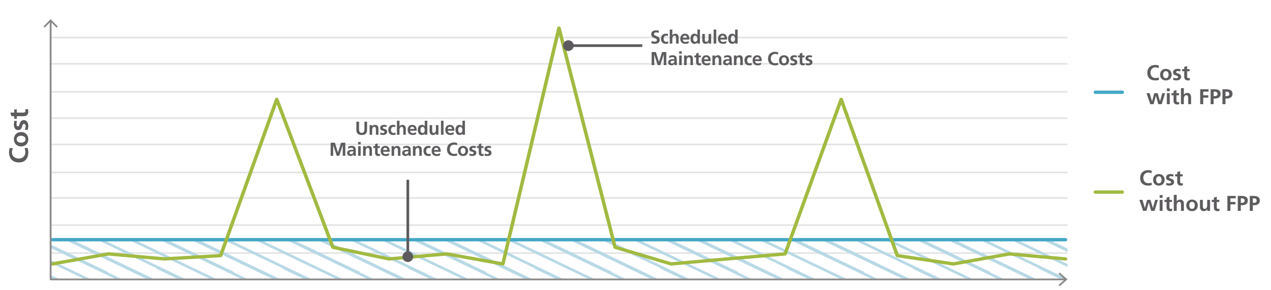
Protecting yourself from potentially high cost repairs doesn't have to be complicated. The Capstone Factory Protection Plan (FPP) is an industry leading maintenance program designed to give you financial peace of mind by fixing the cost of scheduled and unscheduled maintenance.

CONFIDENCE VALUE CONVENIENCE

A long term FPP contract will provide predictable maintenance costs and eliminate uncertainties about unexpected expenditures.

- Fixed maintenance costs for up to 20 years
- Protection against expensive unscheduled maintenance repairs
- Protection against inflation, tariffs, and other macroeconomic variables
- Available for all microturbine systems regardless of current run hours
- Length of contract can be tailored based on your specific needs
- Ensures the microturbine operates at peak performance, minimizing downtime
- Customizable payment plans

Predictable Maintenance Costs



Factory Protection Plan Features and Options

	Scheduled Maintenance Parts(1)	Unscheduled Maintenance Parts(2)	Scheduled Maintenance Labor	Unscheduled Maintenance Labor	System Software Updates	Powerhead Overhaul
PLAN A 5 years Parts Only	✓	✓	–	–	✓	Optional
PLAN B 5 years Parts & Labor	✓	✓	✓	✓	✓	Optional
PLAN C 10 years Parts Only	✓	✓	–	–	✓	✓
PLAN D 10 years Parts & Labor	✓	✓	✓	✓	✓	✓
PLAN E 15 years Parts Only	✓	✓	–	–	✓	✓
PLAN F 15 years Parts & Labor	✓	✓	✓	✓	✓	✓
PLAN G 20 years Parts Only	✓	✓	–	–	✓	✓
PLAN H 20 years Parts & Labor	✓	✓	✓	✓	✓	✓

(1) Engine Filters, Fuel Filters, Injectors, Igniters, etc.

(2) Engine Components, Fuel System Components, Power Electronic Components, Optional/Accessory equipment (if installed)

For more information please visit **www.capstoneturbine.com** or contact **1-866-4-CAPSTONE.**

- Capstone Turbine Corporation
  16640 Stagg Street
  Van Nuys, CA 91406
  United States

- Service Center Hotline
  1-818-407-3600

- Capstone Turbine Corporation -
  European Service Center
  Unit 800 Fareham Reach Business Centre
  166 Fareham Road
  Gosport, Hampshire UK PO13 0FW

LFG2E Project City of Lebanon 26-Jan-22 Assumptions by C. Below of mostly likely range of values 3/9/22

Summary of Alternatives

Alternative #	Alternative - Description	Value of Electricity $/kWh	REC value	Net Generation years 1-10	Construction OPCC	Net Cash Flow years 1-10	Net Cash Flow years 11-20	Total Net Cash Flow	Net Present Value	NPV ROI	Annual AVE ROI
4	C1000S Microturbine	$ 0.10	$ -	6657.6 MWh	$ 5,652,526	$ 3,022,418	$ 5,308,153	$ 8,330,571	$ 5,864,491	153%	11%
	C1000S Microturbine (with RECs)	$ 0.10	$ 25.00	6657.6 MWh	$ 5,652,526	$ 5,407,479	$ 8,513,474	$ 13,920,953	$ 9,904,297	258%	18%

Notes:

1. Bond payment schedule provided by the City of Lebanon on 9/23/2021 was adjusted based on percent change in construction cost on 1/26/2022.

2. ~~Analysis assumes the same yearly fee paid to Liberty for maintenance of the 3V0 equipment~~. However, Liberty has indicated that the maintenance fee could be adjusted at anytime.

2. C. Below modificaiton assumes inflation on Liberty Fee starting in year 2, and inflation in Capstone maintenance charges starting in year 11 (at end of initial fixed price contract).

Agenda
Lebanon City Council
March 20, 2024

10. New Business:

10.E – Presentation of 2022 Financial Audit

Background

Kyle Gingras of Plodzik & Sanderson will be present to discuss the 2022 Financial Audit and to answer any questions.

Action

No action is required by the Council; Item is for informational purposes only.

Included In This Section:

1. March 4, 2024 Letter of Governance by Independent Auditors Plodzik & Sanderson, P.A.
2. City of Lebanon Annual Financial Report – Fiscal Year Ending December 31, 2022
3. Lebanon Municipal Airport Passenger Facility Charges Report – Fiscal Year Ending December 31, 2022

Sheryl A. Pratt, CPA**
Michael J. Campo, CPA, MACCY
Sylvia Y. Petro, CPA, CFE, MSA**

** Also licensed in Vermont

March 4, 2024

To the Members of the City Council
City of Lebanon
51 North Park Street
Lebanon, NH 03766

Dear Members of the Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Lebanon for the year ended December 31, 2022, and have issued our report thereon dated February 28, 2024. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 30, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Lebanon solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated November 30, 2021.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our Firm, as appropriate, and our Firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201 and in conjunction with the Firm's Quality Control Document, we annually review with all engagement staff potential conflicts and obtain an independence certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

PLODZIK & SANDERSON, P.A.
Certified Public Accountants

193 North Main Street, Concord, New Hampshire, 03301
603-225-6996

www.plodzik.com

170 South River Road, Suite 103, Bedford, New Hampshire, 03110
603-645-5254

Significant Risks Identified

We have identified the following significant risks through our risk assessment procedures. These risks are identified universally in New Hampshire governmental entity audits performed by our firm. As a result of these risks the engagement team developed an audit approach that specifically addresses these significant risks:

- Management override of controls; and
- Improper revenue recognition.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Lebanon is included in Note 1 to the financial statements. As described in Note 2-D to the financial statements, the City of Lebanon changed accounting principles to change the way the City reports leases, by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* in the fiscal year 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimates affecting the government-wide and proprietary fund financial statements were:

> Management's estimates of the capital asset useful lives are based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimates of the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense are based on assumptions of future events, such as employment, mortality, and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimates of the other postemployment benefit (OPEB) liabilities, deferred outflows and inflows of resources related to OPEB, and OPEB expense are based on the assumptions of future events, such as employment, mortality, and the healthcare cost trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the accrued landfill closure and postclosure care costs is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2022. This amount is determined by the City's engineer. We evaluated the key factors and assumptions used to develop the accrued landfill closure and postclosure care costs in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the allowance for uncollectible taxes is based on 100% of unredeemed liens subject to deeding. We evaluated the key factors and assumptions used to develop the allowance for uncollectible taxes in determining that it is reasonable in relation to the financial statements taken as a whole. (Governmental Activities only.)

The most sensitive estimates affecting the governmental fund financial statements were:

> Management's estimate of the allowance for uncollectible ambulance receivables is based on 50% of ambulance receivables 30 days or less, 90% of ambulance receivables 31-90 days, and 100% of ambulance receivables older than 90 days. We evaluated the key factors and assumptions used to develop the allowance for uncollectible ambulance receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

There are no significant or unusual transactions identified during our audit.

Significant Difficulties Encountered during the Audit

The performance and completion of our audit was delayed as a result of issues with the City's software conversion of its general ledger software. This led to incorrect financial information on the preliminary financial information provided by the City. As a result, the City required additional time to correct the general ledger software and reconcile year-end balances, resulting in delays in the performance of the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

Adjustments proposed and approved were primarily of a routine nature which management expects the independent auditors to record as part of their year-end procedures. A list of these adjustments for the general fund is attached to this letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Lebanon's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Other Audit Matters, Findings, or Issues

In the normal course of our professional association with the City of Lebanon, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Lebanon's auditors.

Other Matters

Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

> **GASB Statement No. 91,** ***Conduit Debt Obligations*****,** issued in May 2019, will be effective for the City with its fiscal year ending December 31, 2023. This Statement will provide a single method of reporting conduit debt obligations and eliminate differences in practice.
>
> **GASB Statement No. 92,** ***Omnibus 2020,*** issued in January 2020, will be effective for the City with its fiscal year ended December 31, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
>
> **GASB Statement No. 94,** ***Public-Private and Public-Public Partnerships and Availability Payment Arrangements,*** issued in March 2020, will be effective for the City with its fiscal year ended December 31, 2023. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).
>
> **GASB Statement No. 96,** ***Subscription-Based Information Technology Arrangements*****,** issued in May 2020, will be effective for the City with its fiscal year ended December 31, 2023. The objectives of this Statement are to provide guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.
>
> **GASB Statement No. 99,** ***Omnibus 2021*****,** issued in April 2022, will be effective for the City with its fiscal year ended December 31, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
>
> **GASB Statement No. 100,** ***Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62,*** issued in June 2022, will be effective for the City with its fiscal year ended December 31, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
>
> **GASB Statement No. 101,** ***Compensated Absences,*** issued in June 2022, will be effective for the City with its fiscal year ended December 31, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

We applied certain limited procedures to the following, which is/are required supplementary information (RSI) that supplements the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the City's Proportionate Share of Net Pension Liability,
- Schedule of City Contributions – Pensions,
- Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits Liability,

- Schedule of City Contributions – Other Postemployment Benefits,
- Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund schedules, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the members of the City Council, City Manager, and management of the City of Lebanon and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

Plodzik & Sanderson

PLODZIK & SANDERSON
Professional Association
Concord, New Hampshire

CITY OF LEBANON,
NEW HAMPSHIRE

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

CITY OF LEBANON, NEW HAMPSHIRE

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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CITY OF LEBANON, NEW HAMPSHIRE

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Lebanon as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Lebanon, as of December 31, 2022, the respective changes in financial position, where applicable cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lebanon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of Lebanon's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon's ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 2-D to the financial statements, in fiscal year 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Required Supplementary Information – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the City's Proportionate Share of Net Pension Liability,
- Schedule of City Contributions – Pensions,
- Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of City Contributions – Other Postemployment Benefits,
- Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lebanon's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024 on our consideration of the City of Lebanon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lebanon's internal control over financial reporting and compliance.

February 28, 2024
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

City of Lebanon, New Hampshire
Management's Discussion and Analysis

As management of the City of Lebanon, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and the disclosures that follow this section.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements, which are comprised of three components: 1. financial statements, 2. notes to the basic financial statements, and 3. required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements – *Statement of Net Position; Statement of Activities* -- are designed to provide readers with both short- and long-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflow of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes).

Both government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, welfare, culture and recreation, conservation, and interest on long-term debt. The business-type activities included solid waste disposal, water treatment and distribution, sewage collection and disposal, and municipal airport activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City are divided into three categories: *governmental funds, proprietary funds, and fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds are used to account for activities that receive significant support from fees and charges. A type of proprietary fund is an enterprise fund; enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. It was determined in 2014 that based on the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 that the City's solid waste disposal, water treatment and distribution, sewage collection and disposal, and municipal airport funds qualify for presentation in the financial statements as business-type activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for private enterprises.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to this Management's Discussion and Analysis, the basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes Funding Progress for Other Postemployment Benefits Plans and information about the New Hampshire Retirement System.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

In comparison to the prior year, as of the close of the current fiscal year:

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $146,645,635.
- Governmental funds reported combined ending fund balances of $21,718,120, an increase of $2,395,915.
- General fund unassigned fund balance was $10,915,290, a decrease of $1,716,201.
- Bonds/notes payable (governmental and business-type activities combined) were $88,900,736, an increase of $250,137.
- Authorized and unissued debt was $22,145,029, an increase of $3,073,860.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of the current fiscal year, total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $146,645,635, an increase of $5,369,265 in comparison to the prior year.

The largest portion of net position $142,445,831 represents investment in capital assets (land, building, machinery and equipment and infrastructure) less related debt used to acquire those assets that is still outstanding. These capital assets are used by the City to provide services to citizens and are, consequently, not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position $4,464,101 represents resources that are subject to external restrictions on how they may be used; the remaining balance ($264,297) represents the part of net position of the City that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements (unrestricted).

NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	$42,751,647	$39,692,670	$35,559,883	$34,119,808	$77,311,530	$73,812,478
Capital Assets	$115,852,519	$113,754,365	$115,494,048	$111,315,043	$231,346,567	$225,069,408
Total Assets	$158,604,166	$153,447,035	$151,053,931	$145,434,851	$309,658,097	$298,881,886
Deferred Outflows of Resources	$5,097,195	$4,713,008	$537,961	$489,790	$5,635,156	$5,202,798
Long-term Liabilities Outstanding	$75,103,803	$66,756,399	$62,583,121	$60,802,364	$137,686,924	$127,558,763
Other Liabilities	$19,380,670	$19,722,688	$1,963,423	$1,944,937	$21,344,093	$21,667,625
Total Liabilities	$94,484,473	$86,479,087	$64,546,544	$62,747,301	$159,031,017	$149,226,388
Deferred Inflows of Resources	$3,897,309	$9,095,118	$5,719,292	$4,486,808	$9,616,601	$13,581,926
Net Position:						
Net Investment in Capital Assets	$73,806,802	$72,485,325	$68,639,029	$63,933,484	$142,445,831	$136,418,809
Restricted	$2,740,384	$2,543,582	$1,723,717	$3,922,111	$4,464,101	$6,465,693
Unrestricted	($11,227,607)	($12,443,069)	$10,963,310	$10,834,937	($264,297)	($1,608,132)
Total Net Position	$65,319,579	$62,585,838	$81,326,056	$78,690,532	$146,645,635	$141,276,370

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues --						
Charges for Services	$2,163,541	$2,484,373	$16,302,427	$14,499,846	$18,465,968	$16,984,219
Operating Grants and Contributions	$1,832,319	$986,915	$2,838,854	$2,270,207	$4,671,173	$3,257,122
Capital Grants and Contributions	$766,894	$511,912	$0	$0	$766,894	$511,912
General Revenues --						
Property and Other Taxes	$25,959,114	$25,354,730	$0	$0	$25,959,114	$25,354,730
Licenses & Permits	$3,871,376	$3,605,331	$0	$0	$3,871,376	$3,605,331
Grants and Contributions Not Restricted to Specific Programs	$1,487,249	$1,327,031	$0	$0	$1,487,249	$1,327,031
Other General Revenues	$357,106	$1,039,205	$679,806	$1,197,003	$1,036,912	$2,236,208
Total Revenues	$36,437,599	$35,309,497	$19,821,087	$17,967,056	$56,258,686	$53,276,553
Contributions to Permanent Funds	$5,350	$17,693	$0	$0	$5,350	$17,693
Transfers	$1,996,272	$1,396,156	($1,996,272)	($1,396,156)	$0	$0
Total Revenues Including Transfers	$38,439,221	$36,723,346	$17,824,815	$16,570,900	$56,264,036	$53,294,246
Expenses:						
General Government	$10,380,202	$9,092,003	$0	$0	$10,380,202	$9,092,003
Public Safety	$13,128,482	$11,433,128	$0	$0	$13,128,482	$11,433,128
Highway and Streets	$6,908,497	$5,842,408	$0	$0	$6,908,497	$5,842,408
Sewage Collection and Disposal	$0	$0	$5,823,398	$5,545,623	$5,823,398	$5,545,623
Solid Waste Disposal	$0	$0	$3,960,224	$3,663,751	$3,960,224	$3,663,751
Water Distribution and Treatment	$0	$0	$2,913,319	$2,893,288	$2,913,319	$2,893,288
Welfare (Human Services)	$636,606	$468,881	$0	$0	$636,606	$468,881
Municipal Airport	$0	$0	$2,492,350	$1,885,876	$2,492,350	$1,885,876
Culture and Recreation	$3,421,677	$2,889,186	$0	$0	$3,421,677	$2,889,186
Conservation	$66,753	$304,111	$0	$0	$66,753	$304,111
Interest on Long-term Debt	$1,163,263	$1,132,482	$0	$0	$1,163,263	$1,132,482
Total Expenses	$35,705,480	$31,162,199	$15,189,291	$13,988,538	$50,894,771	$45,150,737
Change in Net Position	$2,733,741	$5,561,147	$2,635,524	$2,582,362	$5,369,265	$8,143,509
Net Position Beginning 1/1	$62,585,838	$57,024,691	$78,690,532	$76,108,170	$141,276,370	$133,132,861
Net Position Ending 12/31	$65,319,579	$62,585,838	$81,326,056	$78,690,532	$146,645,635	$141,276,370

Governmental Activities. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental activities for the year resulted in a change (increase) in net position of $2,733,741.

	Amount
Net change in General Fund fund balance	($982,477)
Net change in Capital Improvements Fund fund balance	$3,250,209
Net change in other governmental funds fund balance	$128,183
Capital outlays exceed depreciation expense and asset disposals	$2,098,154
Revenue that does not provide current financial resources	$238,674
Offset the effect of providing/using resources through the issuance/repayment of long-term principal debt	($755,817)
Change in accrued interest expense, compensated absences payable, pension liability, and postemployment benefits payable	($1,243,185)
Total	$2,733,741

Program revenues of $4,762,754 covered 13.3% of program expenses. The remaining 86.7% was financed by general revenues including property and other taxes, licenses & permits, grants and contributions not restricted to specific programs, and other general revenues. The primary funding source for governmental activities was taxes ($25,959,114) consisting of property taxes ($23,931,488) and other taxes ($2,027,626). Property taxes comprise about 62.3% of total program revenues, general revenues and contributions and transfers.

The General Government function makes up 29.1% of the total governmental activities' expenses followed by Public Safety, 36.8%, Highway and Streets, 19.3%, Welfare, 1.8%, Culture and Recreation, 9.6%, Conservation, 0.2% and Interest on Long-Term Debt 3.3%.

	Total Cost of Services		Net Cost of Services	
	Amount	%	Amount	%
Governmental Activities:				
General Government	$10,380,202	29.1%	($10,026,403)	32.4%
Public Safety	$13,128,482	36.8%	($11,389,298)	36.8%
Highway and Streets	$6,908,497	19.3%	($6,443,550)	20.8%
Welfare (Human Services)	$636,606	1.8%	($636,606)	2.1%
Culture and Recreation	$3,421,677	9.6%	($2,849,545)	9.2%
Conservation	$66,753	0.2%	($41,010)	0.1%
Interest on Long-Term Debt	$1,163,263	3.3%	($1,149,220)	3.7%
Capital Outlay	$0	0.0%	$1,592,906	-5.1%
Total	$35,705,480	100.0%	($30,942,726)	100.0%

Business-type Activities. Business-type activities for the year resulted in a change in net position of $3,951,990.

	Total Cost of Services		Net Cost of Services	
	Amount	%	Amount	%
Business Type Activities:				
Sewage Collection and Disposal	$5,823,398	38.3%	$2,031,580	51.4%
Solid Waste Disposal	$3,960,224	26.1%	($154,367)	-3.9%
Water Treatment and Distribution	$2,913,319	19.2%	$1,095,046	27.7%
Municipal Airport	$2,492,350	16.4%	$979,731	24.8%
Total	$15,189,291	100.0%	$3,951,990	100.0%

The City of Lebanon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of this section is specific to funds and types of funds versus entity wide.

Governmental Funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in determining financing requirements. Of interest is unassigned fund balance, which may serve as a useful measure of net resources available for spending at the end of the fiscal year. Unassigned Fund Balance is the residual classification for the City's general fund and includes all amounts not contained in other fund balance component classifications and therefore not subject to any constraints.

At the close of the current fiscal year, governmental funds reported combined ending fund balances of $21,718,120, an increase of $2,395,915.

The City's Fund Balance Policy is intended to provide adequate financial resources to ensure the continued orderly operation of government and the provision of services to residents and the continued stability of the tax or rate structure that can be threatened by uncertainty emanating from a number of areas including economic uncertainty, unanticipated changes in federal and state policies, imposition of federal and state mandates, unanticipated expenditures resulting from natural disasters or other unforeseen circumstances, errors in estimating expenditures and revenues, potential drain on resources from funds facing financial difficulties, and disparities in timing between revenue collections and expenditures.

Funds other than the General Fund exist primarily to ensure and demonstrate compliance with limitations on the use of existing resources or as enterprises. The General Fund, as the chief operating fund of the City, has a broader mandate which may include accumulating sufficient financial resources for contingencies.

KEY ELEMENTS OF CHANGE IN COMBINED FUND BALANCES	
General Fund expenditures and transfers out in excess of revenues and transfers in	($982,477)
Capital Improvements Fund revenues, transfers in, and bond/note proceeds in excess of expenditures and transfers out	$3,250,209
Other governmental funds revenues and transfers in in excess of expenditures and transfers out	$128,183
Net Change in Fund Balances	$2,395,915
Other Governmental Funds:	
Library Fund expenditures exceed revenues and transfers in	($9,461)
Public Safety Revolving Fund (Police) expenditures exceed revenues	($2,153)
Lebanon Open Space Fund revenues	$9,853
Public Safety Revolving Fund (Fire) revenues exceed expenditures	$252
Farmers Market Fund expenditures exceed revenues	($1,224)
Recreation Revolving Fund revenues exceed expenditures	$4,511
Impact Fees transfers out exceed revenues	($215,624)
Cemetery Maintenance revenues	$10,766
Public Assistance Revolving Fund transfers in	$150,000
Downtown TIF District revenues	$442,013
Airport/Tech Park TIF District revenues	$12
Permanent Fund (cemetery perpetual care) revenues exceed expenditures and transfers out	($260,762)
Net Change in Fund Balances	$128,183

UNASSIGNED FUND BALANCE, DECEMBER 31, 2022		
Non-GAAP Budgetary Basis:		
	Unassigned Fund Balance 1/1	**$12,988,865**
Percentage of total general fund current year budgeted expenditures		**36.6%**
Changes:		
Unassigned fund balance used to reduce 2022 tax rate		($1,078,461)
Unassigned fund balance voted from surplus		($2,771,450)
Revenue surplus		$1,152,675
Unexpended balance of appropriations		$1,375,786
Decrease in nonspendable fund balance		$322,551
Increase in assigned fund balance (non-encumbrance)		($447,521)
	Unassigned fund balance 12/31 Non-GAAP budgetary basis	**$11,542,445**
Percentage of total general fund current year budgeted expenditures		**32.5%**
Reconciliation of Non-GAAP Basis to GAAP Basis:		
Deferral of property taxes not collected within 60 days of year-end		($777,155)
Elimination of the allowance for uncollectible taxes		$150,000
	Unassigned fund balance 12/31 GAAP basis	**$10,915,290**

It is the objective of the City to maintain an Unassigned Fund Balance of 19.0% to 24.0% of gross current General Fund budgeted expenditures.

- The City considers a balance of less than 19.0% to be a cause for concern and, considering factors or circumstances that may require a higher than normal maximum level of Unassigned Fund Balance, a balance of more than 24.0% as excessive.
- In the event Unassigned Fund Balance is less than 19.0%, restorative steps shall be taken in the immediate subsequent fiscal years. An amount more than 24.0% may be considered to reduce tax levy requirements determined in conjunction with the annual budget process, as a capital improvement funding component, for reservation to accumulate funding for future capital improvements, or for any legal purpose deemed appropriate and desirable by the City Council.
- This Policy is not intended to preclude the administrative application of Unassigned Fund Balance as a companion to the budgeted application of Unassigned Fund Balance as a mitigating utility in setting the annual Municipal Tax Rate.

E. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for both Governmental and Business-type activities at year end was $231,346,567 (net of accumulated depreciation).

The capital improvements fund is where the acquisition or construction of major, expensive, and long-lived capital facilities are budgeted. Operating budgets are period oriented (January 1 to December 31); the capital improvements budget is project oriented.

2021 CAPITAL ASSETS

Governmental Activities		Amount	Business-type Activities:		Amount
Not being depreciated:			Not being depreciated:		
Land		$7,629,286	Land		$809,968
Intangible assets		$189,570	Intangible assets		$545,054
Construction in progress		$15,936,229	Construction in progress		$10,518,684
	Total	$23,755,085		Total	$11,873,706
Net of depreciation:			Net of depreciation:		
Land Improvements		$1,245,538	Land Improvements		$11,825,735
Building and Building Improvements		$19,481,689	Building and Building Improvements		$25,762,321
Machinery and Equipment		$7,943,926	Machinery and Equipment		$4,402,258
Infrastructure		$61,328,127	Infrastructure		$57,451,023
	Total	$89,999,280		Total	$99,441,337
Net BV value governmental activities capital assets		$113,754,365	Net BV business-type activities capital assets		$111,315,043
BV = Book Value			Net BV all capital assets		$225,069,408

2022 CAPITAL ASSETS

Governmental Activities		Amount	Business-type Activities:		Amount
Not being depreciated:			Not being depreciated:		
Land		$7,702,436	Land		$809,968
Intangible assets		$584,820	Intangible assets		$635,054
Construction in progress		$8,496,398	Construction in progress		$13,789,230
	Total	$16,783,654		Total	$15,234,252
Net of depreciation:			Net of depreciation:		
Land Improvements		$1,459,074	Land Improvements		$11,036,229
Building and Building Improvements		$21,907,657	Building and Building Improvements		$28,739,527
Machinery and Equipment		$7,293,852	Machinery and Equipment		$4,556,106
Infrastructure		$68,408,282	Infrastructure		$55,927,934
	Total	$99,068,865		Total	$100,259,796
Net BV value governmental activities capital assets		$115,852,519	Net BV business-type activities capital assets		$115,494,048
BV = Book Value			Net BV all capital assets		$231,346,567

2022 CAPITAL BUDGET			
		Source of Financing:	
Purpose:			
Infrastructure	$13,051,090	Intergovernmental (Grants)	$5,255,250
Vehicle and Equipment	$1,284,250	Other	$332,980
Airport Infrastructure	$1,775,000	Debt Proceeds	$9,209,860
Other	$255,000	Interfund Transfers	$1,567,250
Total	$16,365,340	Total	$16,365,340
Other Includes:			
Lebanon Complete Streets/Multi-Modal-Plan	$20,000		
Property Acquisition - 226 Mascoma Street	$235,000		
Total	$255,000		

Long-Term Debt

At the close of the current fiscal year, bonds/notes payable (governmental and business-type activities combined) were $88,900,736, an increase of $250,137; annual requirements (governmental and business-type activities combined) to amortize all bonds/notes payable (principal and interest) were $102,152,704, a decrease of $340,268; authorized and unissued debt was $22,145,029, an increase of $3,073,860. All outstanding debt is debt backed by the full faith and credit of the City.

LONG-TERM LIABILITIES, DECEMBER 31, 2022

Governmental activities:		Balance 1/1	Additions	Reductions	Balance 12/31
Bonds/notes Payable		$38,421,546	$3,998,880	($3,386,996)	$39,033,430
Unamortized Bond Premium		$2,847,494	$363,520	($198,727)	$3,012,287
	Total Bonds/notes Payable	$41,269,040	$4,362,400	($3,585,723)	$42,045,717
Compensated Absences Payable		$2,265,285	$2,010,741	$0	$4,276,026
Net Other Postemployment Benefits		$2,723,623	$2,451	($44,626)	$2,681,448
Net Pension Liability		$20,498,451	$5,602,161	$0	$26,100,612
	Total	$66,756,399	$11,977,753	($3,630,349)	$75,103,803

Business-type activities:		Balance 1/1	Additions	Reductions	Balance 12/31
Bonds/notes Payable		$45,975,735	$1,977,120	($2,492,671)	$45,460,184
Unamortized Bond Premium		$1,405,824	$96,480	($107,469)	$1,394,835
	Total Bonds/notes Payable	$47,381,559	$2,073,600	($2,600,140)	$46,855,019
Compensated Absences Payable		$276,781	$133,942	($20,378)	$390,345
Accrued Landfill Closure and Postclosure Care Costs		$10,695,688	$1,592,401	$0	$12,288,089
Net Other Postemployment Benefits		$359,350	$2,332	($4,317)	$357,365
Net Pension Liability		$2,088,986	$603,317	$0	$2,692,303
	Total	$60,802,364	$4,405,592	($2,624,835)	$62,583,121

F. NEXT YEAR'S BUDGETS AND RATES

- In 2023, the total net assessed valuation, the amount on which the tax rate for municipal, county and local education tax is computed is $2,744,253,545. A citywide assessment occurred in 2020 and 2022. According to State law, annually, the assessors – Lebanon Board of Assessors – shall adjust assessments to reflect changes so that all assessments are reasonably proportional within the City and that all real estate be reappraised so that assessment are at full and true value at least as often as every five years. (New Hampshire Constitution Part 2 Article 6.)

- An increase in the total net assessed valuation exerts downward pressure on the tax rate; a decrease has the opposite influence.

- The property tax rate bridges the gap between non-property tax revenues, spending and statutory tax credits and property assessment abatements. The Total Tax Rate is made up of four constituent rates: Municipal (general City services), School: Local, School: State, and County. Appropriations (authorization to spend public moneys) are a legislative act. The Lebanon City Council is the City's legislative body; the Lebanon School District annual meeting and Grafton County delegation (comprised of state representatives from Grafton County) are the legislative bodies for the school and county.

- The 2023 City Budget Municipal Tax Rate (excluding school and County components) is $8.97 per $1,000 of assessed value.

- The tax rate is set (calculated) by the New Hampshire Department of Revenue Administration usually in October. The first step in calculating the tax rate for each of the four tax rate components is to subtract non-property tax revenues and applied spendable fund balance from legal appropriations. (In the case of the Municipal Tax Rate, a provision for taxes that either will not be collected (War Service Tax Credits) or might not be collected to varying degrees (abatements) is added in.) The result, divided by the Net Valuation on Which the Tax Rate for Municipal, County & Local Education Tax is Computed, is converted to a rate expressed per $1,000 of assessed real estate value. (For the state education tax rate, the result is divided by the Net Valuation on Which Tax Rate for State Education Tax is Computed.) The City Budget concerns the Municipal Tax Rate only.

How the Amount to Be Raised by Property Taxes is distributed is determined by property values that the Lebanon Board of Assessors must ensure by law are reasonably proportional within the City and that all taxable property was appraised to the best of the Board's knowledge and belief at its full value, in accordance with state appraisal standards. What the amount to be raised by property taxes consists of is determined through the city, school, state and county budget processes.

Tax bills are mailed on or around June 1 and November 1 each year, with interest accruing at a rate of 8% on bills outstanding for more than 30 days. Within 18 months of the date assessed (April 1), the Tax Collector places a lien on properties for all uncollected property taxes. The lien on these properties has priority over other liens and accrues interest at 12% per annum. If property is not redeemed (taxes, penalties, and interest) within the 2-year redemption period, the property is tax deeded to the city. The June billing is considered an estimate only. It is based by law on one-half of the prior year's tax rate. The balance of taxes due, considering current year budget activity, is billed in the fall after the New Hampshire Department of Revenue Administration has calculated the City's tax rate.

Property taxes billed and collected by the City include taxes levied for the Lebanon School District and Grafton County, which are remitted to those governmental units as required by law. The former is paid over the course of the year based on a cash requirements schedule provided by the School District; the latter is paid in December. Both the Lebanon School District and Grafton County receive their respective assessment no matter what may transpire respecting abatement activity and outcomes as ultimate responsibility for the collection of taxes rests with the City.

- *Landfill Fees:* The tipping fee for 2022 was $76.50/ton.

- *Water and Sewer Service Fees:* The 2022 City Budget provided an increase of 8.0% to water service rates (base user rate and minimum charge) approved by the City Council (December 1, 2021) effective January 1, 2022. Water 0-1200 rate is $3.77 per 100CF, > 1200, the rate is $7.54 per 100CF for water. There are also fixed charges for the size of the meter.

The 2022 City Budget provides an increase of 7.2% to sewer service rates (base user rate, minimum charge, and residential flat rate) approved by the City Council (December 1, 2021) effective January 1, 2022. Sewer rate is $11.18 per 100CF. There are also fixed charges for the size of the meter.

The long-term objective of a rate increase is to moderate future service rate increases by accumulating resources in advance as spendable fund balance sufficient for the Water Treatment and Distribution Fund and Sewage Collection and Disposal Fund to absorb projected operation and maintenance and debt service expenses over the next six-years (2023 – 2028). The intent is to balance recognition of future potential financial obligations and the ramifications of those obligations on future service rates and the fiscal integrity and soundness of the fund by adopting meaningful interim rate adjustments. The Combined Sewer Overflow Separation capital project has been and will continue to be a financial strain on both funds.

- *Labor Force Composition:* The 2022 City Budget had 187.9 active full-time equivalent (FTE) positions (176 full-time; 12 regular part-time positions excluding seasonal and occasional employees and call firefighters). 121.00 positions, or 64.4%, are represented by one of four unions. Positions may be occupied or vacant, funded, or unfunded. Positions are required to have an approved budget before they can be filled.

Fund		2022 Budget
General	$	36,891,120
Solid Waste Disposal	$	4,206,450
Water Treatment & Distribution	$	4,141,290
Sewage Collection and Disposal	$	7,264,330
Municipal Airport	$	1,479,310
Emergency Management	$	25,000
Capital Improvements	$	16,365,340
Heritage Fnud	$	400
Downtown TIFD	$	385,700
Airport TIFD	$	10
Total	$	70,758,950

Expenditures by Function		2022 Budget
Capital Improvements	$	16,365,340
Community Development & Preservation	$	681,720
Community Services	$	2,492,660
Debt Service	$	9,876,850
General Government	$	9,789,395
Human Services	$	554,900
Interfund Transfers	$	4,999,075
Municipal Services	$	4,904,010
Public Safety	$	11,980,830
Sanitation	$	6,039,130
Transportation	$	1,178,750
Water Resources	$	1,896,290
Total	$	70,758,950

- The General Fund is 52.14% of the 2022 City Budget; Solid Waste Disposal Fund 5.94%; Water Treatment and Distribution Fund 5.85%; Sewage Collection and Disposal Fund 10.27%; Municipal Airport Fund 2.09%; Emergency Management Fund 0.04%, Capital Improvements Fund 23.13%; and Downtown TIFD .55%.

- The operations and maintenance budget (excluding capital improvements, debt service, and interfund transfers) is 55.85% of the City Budget or $39,517,685.

- The 2022 Capital Budget of $16,365,340 is comprised of twenty (20) projects and four sources of financing. Projects include Infrastructure ($13,051,090), Vehicles and Equipment ($1,284,250), Airport Infrastructure ($1,775,000) and Other ($255,000). Others consist of the Lebanon Complete Streets/Multi-Modal-Plan ($20,000) and Property Acquisition – 226 Mascoma Street ($235,000).

- The 2022 City Budget provided revenues of $67,686,969, an increase of $7,351,748 from 2021. The General Fund makes up 50.8% of total revenues; Capital Improvements Fund 24.2%; Sewage Collection and Disposal Fund 10.8%; Solid Waste Disposal Fund 6.0%; Water Treatment and Distribution Fund 6.2%; Municipal Airport Fund 1.4%; Emergency Management Fund >.04%; and TIFD .56%.

- 2022 Budget surplus is $2,528,461, an increase of $735,621 from 2021.

G. REQUESTS FOR INFORMATION This financial report is designed to provide a general overview of the finances of the City of Lebanon. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Finance Director, City Hall, 51 North Park Street, Lebanon, New Hampshire 03766.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 35,265,179	$ 15,223,629	$ 50,488,808
Investments	2,912,969	10,979,394	13,892,363
Taxes receivables (net)	2,859,016	-	2,859,016
Account receivables (net)	526,250	1,416,225	1,942,475
Intergovernmental receivable	547,283	6,298,927	6,846,210
Leases receivable	-	1,762,435	1,762,435
Internal balances	241,493	(241,493)	-
Prepaid items	399,457	120,766	520,223
Capital assets:			
Land and construction in progress	16,783,654	15,234,252	32,017,906
Other capital assets, net of depreciation	99,068,865	100,259,796	199,328,661
Total assets	158,604,166	151,053,931	309,658,097
DEFERRED OUTFLOWS OF RESOURCES			
Amounts related to pensions	4,836,888	498,930	5,335,818
Amounts related to other postemployment benefits	260,307	39,031	299,338
Total deferred outflows of resources	5,097,195	537,961	5,635,156
LIABILITIES			
Accounts payable	807,337	548,691	1,356,028
Retainage payable	462,737	326,649	789,386
Contracts payable	621,839	155,493	777,332
Accrued interest payable	693,411	705,635	1,399,046
Intergovernmental payable	16,689,856	-	16,689,856
Escrow and performance deposits	105,490	226,955	332,445
Long-term liabilities:			
Due within one year	3,930,182	4,089,874	8,020,056
Due in more than one year	71,173,621	58,493,247	129,666,868
Total liabilities	94,484,473	64,546,544	159,031,017
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Grants received in advance	1,210,321	-	1,210,321
Debt forgiveness	1,797,538	3,599,237	5,396,775
Deferred revenue	-	232,228	232,228
Amounts related to leases	-	1,761,106	1,761,106
Amounts related to pensions	463,481	47,809	511,290
Amounts related to other postemployment benefits	425,969	78,912	504,881
Total deferred inflows of resources	3,897,309	5,719,292	9,616,601
NET POSITION			
Net investment in capital assets	73,806,802	68,639,029	142,445,831
Restricted	2,740,384	1,723,717	4,464,101
Unrestricted	(11,227,607)	10,963,310	(264,297)
Total net position	$ 65,319,579	$ 81,326,056	$ 146,645,635

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 10,380,202	$ 316,183	$ 37,616	$ -	$ (10,026,403)	$ -	$ (10,026,403)
Public safety	13,128,482	1,510,972	228,212	-	(11,389,298)	-	(11,389,298)
Highways and streets	6,908,497	-	142,087	322,860	(6,443,550)	-	(6,443,550)
Welfare	636,606	-	-	-	(636,606)	-	(636,606)
Culture and recreation	3,421,677	336,386	235,746	-	(2,849,545)	-	(2,849,545)
Conservation	66,753	-	25,743	-	(41,010)	-	(41,010)
Interest on long-term debt	1,163,263	-	14,043	-	(1,149,220)	-	(1,149,220)
Capital outlay	-	-	1,148,872	444,034	1,592,906	-	1,592,906
Total governmental activities	35,705,480	2,163,541	1,832,319	766,894	(30,942,726)	-	(30,942,726)
Business-type activities:							
Sewage collection and disposal	5,823,398	7,760,324	94,654	-	-	2,031,580	2,031,580
Solid waste disposal	3,960,224	3,805,857	-	-	-	(154,367)	(154,367)
Water treatment and distribution	2,913,319	3,997,828	10,537	-	-	1,095,046	1,095,046
Municipal airport	2,492,350	738,418	2,733,663	-	-	979,731	979,731
Total business-type activities	15,189,291	16,302,427	2,838,854	-	-	3,951,990	3,951,990
Total	$ 50,894,771	$ 18,465,968	$ 4,671,173	$ 766,894	(30,942,726)	3,951,990	(26,990,736)
General revenues:							
Taxes:							
Property					23,931,488	-	23,931,488
Other					2,027,626	-	2,027,626
Motor vehicle permit fees					2,769,382	-	2,769,382
Licenses and other fees					1,101,994	-	1,101,994
Grants and contributions not restricted to specific programs					1,487,249	-	1,487,249
Unrestricted investment earnings					577,232	52,504	629,736
Miscellaneous					146,552	1,299,647	1,446,199
Unrealized loss on investments					(366,678)	(672,345)	(1,039,023)
Total general revenues					31,674,845	679,806	32,354,651
Contributions to permanent funds					5,350	-	5,350
Transfers					1,996,272	(1,996,272)	-
Total general revenues, contributions, and transfers					33,676,467	(1,316,466)	32,360,001
Change in net position					2,733,741	2,635,524	5,369,265
Net position, beginning					62,585,838	78,690,532	141,276,370
Net position, ending					$ 65,319,579	$ 81,326,056	$ 146,645,635

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-1
CITY OF LEBANON, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2022

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 28,688,102	$ 1,040,458	$ 3,670,035	$ 33,398,595
Investments	11,749	-	1,606,566	1,618,315
Receivables, net of allowance for uncollectible:				
Taxes	3,009,016	-	-	3,009,016
Accounts	479,377	-	16,817	496,194
Intergovernmental	38,491	-	-	38,491
Interfund receivable	292,633	-	5,034	297,667
Voluntary tax liens	9,804	-	-	9,804
Voluntary tax liens reserved until collected	(9,804)	-	-	(9,804)
Prepaid items	389,457	10,000	-	399,457
Restricted assets:				
Cash and cash equivalents	1,866,584	-	-	1,866,584
Investments	1,294,654	-	-	1,294,654
Accounts receivable	30,056	-	-	30,056
Total assets	$ 36,100,119	$ 1,050,458	$ 5,298,452	$ 42,449,029
LIABILITIES				
Accounts payable	$ 789,741	$ -	$ 17,596	$ 807,337
Retainage payable	20,663	442,074	-	462,737
Contracts payable	-	621,839	-	621,839
Intergovernmental payable	16,689,856	-	-	16,689,856
Interfund payable	5,034	-	51,140	56,174
Escrow and performance deposits	105,490	-	-	105,490
Total liabilities	17,610,784	1,063,913	68,736	18,743,433
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	777,155	-	-	777,155
Unavailable revenue - Grants received in advance	1,210,321	-	-	1,210,321
Total deferred inflows of resources	1,987,476	-	-	1,987,476
FUND BALANCES (DEFICIT)				
Nonspendable	389,457	10,000	1,646,815	2,046,272
Restricted	25,000	-	1,068,569	1,093,569
Committed	2,670,823	-	2,514,332	5,185,155
Assigned	2,501,289	-	-	2,501,289
Unassigned (deficit)	10,915,290	(23,455)	-	10,891,835
Total fund balances (deficit)	16,501,859	(13,455)	5,229,716	21,718,120
Total liabilities, deferred inflows of resources, and fund balances	$ 36,100,119	$ 1,050,458	$ 5,298,452	$ 42,449,029

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-2
CITY OF LEBANON, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of governmental funds (Exhibit C-1)		$ 21,718,120
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	$ 163,969,993	
Less accumulated depreciation	(48,117,474)	
		115,852,519
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	$ 4,836,888	
Deferred inflows of resources related to pensions	(463,481)	
Deferred outflows of resources related to OPEB	260,307	
Deferred inflows of resources related to OPEB	(425,969)	
		4,207,745
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	$ (56,174)	
Payables	56,174	
		-
Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds.		777,155
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(150,000)
Long-term assets (State aid receivable) are not available to pay for current-period expenditures and therefore, are not reported in the governmental funds.		508,792
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(693,411)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	$ 30,122,952	
Notes	8,910,478	
Unamortized bond premium/debt forgiveness	4,809,825	
Compensated absences	4,276,026	
Net pension liability	26,100,612	
Other postemployment benefits	2,681,448	
		(76,901,341)
Net position of governmental activities (Exhibit A)		$ 65,319,579

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-3
CITY OF LEBANON, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2022

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 24,960,775	$ -	$ 728,558	$ 25,689,333
Licenses and permits	3,871,376	-	-	3,871,376
Intergovernmental	2,520,751	1,145,428	2,246	3,668,425
Charges for services	1,794,706	-	368,835	2,163,541
Miscellaneous	782,597	3,444	392,237	1,178,278
Unrealized loss on investments	(79,241)	-	(287,437)	(366,678)
Total revenues	33,850,964	1,148,872	1,204,439	36,204,275
EXPENDITURES				
Current:				
General government	9,962,049	-	9,962	9,972,011
Public safety	11,795,291	-	217,275	12,012,566
Highways and streets	5,437,581	-	-	5,437,581
Welfare	543,436	-	-	543,436
Culture and recreation	2,564,264	-	377,719	2,941,983
Conservation	47,559	-	-	47,559
Debt service:				
Principal	3,509,515	-	-	3,509,515
Interest	1,312,788	-	-	1,312,788
Capital outlay	433,354	3,956,239	-	4,389,593
Total expenditures	35,605,837	3,956,239	604,956	40,167,032
Excess (deficiency) of revenues over (under) expenditures	(1,754,873)	(2,807,367)	599,483	(3,962,757)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,882,286	1,695,176	154,884	3,732,346
Transfers out	(1,109,890)	-	(626,184)	(1,736,074)
Bond/note proceeds	-	4,362,400	-	4,362,400
Total other financing sources (uses)	772,396	6,057,576	(471,300)	6,358,672
Net change in fund balances	(982,477)	3,250,209	128,183	2,395,915
Fund balances, beginning	17,484,336	(3,263,664)	5,101,533	19,322,205
Fund balances, ending	$ 16,501,859	$ (13,455)	$ 5,229,716	$ 21,718,120

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-4
CITY OF LEBANON, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2022

Net change in fund balances of governmental funds (Exhibit C-3)		$ 2,395,915
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	$ 5,419,898	
Disposal of capital assets	(3,468)	
Depreciation expense	(3,318,276)	
		2,098,154
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	$ (1,736,074)	
Transfers out	1,736,074	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue	$ 269,781	
Decrease in deferred aid revenue	(31,107)	
		238,674
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Proceeds of debt	$ (3,998,880)	
Bond premium on new issuance	(363,520)	
Recognition of principal forgiveness	20,860	
Repayment of bond principal	2,956,844	
Repayment of note/loan principal	430,152	
Amortization of bond premium	198,727	
		(755,817)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	$ (291,893)	
Decrease in prepaid items	351,281	
Increase in compensated absences	(2,010,741)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	546,755	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	161,413	
		(1,243,185)
Changes in net position of governmental activities (Exhibit B)		$ 2,733,741

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT D
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 25,086,890	$ 25,086,890	$ 25,230,556	$ 143,666
Licenses and permits	3,078,400	3,078,400	3,871,376	792,976
Intergovernmental	1,935,509	1,935,509	1,939,619	4,110
Charges for services	1,661,690	1,661,690	1,794,706	133,016
Miscellaneous	472,350	472,350	522,002	49,652
Total revenues	32,234,839	32,234,839	33,358,259	1,123,420
EXPENDITURES				
Current:				
General government	10,446,160	10,446,160	9,691,189	754,971
Public safety	12,128,830	12,128,830	11,560,696	568,134
Highways and streets	4,581,920	4,581,920	4,552,353	29,567
Welfare	554,900	554,900	543,436	11,464
Culture and recreation	2,500,160	2,500,160	2,504,198	(4,038)
Conservation	10,870	10,870	10,869	1
Debt service:				
Principal	3,515,170	3,515,170	3,509,515	5,655
Interest	1,322,820	1,322,820	1,312,788	10,032
Total expenditures	35,060,830	35,060,830	33,685,044	1,375,786
Excess (deficiency) of revenues over (under) expenditures	(2,825,991)	(2,825,991)	(326,785)	2,499,206
OTHER FINANCING SOURCES (USES)				
Transfers in	2,131,370	2,131,370	2,160,625	29,255
Transfers out	(1,830,290)	(3,155,290)	(3,155,290)	-
Total other financing sources (uses)	301,080	(1,023,920)	(994,665)	29,255
Net change in fund balances	$ (2,524,911)	$ (3,849,911)	(1,321,450)	$ 2,528,461
Decrease in nonspendable fund balance			322,551	
Increase in assigned fund balance (non-encumbrance)			(447,521)	
Unassigned fund balance, beginning			12,988,865	
Unassigned fund balance, ending			$ 11,542,445	

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-1
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Funds
Statement of Net Position
December 31, 2022

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
ASSETS					
Cash and cash equivalents	$ 6,642,940	$ 2,682,807	$ 5,897,882	$ -	$ 15,223,629
Investments	744,654	9,347,550	868,115	19,075	10,979,394
Receivables:					
Accounts	579,421	388,428	132,675	315,701	1,416,225
Intergovernmental	4,441,571	-	381,594	1,475,762	6,298,927
Leases	-	-	-	1,762,435	1,762,435
Prepaid items	9,012	5,249	11,352	95,153	120,766
Capital assets:					
Land and construction in progress	4,652,831	4,437,365	3,563,689	2,580,367	15,234,252
Other capital assets, net of depreciation	52,993,963	9,204,717	28,266,703	9,794,413	100,259,796
Total assets	70,064,392	26,066,116	39,122,010	16,042,906	151,295,424
DEFERRED OUTFLOWS OF RESOURCES					
Amounts related to pensions	161,987	135,312	126,986	74,645	498,930
Amounts related to other postemployment benefits	13,198	10,021	10,133	5,679	39,031
Total deferred outflows of resources	175,185	145,333	137,119	80,324	537,961
LIABILITIES					
Current liabilities:					
Accounts payable	241,993	28,666	85,723	192,309	548,691
Retainage payable	90,871	-	105,342	130,436	326,649
Contract payable	47,634	72,840	35,019	-	155,493
Accrued interest payable	350,180	49,819	278,502	27,134	705,635
Internal balances	-	-	-	241,493	241,493
Escrow and performance deposits	212,305	-	-	14,650	226,955
Long-term liabilities:					
Due within one year	2,248,141	541,593	1,232,462	67,678	4,089,874
Due in more than one year	27,744,729	13,587,198	16,372,174	789,146	58,493,247
Total liabilities	30,935,853	14,280,116	18,109,222	1,462,846	64,788,037
DEFERRED INFLOWS OF RESOURCES					
Debt forgiveness	1,590,883	6,605	2,001,749	-	3,599,237
Deferred revenue	-	-	-	232,228	232,228
Amounts related to leases	-	-	-	1,761,106	1,761,106
Amounts related to pensions	15,522	12,966	12,168	7,153	47,809
Amounts related to other postemployment benefits	27,131	19,781	20,656	11,344	78,912
Total deferred inflows of resources	1,633,536	39,352	2,034,573	2,011,831	5,719,292
NET POSITION					
Net investment in capital assets	28,829,882	12,692,843	15,044,274	12,072,030	68,639,029
Restricted	145,036	-	1,367,901	210,780	1,723,717
Unrestricted	8,695,270	(800,862)	2,703,159	365,743	10,963,310
Total net position	$ 37,670,188	$ 11,891,981	$ 19,115,334	$ 12,648,553	$ 81,326,056

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-2
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2022

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Operating revenues:					
User charges	$ 7,760,324	$ 3,805,857	$ 3,995,478	$ 738,418	$ 16,300,077
Other sales	-	474,810	-	-	474,810
Fees and interest	-	2,350	-	-	2,350
Intergovernmental revenues	94,654	-	10,537	2,733,663	2,838,854
Miscellaneous	119,030	133,605	83,390	488,812	824,837
Total operating revenues	7,974,008	4,416,622	4,089,405	3,960,893	20,440,928
Operating expenses:					
Salaries and wages	1,077,410	917,911	879,231	612,947	3,487,499
Operation and maintenance	2,182,462	1,371,028	149,209	833,697	4,536,396
Contractual services	158,167	618,519	117,626	75,818	970,130
Materials and supplies	495,084	314,105	529,817	269,873	1,608,879
Depreciation and amortization	1,432,139	709,335	822,567	669,168	3,633,209
Total operating expenses	5,345,262	3,930,898	2,498,450	2,461,503	14,236,113
Operating gain	2,628,746	485,724	1,590,955	1,499,390	6,204,815
Nonoperating revenue (expense):					
Interest income	20,997	12,039	19,468	-	52,504
Interest expense	(476,673)	(8,779)	(414,869)	(30,807)	(931,128)
Change in fair market value	(40,091)	(565,752)	(65,475)	(1,027)	(672,345)
Investment fees	(1,463)	(20,547)	-	(40)	(22,050)
Total nonoperating revenue (expense)	(497,230)	(583,039)	(460,876)	(31,874)	(1,573,019)
Other financing sources (uses):					
Transfers in	-	-	250,920	-	250,920
Transfers out	(674,175)	(1,170,447)	(316,345)	(86,225)	(2,247,192)
Total other financing sources (uses)	(674,175)	(1,170,447)	(65,425)	(86,225)	(1,996,272)
Change in net position	1,457,341	(1,267,762)	1,064,654	1,381,291	2,635,524
Net position, beginning	36,212,847	13,159,743	18,050,680	11,267,262	78,690,532
Net position, ending	$ 37,670,188	$ 11,891,981	$ 19,115,334	$ 12,648,553	$ 81,326,056

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-3
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2022

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Cash flows from operating activities:					
Receipts from customers and users	$ 7,703,392	$ 4,413,764	$ 4,010,363	$ 2,969,246	$ 19,096,765
Payments to employees	(977,703)	(923,781)	(912,265)	(610,971)	(3,424,720)
Payments to suppliers	(2,640,103)	(752,904)	(769,081)	(969,649)	(5,131,737)
Net cash provided by operating activities	4,085,586	2,737,079	2,329,017	1,388,626	10,540,308
Cash flows from capital and related financing activities:					
State revolving loan proceeds	160,675	-	160,675	-	321,350
Bond and bond premium proceeds	480,000	-	480,000	-	960,000
Principal paid on bonds	(972,515)	(295,000)	(934,720)	(66,579)	(2,268,814)
Acquisition and construction of fixed assets	(647,534)	(4,650,223)	(407,084)	(2,049,197)	(7,754,038)
Interest paid	(802,039)	(22,027)	(521,565)	(17,234)	(1,362,865)
Net cash used for capital and related financing activities	(1,781,413)	(4,967,250)	(1,222,694)	(2,133,010)	(10,104,367)
Cash flows from non-capital financing activities:					
Intergovernmental revenues	328,055	11,224	33,867	-	373,146
Operating transfers in	-	-	250,920	241,493	492,413
Operating transfers out	(674,175)	(1,170,447)	(316,345)	(86,225)	(2,247,192)
Net cash provided by (used for) non-capital financing activities	(346,120)	(1,159,223)	(31,558)	155,268	(1,381,633)
Cash flows from investing activities:					
Purchase of investments	-	(469,550)	(59,485)	-	(529,035)
Interest received	20,997	12,039	19,468	-	52,504
Net cash used for investing activities	20,997	(457,511)	(40,017)	-	(476,531)
Net increase/decrease in cash	1,979,050	(3,846,905)	1,034,748	(589,116)	(1,422,223)
Cash, beginning	4,663,890	6,529,712	4,863,134	589,116	16,645,852
Cash, ending	$ 6,642,940	$ 2,682,807	$ 5,897,882	$ -	$ 15,223,629

Reconciliation of Operating Gain to Net Cash Provided by Operating Activities

	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Operating gain	$ 2,628,746	$ 485,724	$ 1,590,955	$ 1,499,390	$ 6,204,815
Adjustments to reconcile operating gain to net cash used by operating activities:					
Depreciation expense	1,432,139	709,335	822,567	669,168	3,633,209
Increase in other receivables	(474,216)	(14,082)	(102,372)	(242,058)	(832,728)
(Increase)/Decrease in intergovernmental receivables	233,401	11,224	23,330	(930,591)	(662,636)
Increase in prepaid items	(1,275)	(692)	(1,308)	(33,447)	(36,722)
Increase in deferred outflows related to pensions	(20,273)	(7,130)	(10,570)	(3,269)	(41,242)
Increase in deferred outflows related to OPEB	(2,537)	(1,651)	(1,811)	(930)	(6,929)
Increase/(Decrease) in accounts payable	167,485	(64,318)	29,603	112,750	245,520
Increase/(Decrease) in retainage payable	(4,358)	(26,978)	(14,504)	130,436	84,596
Increase in contracts payable	33,758	50,335	13,780	-	97,873
Decrease in escrow deposits	(1,457)	-	-	(423)	(1,880)
Increase/(Decrease) in compensated absences	79,839	29,166	(20,378)	24,937	113,564
Increase in accrued lanfill closure and postclosure care costs	-	1,592,401	-	-	1,592,401
Increase in net pension liability	227,296	145,113	153,889	77,019	603,317
Increase/(Decrease) in OPEB	2,034	(2,121)	(473)	(1,425)	(1,985)
Decrease in deferred assessments	(28,344)	-	-	181,425	153,081
Decrease in deferred inflows related to pensions	(182,217)	(165,891)	(150,272)	(92,441)	(590,821)
Decrease in deferred inflows related to OPEB	(4,435)	(3,356)	(3,419)	(1,915)	(13,125)
Total adjustments	1,456,840	2,251,355	738,062	(110,764)	4,335,493
Net cash provided by operating activities	$ 4,085,586	$ 2,737,079	$ 2,329,017	$ 1,388,626	$ 10,540,308

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT F-1
CITY OF LEBANON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Net Position
December 31, 2022

	Private Purpose Trust	All Custodial Funds	Total
ASSETS			
Cash and cash equivalents	$ 74,505	$ 634,822	$ 709,327
Investments	1,556,972	3,482,865	5,039,837
Intergovernmental	-	16,163,703	16,163,703
Total assets	1,631,477	20,281,390	21,912,867
LIABILITIES			
Intergovernmental payable	-	16,425,441	16,425,441
NET POSITION			
Unrestricted	$ 1,631,477	$ 3,855,949	$ 5,487,426

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT F-2
CITY OF LEBANON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2022

	Private Purpose Trust	All Custodial Funds	Total
ADDITIONS			
Contributions	$ 9,747	$ 60,440	$ 70,187
Investment earnings	33,324	42,897	76,221
Tax collections for other governments	-	39,333,204	39,333,204
State fees collected	-	820,810	820,810
Total additions	43,071	40,257,351	40,300,422
DEDUCTIONS			
Benefits paid	31,752	-	31,752
Change in fair market value	280,751	218,649	499,400
Administrative expenses	9,178	414,317	423,495
Payments of taxes to other governments	-	39,333,204	39,333,204
Payments of State fees	-	820,810	820,810
Total deductions	321,681	40,786,980	41,108,661
Change in net position	(278,610)	(529,629)	(808,239)
Net position, beginning	1,910,087	4,385,578	6,295,665
Net position, ending	$ 1,631,477	$ 3,855,949	$ 5,487,426

The Notes to the Basic Financial Statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lebanon, New Hampshire (the City), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the City's accounting policies are described below.

1-A Reporting Entity

The City of Lebanon is a municipal corporation governed by an elected City Council. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The City has no component units to include in its reporting entity.

1-B Basis of Accounting, and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

Governmental Fund Financial Statements – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The City has presented all major funds that met those qualifications. In addition, the City has presented the capital improvements fund as a major fund because the City believes the financial position and activities of this fund are significant to the City as a whole.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund – is the City's primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants, and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, welfare, culture and recreation, and debt service. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the expendable trust, grants, emergency management, Heritage, restricted, Community Development Block Grant, and American Rescue Plan Act funds are consolidated in the general fund.

Capital Improvements Fund – accounts for activity pertaining to multiple construction and renovation projects that are not reported in other funds.

Additionally, the City reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Funds – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the City. These can include legal trusts for which the interest on the corpus provides funds for the City's cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The City reports twelve nonmajor governmental funds.

Proprietary Fund Financial Statements – Include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are reported using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Sewage Collection and Disposal Fund – accounts for the operation of the wastewater treatment plant and the maintenance and replacement of the wastewater collection system and pump stations.

Solid Waste Disposal Fund – accounts for the operation and maintenance of the landfill, recycling facilities, and hazardous waste processing.

Water Treatment and Distribution Fund – accounts for the operation of the water treatment facilities, maintenance, and replacement of distribution system, water tanks, and pump stations.

Municipal Airport Fund – accounts for the operation and maintenance of the Lebanon Municipal Airport.

Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds are private purpose trust and custodial funds, which are custodial in nature. These funds are accounted for on a spending, or "economic resources" measurement focus and the accrual basis of accounting, as are the proprietary funds explained above.

The City reports the following fiduciary funds:

Private Purpose Trust Fund – is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Custodial Fund – is custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

1-C Cash and Cash Equivalents

The City considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-D Restricted Assets

Certain City assets are classified as restricted assets because their use is restricted by statutory limitation and/or they are earmarked for a specific purpose.

1-E Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

1-F Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the City to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the City. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Fair Value Measurements of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the City categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the City has the ability to access at the measurement date.

Level 2 – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency.

Level 3 – Inputs are significant unobservable inputs, using assumptions in determining the fair value of investments and derivative instruments.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, it is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the City and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* the City held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the City in accordance with the NHPDIP's Information Statement.

1-G Receivables

Receivables recorded in the financial statements represent amounts due to the City at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-H Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses/expenditures as the items are used. The nonspendable fund balance at the governmental fund level includes the amount of prepaid items at year-end to indicate the portion of the governmental fund balance that is nonspendable.

1-I Capital Assets

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets, which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, and in the proprietary funds. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the City as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position. Capital assets of the proprietary fund are capitalized in the fund and the cost basis for proprietary fund capital assets is the same as that used for general capital assets.

Capital assets are defined by the City as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Capital Asset Classes:	
Land improvements	20 - 30
Buildings and building improvements	20 - 30
Machinery and equipment	5 - 25
Infrastructure	50

1-J Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

1-K Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on June 8, 2022, and November 10, 2022, and were due on July 31, 2022, and December 31, 2022, respectively. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

In connection with the setting of the tax rate, City officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year-end. The property taxes collected by the City include taxes levied for the State of New Hampshire, Lebanon School District, and Grafton County, which are remitted to these entities as required by law.

The City net assessed valuation as of April 1, 2022, utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	$	2,737,088,398
Total assessment valuation without utilities	$	2,612,602,630

The tax rates and amounts assessed for the year ended December 31, 2022, were as follows:

	Per $1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	$ 8.62	$ 23,587,399
School portion:		
State of New Hampshire	1.14	2,971,751
Local	11.92	32,626,612
County portion	1.36	3,734,841
Total	$ 23.04	$ 62,920,603

1-L Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2022.

1-M Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

1-N Compensated Absences

Vacation **-** The City's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the City's personnel policy or collective bargaining agreement. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick Leave – Benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probably the benefits will result in termination payments. The liability is based on the City's experience of making termination payments.

1-O Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as an expense when the related liabilities are incurred.

1-P Leases

Lessor- The City is a lessor for several noncancellable leases of airport land and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

1-Q Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the City utilizes the following classifications to categorize the financial transactions:

> **Direct Borrowings** – financial transactions for a note or a loan where the City negotiates certain terms with a single lender and are not offered for public sale.
>
> **Direct Placements** – financial transactions for the sale of bonds where the City engages with a single buyer or limited number of buyers without a public offering.

1-R Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73,* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by the New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-S Postemployment Benefits Other Than Pensions

The City maintains two separate other postemployment benefit plans (OPEB), as follows:

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-T Net Position/Fund Balances

Government-wide Statements, Proprietary Funds, and Fiduciary Funds – Equity is classified as net position and displayed in three components:

> **Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
>
> **Restricted net position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.
>
> **Unrestricted net position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

> **Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items); or (b) are legally or contractually required to be maintained intact.
>
> **Restricted** – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
>
> **Committed** – Amounts that can be used only for specific purposes determined by a vote of the City Council. These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
>
> **Assigned** – Amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Manager through the budgetary process.
>
> **Unassigned** – Amounts that are available for any purpose. Positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the City's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

It is the goal of the City to maintain an unassigned fund balance of 19% to 24% of current general fund budgeted expenditure activity. The City considers a balance of less than 19% to be a cause for concern and, taking into account factors or circumstances that may require a higher than normal maximum level of unassigned fund balance, a balance of more than 24% as excessive. An amount in excess of 24% may be considered to reduce tax levy requirements determined in conjunction with the annual budget process, as a capital improvement funding component, for reservation to accumulate funding for future capital improvements, or for any legal purpose deemed appropriate and desirable by the City Council. In the event unassigned fund balance is less than 15%, restorative steps shall be taken in the immediate and subsequent fiscal years.

1-U Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts and taxes receivable, the useful lives and impairment of tangible and intangible capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, and accrued landfill closure and postclosure care costs, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations. The City Council adopts a budget for the current year for the general, emergency management, and capital improvement governmental funds, as well as sewage collection and disposal, solid waste disposal, water treatment and distribution, and municipal airport proprietary funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The head of any department, with the written approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within their department to another fund or agency within their department. Expenditures may not legally exceed budgeted appropriations in total. Except for capital improvements, all annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2022, $1,078,461 of the beginning general fund unassigned fund balance was applied for this purpose. In addition, $2,771,450 was voted from unassigned fund balance to fund supplemental appropriations.

2-B Budgetary Reconciliation to GAAP Basis

While the City reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the general fund.

Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

	General
Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	$ 35,518,884
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record income of the blended funds	762,486
To eliminate transfers between blended funds	(278,339)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(269,781)
Per Exhibit C-3 (GAAP basis)	$ 35,733,250

(Continued)

Budgetary reconciliation to GAAP basis continued:

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	$ 36,840,334
Adjustment:	
Basis differences:	
Encumbrances, beginning	2,539,690
Encumbrances, ending	(1,420,168)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	801,271
Per Exhibit C-3 (GAAP basis)	$ 38,761,127

2-C Deficit Fund Balance

The capital improvements fund had a deficit fund balance of $13,455 at December 31, 2022. This deficit will be financed through future bond/note proceeds as well as transfers from the expendable trust funds.

2-D Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of implementation of this Statement, prior year capital leases payable were reclassified as notes payable. In addition, the municipal airport and business-type activities now report lease receivables and offsetting deferred inflows of resources for the remaining balances of noncancellable lease receivables. However, there were no restatements to the beginning net position or fund balance. See Note 14, Lease Receivables, for further information.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The City's deposits are covered by covered by the Federal Depository Insurance Corporation (FDIC). The FDIC currently insures the first $250,000 of the City's deposits at each financial institution, per case custodian. The City utilizes Insured Cash Sweep accounts, which ensure that all bank balances are covered by the FDIC. As of year-end, the carrying amount of the City's deposits was $51,198,135 and the bank balances totaled $51,123,927. Petty cash totaled $2,340.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	$ 50,488,808
Cash per Statement of Net Position - Fiduciary Fund (Exhibit F-1)	709,327
Total cash and cash equivalents	$ 51,198,135

NOTE 4 – RESTRICTED ASSETS

The following assets are classified as restricted because of the statutory limitation placed on their use as they are earmarked for a specific purpose:

Cash and cash equivalents:	
General fund:	
Expendable trust	$ 162,714
Grants	64,503
Emergency management	165,422
Heritage	31,560
Restricted funds	1,224,192
American Rescue Plan Act	218,193
Total restricted cash and cash equivalents	1,866,584
Investments:	
General fund:	
Expendable trust	1,294,654
Accounts receivable:	
General fund:	
Grants	30,056
Total restricted assets	$ 3,191,294

NOTE 5 – INVESTMENTS

Note 1-F describes statutory requirements covering the investment of the City funds. The City holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The City has the following recurring fair value measurements and maturities as of December 31, 2022:

	Valuation Measurement Method	Reported Balance	Less Than 1 Year	1-5 Years	Exempt from Disclosure
Investment type:					
Equities	Level 1	$ 3,513,799	$ -	$ -	$ 3,513,799
Fixed income	Level 1	14,175,559	950,889	3,996,275	9,228,395
Mutual funds	Level 1	1,231,093	-	-	1,231,093
Total fair value		18,920,451	$ 950,889	$ 3,996,275	$ 13,973,287
Investments carried at amortized cost:					
New Hampshire Public Deposit Investment Pool		11,749			
	Total invesments	$ 18,932,200			

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City's Trustees of Trust Funds investment policy limits investment maturities for capital reserve funds to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The City's Trustees of Trust Funds investment policy limits capital reserve investments to the highest grade domestic fixed investments (U.S. treasuries and agencies) and/or in a suitable money market fund or mutual fund, including exchange traded funds, as a means of managing credit risk. For trust funds, the policy specifies that not more than 50%, nor less than 30%, of the portfolio should be invested in equities; of which not more than 90%, nor less than 70%, in an S&P 500 Index fund, 10% to 30% international index funds and 0% to 15% in small- and mid-cap index funds.

Not more than 70% nor less than 50% of the portfolio should be invested in diversified fixed income pools or funds representative of the broad U.S. government and corporate market. The cash balance, which composes the rest, should range between 0% and 10% of the total trust fund balance.

Investments Type	Reported Balance	Exempt from Disclosure	Ratings as of Year-end AA+	Ratings as of Year-end Other
Investment type:				
Equities	$ 3,513,799	$ 3,513,799	$ -	$ -
Fixed income	14,175,559	9,228,396	4,599,190	347,973
Mutual funds	1,231,093	1,231,093	-	-
New Hampshire Public Deposit Investment Pool	11,749	11,749	-	-
Total fair value	$ 18,932,200	$ 13,985,037	$ 4,599,190	$ 347,973

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have custodial credit risk policies for investments.

Concentration of Credit Risk – The City's Trustees of Trust Funds investment policy limits the amount it may invest in any one issuer to not more than 10% of the total trust fund balance, excepting U.S. obligations and mutual funds. There are no issuers that exceeded 5% of the City's total investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	$ 13,892,363
Investments per Statement of Net Position - Fiduciary Funds (Exhibit F-1)	5,039,837
Total investments	$ 18,932,200

NOTE 6 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2022. The amount in the governmental activities has been reduced by an allowance for an estimated uncollectible amount of $150,000, which is removed in the general fund due to the deferral of tax receivables not collected within 60 days of year-end. Taxes receivable by year are as follows:

	As reported on: Exhibit A	As reported on: Exhibit C-1
Property:		
Levy of 2022	$ 1,949,545	$ 1,949,545
Unredeemed (under tax lien):		
Levy of 2021	911,980	911,980
Levy of 2020	86,825	86,825
Levies of 2019 and prior	55,542	55,542
Yield	5,124	5,124
Less: allowance for estimated uncollectible taxes	(150,000) *	-
Net taxes receivable	$ 2,859,016	$ 3,009,016

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 7 – OTHER RECEIVABLES

Receivables at December 31, 2022, consisted of accounts (billings for police details, water, sewer, ambulance, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of December 31, 2022 for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total Government-wide
Receivables:			
Accounts	$ 1,846,736	$ 1,416,225	$ 3,262,961
Intergovernmental	547,283	6,298,927	6,846,210
Voluntary tax liens	9,804	-	9,804
Gross receivables	2,403,823	7,715,152	10,118,975
Less: allowance for uncollectibles	(1,330,290)	-	(1,330,290)
Net total receivables	$ 1,073,533	$ 7,715,152	$ 8,788,685

	Proprietary Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total Proprietary Funds
Receivables:					
Accounts	$ 579,421	$ 388,428	$ 132,675	$ 315,701	$ 1,416,225
Intergovernmental	4,441,571	-	381,594	1,475,762	6,298,927
Net total receivables	$ 5,020,992	$ 388,428	$ 514,269	$ 1,791,463	$ 7,715,152

	Governmental Funds		Total Governmental Funds	Fiduciary Funds
	General	Nonmajor		
Receivables:				
Accounts	$ 1,799,863	$ 16,817	$ 1,816,680	$ -
Restricted	30,056	-	30,056	-
Intergovernmental	38,491	-	38,491	16,163,703 [1]
Voluntary tax liens	9,804	-	9,804	-
Gross receivables	1,878,214	16,817	1,895,031	16,163,703
Less: allowance for uncollectibles	(1,330,290)	-	(1,330,290)	-
Net total receivables	$ 547,924	$ 16,817	$ 564,741	$ 16,163,703

[1] Fiduciary Funds – Intergovernmental receivables represent property taxes collected on behalf of the Lebanon School District. These amounts are collected and are part of the City's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 11.

NOTE 8 – PREPAID ITEMS

Prepaid items at December 31, 2022 consisted of the following:

	Government-wide Statements		Governmental Funds		Proprietary Funds			
	Governmental Activities	Business-type Activities	General	Capital Improvements	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
Insurance	$ 297,726	$ 41,099	$ 297,726	$ -	$ 9,012	$ 5,249	$ 10,602	$ 16,236
Other	101,731	79,667	91,731	10,000	-	-	750	78,917
Total	$ 399,457	$ 120,766	$ 389,457	$ 10,000	$ 9,012	$ 5,249	$ 11,352	$ 95,153

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	$ 7,629,286	$ 73,150	$ -	$ 7,702,436
Intangible assets	189,570	395,250	-	584,820
Construction in progress	15,936,229	1,779,996	(9,219,827)	8,496,398
Total capital assets not being depreciated	23,755,085	2,248,396	(9,219,827)	16,783,654
Being depreciated:				
Land improvements	3,744,468	331,376	-	4,075,844
Buildings and building improvements	28,975,645	3,004,677	(11,561)	31,968,761
Machinery and equipment	15,116,759	229,182	-	15,345,941
Infrastructure	86,969,699	8,826,094	-	95,795,793
Total capital assets being depreciated	134,806,571	12,391,329	(11,561)	147,186,339
Total all capital assets	158,561,656	14,639,725	(9,231,388)	163,969,993
Less accumulated depreciation:				
Land improvements	(2,498,930)	(117,840)	-	(2,616,770)
Buildings and building improvements	(9,493,956)	(575,241)	8,093	(10,061,104)
Machinery and equipment	(7,172,833)	(879,256)	-	(8,052,089)
Infrastructure	(25,641,572)	(1,745,939)	-	(27,387,511)
Total accumulated depreciation	(44,807,291)	(3,318,276)	8,093	(48,117,474)
Net book value, capital assets being depreciated	89,999,280	9,073,053	(3,468)	99,068,865
Net book value, all governmental activities capital assets	$ 113,754,365	$ 11,321,449	$ (9,223,295)	$ 115,852,519
Business-type activities:				
At cost:				
Not being depreciated:				
Land	$ 809,968	$ -	$ -	$ 809,968
Intangible assets	545,054	90,000	-	635,054
Construction in progress	10,518,684	7,691,068	(4,420,522)	13,789,230
Total capital assets not being depreciated	11,873,706	7,781,068	(4,420,522)	15,234,252
Being depreciated:				
Land improvements	45,641,150	65,804	-	45,706,954
Buildings and building improvements	42,346,728	3,790,277	-	46,137,005
Machinery and equipment	9,756,592	597,743	(21,560)	10,332,775
Infrastructure	82,516,837	-	-	82,516,837
Total capital assets being depreciated	180,261,307	4,453,824	(21,560)	184,693,571
Total all capital assets	192,135,013	12,234,892	(4,442,082)	199,927,823
Less accumulated depreciation:				
Land improvements	(33,815,415)	(855,310)	-	(34,670,725)
Buildings and building improvements	(16,584,407)	(813,071)	-	(17,397,478)
Machinery and equipment	(5,354,334)	(441,739)	19,404	(5,776,669)
Infrastructure	(25,065,814)	(1,523,089)	-	(26,588,903)
Total accumulated depreciation	(80,819,970)	(3,633,209)	19,404	(84,433,775)
Net book value, capital assets being depreciated	99,441,337	820,615	(2,156)	100,259,796
Net book value, all business-type activities capital assets	$ 111,315,043	$ 8,601,683	$ (4,422,678)	$ 115,494,048

Depreciation expense was charged to functions of the City based on their usage of the related assets. The amounts allocated to each function are as follows:

Governmental activities:		
General government	$	64,850
Public safety		566,224
Highways and streets		2,417,741
Culture and recreation		250,267
Conservation		19,194
Total depreciation expense	$	3,318,276
Business-type activities:		
Sewage collection and disposal	$	1,432,139
Solid waste disposal		709,335
Water treatment and distribution		822,567
Municipal airport		669,168
Total depreciation expense	$	3,633,209

NOTE 10 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Municipal airport	$ 241,493
General	Nonmajor governmental	51,140
Nonmajor governmental	General	5,034
		$ 297,667

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2022 is as follows:

	Transfers In	Transfers Out	Cumulative Transfers
Major governmental funds:			
General	$ 1,882,286	$ (1,109,890)	$ 772,396
Capital improvements	1,695,176	-	1,695,176
Nonmajor governmental funds	154,884	(626,184)	(471,300)
Total governmental funds	3,732,346	(1,736,074)	1,996,272
Major proprietary funds:			
Sewage collection and disposal	-	(674,175)	(674,175)
Solid waste disposal	-	(1,170,447)	(1,170,447)
Water treatment and distribution	250,920	(316,345)	(65,425)
Municipal airport	-	(86,225)	(86,225)
Total proprietary funds	250,920	(2,247,192)	(1,996,272)
Total	$ 3,983,266	$ (3,983,266)	$ -

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 11 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at December 31, 2022, consist of the following:

	Governmental Activities	Governmental Funds General	Fiduciary Funds Custodial Funds
Property taxes due to the custodial funds	$ 16,163,703	$ 16,163,703	$ -
Balance due to the New Hampshire Retirement System	519,040	519,040	-
Fees due to the State of New Hampshire	7,113	7,113	-
Property taxes due to the Lebanon School District	-	-	16,163,703 [2]
Impact fees due to the Lebanon School District	-	-	261,738
Total intergovernmental payables due	$ 16,689,856	$ 16,689,856	$ 16,425,441

[2] Property taxes due to the Lebanon School District represent amounts collected by the City that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 12 – CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2022. The projects include street construction, water and sewer improvements, sidewalk construction, and other capital improvements. At year-end, the City's commitments with contractors for work are as follows:

	Retainage Payable	Contracts Payable
Governmental funds:		
General fund	$ 20,663	$ -
Capital improvements	442,074	621,839
Total governmental funds	462,737	621,839
Proprietary funds:		
Sewage collection and disposal	90,871	47,634
Solid waste disposal	-	72,840
Water treatment and distribution	105,342	35,019
Municipal airport	130,436	-
Total proprietary funds	326,649	155,493
Total	$ 789,386	$ 777,332

The remaining balances of uncompleted construction contracts at December 31, 2022, are as follows:

	Total Contracts	Spent to Date	Remaining Commitment
Governmental fund:			
Capital improvements	$ 3,552,390	$ 1,190,078	$ 2,362,312
Proprietary funds:			
Sewage collection and disposal	2,055,727	658,884	1,396,843
Solid waste disposal	5,274,061	3,557,997	1,716,064
Water treatment and distribution	282,351	73,523	208,828
Municipal airport	2,853,202	2,291,155	562,047
Total proprietary funds	10,465,341	6,581,559	3,883,782
Total	$ 14,017,731	$ 7,771,637	$ 6,246,094

NOTE 13 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Government-wide Statements		
	Governmental Activities	Business-type Activities	Total
Amounts related to pensions (see Note 16)	$ 4,836,888	$ 498,930	$ 5,335,818
Amounts related to other postemployment benefits (see Note 17)	260,307	39,031	299,338
Total	$ 5,097,195	$ 537,961	$ 5,635,156

	Proprietary Funds			
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
Amounts related to pensions (see Note 16)	$ 161,987	$ 135,312	$ 126,986	$ 74,645
Amounts related to other postemployment benefits (see Note 17)	13,198	10,021	10,133	5,679
Total	$ 175,185	$ 145,333	$ 137,119	$ 80,324

Deferred inflows of resources are as follows:

	Government-wide Statements		Governmental Fund
	Governmental Activities	Business-type Activities	General
Unavailable revenue - Property taxes	$ -	$ -	$ 777,155
Unavailable revenue - Grants received in advance	1,210,321	-	1,210,321
Debt forgiveness	1,797,538	3,599,237	-
Deferred revenue	-	232,228	-
Amounts related to leases (see Note 14)	-	1,761,106	-
Amounts related to pensions (see Note 16)	463,481	47,809	-
Amounts related to other postemployment benefits (see Note 17)	425,969	78,912	-
	$ 3,897,309	$ 5,719,292	$ 1,987,476

	Proprietary Funds			
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
Debt forgiveness	$ 1,590,883	$ 6,605	$ 2,001,749	$ -
Deferred revenue	-	-	-	232,228
Amounts related to leases (see Note 14)	-	-	-	1,761,106
Amounts related to pensions (see Note 16)	15,522	12,966	12,168	7,153
Amounts related to other postemployment benefits (see Note 17)	27,131	19,781	20,656	11,344
	$ 1,633,536	$ 39,352	$ 2,034,573	$ 2,011,831

NOTE 14 – LEASE RECEIVABLES

The Town had the following lease receivables as of December 31, 2022:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Receivable at December 31, 2022
Business-type activities:					
Big Green Aviation	$ 396,084	2019	2031	0.00%	$ 344,192
Alpha Sierra	$ 1,564,672	2016	2048	0.00%	1,271,300
GSA Fort Worth	$ 136,220	2022	2027	0.00%	13,622
Cape Air	$ 205,956	2021	2024	0.00%	133,321
				Total lease receivables	$ 1,762,435

The annual requirements to amortize all lease receivables outstanding as of December 31, 2022, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal
2023	$ 164,401
2024	150,010
2025	89,410
2026	89,410
2027	89,410
2028-2032	397,458
2033-2037	244,480
2038-2042	244,480
2043-2047	244,480
2048	48,896
Totals	$ 1,762,435

NOTE 15 – LONG-TERM LIABILITIES

Changes in the City's long-term liabilities consisted of the following for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Governmental activities:						
Bonds payable:						
Direct placements	$ 29,823,316	$ 3,256,480	$ (2,956,844)	$ 30,122,952	$ 2,997,462	$ 27,125,490
Notes/loans payable - direct borrowings	8,598,230	742,400	(430,152) *	8,910,478	569,709	8,340,769
Premium	2,847,494	363,520	(198,727)	3,012,287	198,727	2,813,560
Total bonds/notes payable	41,269,040	4,362,400	(3,585,723)	42,045,717	3,765,898	38,279,819
Compensated absences	2,265,285	2,010,741	-	4,276,026	164,284	4,111,742
Net pension liability	20,498,451	5,602,161	-	26,100,612	-	26,100,612
Net other postemployment benefits	2,723,623	2,451	(44,626)	2,681,448	-	2,681,448
Total long-term liabilities	$ 66,756,399	$ 11,977,753	$ (3,630,349)	$ 75,103,803	$ 3,930,182	$ 71,173,621

Water Pollution Control Revolving Fund Program – Included in the $430,152 notes/loans reduction is $111,360 of one-time principal forgiveness related to a loan received under the Clean Water State Revolving Fund Program. The loan was consolidated by promissory note upon completion of the project. The total loan amount issued was $742,400 (in the governmental activities), of which $111,360, or 15.0%, was forgiven in the form of federal financial assistance.

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Business-type activities:						
Bonds payable:						
Direct placements	$ 15,891,308	$ 863,520	$ (1,693,206)	$ 15,061,622	$ 1,753,313	$ 13,308,309
Notes/loans payable - direct borrowings	30,084,427	1,113,600	(799,465) *	30,398,562	2,028,907	28,369,655
Premium	1,405,824	96,480	(107,469)	1,394,835	107,469	1,287,366
Total bonds/notes payable	47,381,559	2,073,600	(2,600,140)	46,855,019	3,889,689	42,965,330

(Continued)

Long-term liabilities continued:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Compensated absences	276,781	133,942	(20,378)	390,345	38,175	352,170
Accrued landfill closure and postclosure care costs	10,695,688	1,592,401	-	12,288,089	162,010	12,126,079
Net pension liability	2,088,986	603,317	-	2,692,303	-	2,692,303
Net other postemployment benefits	359,350	2,332	(4,317)	357,365	-	357,365
Total long-term liabilities	$ 60,802,364	$ 4,405,592	$ (2,624,835)	$ 62,583,121	$ 4,089,874	$ 58,493,247

***Water Pollution Control Revolving Fund Program** – Included in the $799,465 notes/loans reduction is $167,040 of one-time principal forgiveness related to a loan received under the Clean Water State Revolving Fund Program. The loan was consolidated by promissory note upon completion of the project. The total loan amount issued was $1,113,600 ($556,800 in the sewage collection and disposal proprietary fund and $556,800 in the water treatment and distribution proprietary fund), of which $167,040 ($83,520 in the sewage collection and disposal proprietary fund and $83,520 in the water treatment and distribution proprietary fund), or 15.0% (15.0% in the sewage collection and disposal proprietary fund and 15.0% in the water treatment and distribution proprietary fund) was forgiven in the form of federal financial assistance.

Long-term bonds/notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2022	Current Portion
Governmental activities:						
Bonds payable - direct placements:						
NHMBB03C	$ 1,118,620	2003	2023	4.00-6.00	$ 55,660	$ 55,660
NHMBB04B	$ 3,506,098	2004	2024	3.00-5.00	344,286	172,143
NHMBB05B	$ 4,583,082	2005	2025	4.00-4.50	675,000	225,000
NHMBB06A	$ 4,441,665	2006	2026	4.50-5.00	880,000	220,000
NHMBB07B	$ 6,584,511	2007	2027	4.00-4.75	1,493,000	298,600
NHMBB08A	$ 2,396,404	2008	2028	4.00-4.125	417,150	69,525
NHMBB09C	$ 3,836,780	2009	2029	3.02-5.02	841,000	121,000
NHMBB10B	$ 3,948,393	2010	2030	3.823	1,553,960	197,370
NHMBB11B	$ 3,651,784	2011	2031	3.55	1,530,000	170,000
NHMBB12B	$ 428,374	2012	2032	2.57-3.18	203,600	20,360
NHMBB14A	$ 655,000	2014	2024	5.10	130,000	65,000
NHMBB16B	$ 1,819,100	2016	2036	2.51	1,260,000	90,000
NHMBB17B	$ 1,856,400	2017	2037	2.52	1,280,000	115,000
NHMBB18B	$ 2,905,400	2018	2038	3.20	2,229,000	164,000
NHMBB20A	$ 7,148,900	2020	2040	2.12	6,385,000	375,000
NHMBB20B	$ 7,239,292	2020	2040	1.64	6,423,816	408,804
NHMBB21C	$ 1,229,070	2021	2041	2.10-5.10	1,165,000	67,000
NHMBB22C	$ 3,256,480	2022	2042	4.10-5.10	3,256,480	163,000
Total direct placements					30,122,952	2,997,462

(Continued)

Long-term bonds/notes continued:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2022	Current Portion
Notes/loans payable - direct borrowings:						
SRF CS-333092-05	$ 2,912,891	2014	2034	3.392	814,388	74,035
SRF CS-330092-07 CSO	$ 1,272,534	2016	2036	2.00	780,458	55,747
SRF CS-330092-08 CSO	$ 1,280,000	2017	2036	2.00	784,000	56,000
SRF CS-330092-10 CSO	$ 728,283	2018	2037	2.70	491,595	32,773
SRF CS-1321010-02 CSO	$ 800,000	2019	2039	1.70	605,147	35,597
Mascoma Bank vehicle note	$ 84,863	2019	2023	2.99	16,972	16,972
SRF CS-330092-11 CSO	$ 4,489,689	2020	2040	2.00	3,636,648	202,036
SRF DWGT-17 CSO	$ 74,615	2021	2040	2.424	62,065	2,791
SRF CS-330092-12 CSO	$ 1,381,845	2021	2040	2.00	1,119,717	62,206
SRF CS-330092-14	$ 742,400	2022	2041	2.00	599,488	31,552
Total direct borrowings					8,910,478	569,709
Bond premiums					3,012,287	198,727
Total					$ 42,045,717	$ 3,765,898
Business-type activities:						
Bonds payable - direct placements:						
NHMBB03C	$ 1,769,210	2003	2023	4.00-6.00	$ 19,340	$ 19,340
NHMBB04B	$ 1,281,902	2004	2024	3.00-5.00	55,714	27,857
NHMBB05B	$ 1,254,393	2005	2025	4.00-4.50	180,000	60,000
NHMBB06A	$ 2,070,164	2006	2026	4.50-5.00	410,000	105,000
NHMBB07B	$ 2,362,489	2007	2027	4.00-4.75	702,000	136,400
NHMBB08A	$ 2,030,611	2008	2028	4.00-4.125	632,850	105,475
NHMBB09C	$ 1,370,220	2009	2029	3.02-5.02	474,000	69,000
NHMBB10B	$ 3,152,607	2010	2030	3.823	1,261,040	157,630
NHMBB11B	$ 4,720,716	2011	2031	3.55	2,115,000	235,000
NHMBB12B	$ 4,306,526	2012	2032	2.57-3.18	936,400	329,640
NHMBB13C	$ 2,207,000	2013	2033	4.10-5.60	1,185,000	110,000
NHMBB18B	$ 1,629,000	2018	2038	3.20	1,296,000	81,000
NHMBB20B	$ 2,993,133	2020	2040	1.64	2,690,758	150,771
NHMBB21C	$ 2,360,980	2021	2041	2.10-5.10	2,240,000	123,000
NHMBB22C	$ 3,256,480	2022	2042	4.10-5.10	863,520	43,200
Total direct placements					15,061,622	1,753,313

(Continued)

Long-term bonds/notes continued:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2022	Current Portion
Notes/loans payable - direct borrowings:						
SRF CS-330092-03	$ 1,576,416	2008	2028	2.352	472,924	78,821
2012 SRF/ARRA	$ 1,294,062	2011	2031	3.55	349,694	34,613
SRF CS-333092-05	$ 4,369,336	2014	2034	3.392	1,221,584	111,053
SRF CS-330092-07 CSO	$ 1,908,801	2016	2036	2.00	1,170,690	83,620
SRF CS-330092-04	$ 11,541,564	2016	2036	2.00	8,079,091	577,078
SRF CS-330092-06	$ 1,904,452	2016	2036	2.00	1,071,709	76,551
SRF CS-330092-08 CSO	$ 1,920,000	2017	2036	2.00	1,176,000	84,000
SRF #1321010-01	$ 200,000	2017	2036	1.96	148,867	9,266
SRF CS-330092-09	$ 4,672,089	2017	2037	2.42	3,504,068	233,604
SRF CS-330092-10 CSO	$ 1,092,424	2018	2037	2.70	737,386	49,160
SRF CS-1321010-02 CSO	$ 1,200,000	2019	2039	1.70	907,721	53,396
SRF CS-330092-11 CSO	$ 7,440,093	2020	2040	2.00	6,026,472	334,804
SRF DWGT-17 CSO	$ 111,923	2021	2040	2.424	93,098	4,188
SRF CS-330092-12 CSO	$ 2,072,768	2021	2040	2.00	1,679,575	93,310
SRF DWGT-23	$ 3,400,000	2021	2041	3.38	2,621,467	100,148
John Deere wheel loader	$ 358,500	2021	2026	2.00	238,984	57,967
SRF CS-330092-14	$ 742,400	2022	2041	2.00	899,232	47,328
Total direct borrowings					30,398,562	2,028,907
Bond premiums					1,394,835	107,469
Total					$ 46,855,019	$ 3,889,689

The annual requirements to amortize all general obligation bonds/notes outstanding as of December 31, 2022, including interest payments, are as follows:

Governmental activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 2,997,462	$ 1,252,848	$ 4,250,310	$ 569,709	$ 144,721	$ 714,430
2024	2,937,114	1,094,465	4,031,579	552,807	134,795	687,602
2025	2,694,971	952,349	3,647,320	552,875	125,376	678,251
2026	2,429,971	822,446	3,252,417	552,946	115,957	668,903
2027	2,202,871	704,625	2,907,496	553,018	106,538	659,556
2028-2032	8,056,514	2,192,880	10,249,394	2,766,246	391,411	3,157,657
2033-2037	5,789,559	899,738	6,689,297	2,360,458	171,010	2,531,468
2038-2042	3,014,490	189,645	3,204,135	1,002,419	27,587	1,030,006
Totals	$ 30,122,952	$ 8,108,996	$ 38,231,948	$ 8,910,478	$ 1,217,395	$ 10,127,873

(Continued)

Long-term bonds/notes continued:

Business-type activities:

Fiscal Year Ending	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 1,753,313	$ 633,700	$ 2,387,013	$ 2,028,907	$ 526,726	$ 2,555,633
2024	1,739,087	549,366	2,288,453	2,034,728	492,195	2,526,923
2025	1,406,230	470,174	1,876,404	2,040,736	457,489	2,498,225
2026	1,346,230	406,043	1,752,273	2,046,917	422,606	2,469,523
2027	1,243,230	342,828	1,586,058	1,990,488	387,541	2,378,029
2028-2032	4,318,986	993,685	5,312,671	9,675,258	1,440,274	11,115,532
2033-2037	2,065,241	338,869	2,404,110	8,276,578	673,662	8,950,240
2038-2042	1,189,305	71,809	1,261,114	2,304,950	125,732	2,430,682
Totals	$ 15,061,622	$ 3,806,474	$ 18,868,096	$ 30,398,562	$ 4,526,225	$ 34,924,787

Accrued Landfill Closure and Postclosure Care Costs – Federal and State laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future closure and postclosure care costs that will be incurred. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill closure and postclosure care costs has a balance of $12,288,089 as of December 31, 2022, which is based on $7,427,789 of closure costs for the open landfills and $4,860,300 of postclosure maintenance costs ($162,010 per year over a period of 30 years). The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2022. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The City expects to finance the closure and postclosure care costs through contemporaneous setting aside of sufficient amounts in a capital reserve fund. As of December 31, 2022, this capital reserve fund had a balance $8,684,803.

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Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2022 were as follows:

Per City Meeting Vote of	Purpose	Unissued Amount	Responsible Fund
2015	Packard Hill bridge	$ 100,000	General
2018	CSO Separation and Utility replacement	2,426,672	General/water treatment and distribution/sewage collection and disposal
2018	Lebanon Police Department HVAC repair and upgrade	50,000	General
2018	Streets rehabilitation/reconstruction	255,000	General/sewage collection and disposal
2019	Packard Hill bridge	120,000	General
2019	Hanover Street/Route 120 bridge	275,000	General
2019	CSO Separation and Utility replacement	2,220,687	General/water treatment and distribution/sewage collection and disposal
2019	Mechanic/High/Mascoma Streets intersection	700,000	General
2019	Radio communications repeater replacement	170,000	General
2019	Water treatment facility improvements	20,000	Water treatment and distribution
2019	Asset management program	120,000	Sewage collection and disposal
2020	Airport TIF District infrastructure improvements	123,075	General
2020	Miracle Mile pedestrian transit improvements	200,000	General
2020	Hanover Street reconstruction	355,000	General
2020	Huber sludge dewatering press	1,100,000	Sewage collection and disposal
2020	Lanfill gas to energy project	1,500,000	Solid waste disposal
2021	Airport TIF District infrastructure improvements	456,625	Airport
2021	Lebanon Library Renovation - Design/Engr/Constr.	1,200,210	General
2021	Kimball Street infrastructure improvements	102,900	General/water treatment and distribution/sewage collection and disposal
2021	Spencer Street Improvements	1,000,000	General
2021	Huber Sludge Dewatering Process	275,000	Sewage collection and disposal
2021	Mill Rd Slope Stabilization	100,000	Sewage collection and disposal
2022	Kimball Street infrastructure improvements	3,405,000	General/water treatment and distribution/sewage collection and disposal
2022	Trues Brook Road bridge replacement	820,000	General
2022	Mack Ave infrastructure improvements	200,000	General/water treatment and distribution/sewage collection and disposal
2022	Forest Ave reconstruction	150,000	General/water treatment and distribution/sewage collection and disposal
2022	Roadway improvements - Miracle Mile SRF	900,000	General
2022	West Lebanon capital improvements	200,000	General
2022	Water system improvements - Miracle Mile SRF	1,800,000	Water treatment and distribution
2022	Water system improvements - Mechanic Street	300,000	Water treatment and distribution
2022	Landfill gas and collection control system	137,800	Solid waste disposal
2022	Lanfill gas to energy project	1,362,060	Solid waste disposal
		$ 22,145,029	

NOTE 16 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time State employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of January 1, 2012	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Members of both groups may qualify for vested deferred allowances, disability allowances, and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Contributions - The System is financed by contributions from both the employees and the City. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and firefighters) members contribute 11.55% and 11.80%, respectively. For fiscal year 2022, the City contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was $3,036,180, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2022, the City reported a liability of $28,792,915 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the City's proportion was 0.50%, which was a decrease of 0.01% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized pension expense of $2,737,155. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	$ 495,301	$ 363,285	$ 51,091	$ 37,473	$ 546,392	$ 400,758
Changes in assumptions	1,388,344	-	143,209	-	1,531,553	-
Net difference between projected and actual investment earnings on pension plan investments	989,180	-	102,035	-	1,091,215	-
Differences between expected and actual experience	489,862	100,196	50,530	10,336	540,392	110,532
Contributions subsequent to the measurement date	1,474,201	-	152,065	-	1,626,266	-
Total	$ 4,836,888	$ 463,481	$ 498,930	$ 47,809	$ 5,335,818	$ 511,290

The $1,626,266 ($1,474,201 in the governmental activities and $152,065 in the business-type activities) reported as deferred outflows of resources related to pensions results from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2023	$ 1,038,929	$ 107,167	$ 1,146,096
2024	951,471	98,145	1,049,616
2025	(390,811)	(40,312)	(431,123)
2026	1,299,617	134,056	1,433,673
Totals	$ 2,899,206	$ 299,056	$ 3,198,262

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly, apply to 2022 measurements:

Inflation:	2.0%
Salary increases:	5.4% average, including inflation
Wage inflation:	2.75% (2.25% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long–term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Governmental activities	June 30, 2022	$ 35,020,443	$ 26,100,612	$ 18,684,601
Business-type activities	June 30, 2022	3,612,392	2,692,303	1,927,334
		$ 38,632,835	$ 28,792,915	$ 20,611,935

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

17-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2022 Annual Comprehensive Financial Report, which can be found on the System's website at www.nhrs.org.

Benefits Provided - Benefit amounts and eligibility requirements for the OPEB Plan are set by State law (RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers, and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2022 were as follows:

For qualified retirees not eligible for Medicare, the amounts were $375.56 for a single-person plan and $751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were $236.84 for a single-person plan and $473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was $219,205, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At December 31, 2022, the City reported a liability of $1,872,765 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the City's proportion was 0.50%, which was an increase of 0.02% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized OPEB expense of $132,680. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	$ 4,639	$ -	$ 479	$ -	$ 5,118	$ -
Contributions subsequent to the measurement date	107,315	-	11,069	-	118,384	-
Total	$ 111,954	$ -	$ 11,548	$ -	$ 123,502	$ -

The $118,384 ($107,315 in the governmental activities and $11,069 in the business-type activities) reported as deferred outflows of resources related to OPEB results from the City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2023	$ 771	$ 80	$ 851
2024	200	21	221
2025	(1,825)	(188)	(2,013)
2026	5,493	566	6,059
Totals	$ 4,639	$ 479	$ 5,118

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021, and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long–term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the City's Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the City's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Governmental activities	June 30, 2022	$ 1,843,087	$ 1,697,650	$ 1,570,984
Business-type activities	June 30, 2022	190,117	175,115	162,049
		$ 2,033,204	$ 1,872,765	$ 1,733,033

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

17-B City of Lebanon Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The City provides postemployment healthcare benefits for certain eligible retirees. The City provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	59
Active employees	176
Total participants covered by OPEB plan	235

Total OPEB Liability – The City's total OPEB liability of $1,166,048 was measured as of January 1, 2022, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of $1,166,048 in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.72%
Healthcare Cost Trend Rates:	
Current Year Trend	7.0%
Second Year Trend	6.5%
Decrement	0.5%
Ultimate Trend	4.5%
Year Ultimate Trend is Reached	2027

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2022.

Mortality rates were based on the RPH-2014 Total Dataset headcount-weighted fully generational mortality table with projection scale MP-2019.

Changes in the Total OPEB Liability

	Governmental Activities	Business-type Activities	Total
OPEB liability, beginning of year	$ 981,347	$ 181,796	$ 1,163,143
Changes for the year:			
Service cost	45,140	8,362	53,502
Interest	22,827	4,229	27,056
Assumption changes and difference between actual and expected experience	(1,408)	(261)	(1,669)
Benefit payments	(64,108)	(11,876)	(75,984)
OPEB liability, end of year	$ 983,798	$ 182,250	$ 1,166,048

Sensitivity of the City's OPEB Liability to Changes in the Discount Rate – The January 1, 2022, actuarial valuation was prepared using a discount rate of 3.72%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to $1,255,418, or by 7.66%. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to $1,048,226, or by 10.10%.

	Discount Rate		
Total OPEB Liability	1% Decrease	Baseline 3.72%	1% Increase
Governmental activities	$ 1,059,200	$ 983,798	$ 884,391
Business-type activities	196,218	182,250	163,835
	$ 1,255,418	$ 1,166,048	$ 1,048,226

Sensitivity of the City's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2022, actuarial valuation was prepared using an initial trend rate of 7.00%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to $1,053,318, or by 9.67%. If the trend rate were 1% higher than what was used, the OPEB liability would increase to $1,297,914, or by 11.31%.

	Healthcare Cost Trend Rates		
Total OPEB Liability	1% Decrease 6.00% Decreasing to 3.50%	Baseline 7.00% Decreasing to 4.50%	1% Increase 8.00% Decreasing to 5.50%
Governmental activities	$ 888,687	$ 983,798	$ 1,095,054
Business-type activities	164,631	182,250	202,860
	$ 1,053,318	$ 1,166,048	$ 1,297,914

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2022, the City recognized OPEB expense of $24,516. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 75,684	$ 152,280	$ 14,021	$ 28,210	$ 89,705	$ 180,490
Differences between expected and actual experience	72,669	273,689	13,462	50,702	86,131	324,391
Total	$ 148,353	$ 425,969	$ 27,483	$ 78,912	$ 175,836	$ 504,881

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2023	$ (47,283)	$ (8,759)	$ (56,042)
2024	(47,283)	(8,759)	(56,042)
2025	(46,751)	(8,661)	(55,412)
2026	(44,854)	(8,309)	(53,163)
2027	(56,449)	(10,457)	(66,906)
Thereafter	(34,996)	(6,484)	(41,480)
Totals	$ (277,616)	$ (51,429)	$ (329,047)

NOTE 18 – STATE AID TO WATER POLLUTION PROJECTS

The City is due to receive from the State of New Hampshire the following amounts in the form of state aid to water pollution projects:

	Governmental Activities			Business-type Activities		
Bond Issued	Principal	Interest	Total	Principal	Interest	Total
C-769 Wastewater Treatment Facility Upgrade	$ -	$ -	$ -	$ 97,405	$ 9,795	$ 107,200
C-844 Combined Sewer Overflow	138,537	41,877	180,414	207,806	62,816	270,622
C-903 Dana & Craft Avenue Area	212,944	34,272	247,216	319,415	51,408	370,823
C-924 Combined Sewer Overflow - Phase 1	157,311	35,724	193,035	235,968	53,586	289,554
C-928 Etna Road - NH Rt 10 Sewer Replacement	-	-	-	1,606,273	243,444	1,849,717
C-874 WWTF Phase 2 Upgrade and Energy Evaluation Improvements	-	-	-	1,882,447	274,526	2,156,973
C-899 Combined Sewer Overflow & Utility Improvements - Phase 9	-	-	-	473,852	4,000	477,852
	$ 508,792	$ 111,873	$ 620,665	$ 4,823,166	$ 699,575	$ 5,522,741

Under New Hampshire RSA Chapter 486, the City receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from various projects. At December 31, 2022, the City is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 31,046	$ 13,226	$ 44,272	$ 314,042	$ 84,636	$ 398,678
2024	31,114	12,390	43,504	314,142	79,530	393,672
2025	31,114	11,542	42,656	314,142	73,500	387,642
2026	31,052	10,697	41,749	314,051	67,493	381,544
2027	31,052	9,848	40,900	312,822	61,480	374,302
2028-2032	154,712	36,513	191,225	1,465,883	224,666	1,690,549
2033-2037	150,249	16,259	166,508	1,321,051	94,242	1,415,293
2038-2042	48,453	1,398	49,851	467,033	14,028	481,061
Totals	$ 508,792	$ 111,873	$ 620,665	$ 4,823,166	$ 699,575	$ 5,522,741

NOTE 19 – ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2022 and are as follows:

General fund:	
General government	$ 809,920
Public safety	97,733
Highways and streets	464,575
Culture and recreation	47,940
Total encumbrances	$ 1,420,168

NOTE 20 – NET POSITION

Net position reported on the government-wide, proprietary funds, and fiduciary funds Statements of Net Position at December 31, 2022 include the following:

	Government-wide Financial Statements			
	Governmental Activities	Business-type Activities	Total	Fiduciary Fund
Net investment in capital assets:				
Net book value, all capital assets	$ 115,852,519	$ 115,494,048	$ 231,346,567	$ -
Less:				
Bonds payable - direct placements	(30,122,952)	(15,061,622)	(45,184,574)	-
Notes/loans payable - direct borrowings	(8,910,478)	(30,398,562)	(39,309,040)	-
Premium	(3,012,287)	(1,394,835)	(4,407,122)	-
Total net investment in capital assets	73,806,802	68,639,029	142,445,831	-
Restricted net position:				
Capital projects	-	955,019	955,019	-
Library	108,633	-	108,633	-
Heritage fund - Dana House restoration	25,000	-	25,000	-
Perpetual care - principal balance	1,646,815	-	1,646,815	-
Downtown TIF District	959,897	-	959,897	-
Airport/Tech Park TIF District	39	-	39	-
Water investment fees	-	768,698	768,698	-
Total restricted net position	2,740,384	1,723,717	4,464,101	-
Unrestricted (deficit)	(11,227,607)	10,963,310	(264,297)	5,487,426
Total net position	$ 65,319,579	$ 81,326,056	$ 146,645,635	$ 5,487,426

(Continued)

Net position continued:

	Proprietary Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Net investment in capital assets:					
Net book value, all capital assets	$ 57,646,794	$ 13,642,082	$ 31,830,392	$ 12,374,780	$115,494,048
Less:					
Bonds payable - direct placements	(7,725,138)	(590,000)	(6,448,589)	(297,895)	(15,061,622)
Notes/loans payable - direct borrowings	(20,369,420)	(238,984)	(9,790,158)	-	(30,398,562)
Premium	(722,354)	(120,255)	(547,371)	(4,855)	(1,394,835)
Total net investment in capital assets	28,829,882	12,692,843	15,044,274	12,072,030	68,639,029
Restricted net position:					
Capital projects	145,036	-	599,203	210,780	955,019
Water investment fees	-	-	768,698	-	768,698
Total restricted net position	145,036	-	1,367,901	210,780	1,723,717
Unrestricted (deficit)	8,695,270	(800,862)	2,703,159	365,743	10,963,310
Total net position	$ 37,670,188	$ 11,891,981	$ 19,115,334	$ 12,648,553	$ 81,326,056

NOTE 21 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	$ 389,457	$ 10,000	$ -	$ 399,457
Permanent fund - principal balance	-	-	1,646,815	1,646,815
Total nonspendable fund balance	389,457	10,000	1,646,815	2,046,272
Restricted:				
Heritage fund - donations	25,000	-	-	25,000
Public library	-	-	108,633	108,633
Downtown TIF District	-	-	959,897	959,897
Airport/Tech Park TIF District	-	-	39	39
Total restricted fund balance	25,000	-	1,068,569	1,093,569
Committed:				
Expendable trust	2,664,263	-	-	2,664,263
Heritage fund	6,560	-	-	6,560
Police public safety revolving	-	-	227,337	227,337
Lebanon open space	-	-	1,453,630	1,453,630
Fire public safety revolving	-	-	67,226	67,226
Recreation revolving	-	-	101,935	101,935
Impact fees	-	-	483,338	483,338
Cemetery maintenance	-	-	30,866	30,866
Public assistance revolving	-	-	150,000	150,000
Total committed fund balance	2,670,823	-	2,514,332	5,185,155

(Continued)

Governmental fund balances continued:

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assigned:				
Encumbrances	1,420,168	-	-	1,420,168
Abatements	595,270	-	-	595,270
Grants	15,909	-	-	15,909
Restricted funds	304,636	-	-	304,636
Emergency management	165,306	-	-	165,306
Total assigned fund balance	2,501,289	-	-	2,501,289
Unassigned (deficit):				
General fund	10,915,290	-	-	10,915,290
Capital improvements (deficit)	-	(23,455)	-	(23,455)
Total unassigned fund balance (deficit)	10,915,290	(23,455)	-	10,891,835
Total governmental fund balances (deficit)	$ 16,501,859	$ (13,455)	$ 5,229,716	$ 21,718,120

NOTE 22 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2022, the City was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2022, to December 31, 2022, by Primex³, which retained $1,000,000 of each workers' compensation loss, $500,000 of each liability loss, and $200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2022, the City paid $369,005 for Workers' Compensation and $294,699 for Property/Liability, respectively. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 23 – CAFETERIA BENEFIT PLAN

Effective July 1, 1991, the City implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the City, into any combination of the following benefit categories:

1. Premium Conversion Benefit for Group Medical and Dental Plans;
2. Healthcare Flexible Spending Account; or
3. Dependent Care Reimbursement Account

In addition to directing the City's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than $2,850 annually into the Healthcare Flexible Spending Account or $5,000 annually into the Dependent Care Reimbursement Account. This cap applies to both City contributions and employee pre-tax contributions. There are no limits on contributions to the Premium Conversion Benefit for Group Medical and Dental Plans.

NOTE 24 – SECURITY AGREEMENT

The City entered a security agreement with Dartmouth-Hitchcock Medical Center (DHMC) on May 17, 2013. The purpose of the agreement is to finance the possible future expansion of the City sewer system to the DHMC properties. Under the agreement, DHMC established an escrow account in the amount of $475,000. At December 31, 2022, the balance in the escrow account was $549,724. The City may only access these funds if certain terms in the security agreement are met related to the expansion of services. If no action is taken, the security agreement will expire after ten years.

NOTE 25 – COVID-19

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The City was allotted a total of $1,429,118 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of $714,559, or 50%, of the funding was received in 2021. The remainder was received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue, and necessary water, sewer, and broadband investment. For the year ended December 31, 2022, the City spent $915,890 of the funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 26 – CONTINGENCIES

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

NOTE 27 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through February 28, 2024, the date the December 31, 2022 financial statements were available to be issued, and the no event that requires recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of the City's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
City's:										
Proportion of the net pension liability	0.54%	0.52%	0.52%	0.52%	0.53%	0.50%	0.50%	0.49%	0.51%	0.50%
Proportionate share of the net pension liability	$ 23,325,532	$ 19,345,430	$ 20,607,815	$ 27,786,081	$ 25,878,401	$ 23,995,698	$ 23,845,366	$ 31,470,593	$ 22,587,437	$ 28,792,915
Covered payroll	$ 11,097,378	$ 10,876,951	$ 11,206,359	$ 11,555,902	$ 12,700,824	$ 11,902,341	$ 12,287,475	$ 12,896,955	$ 13,820,770	$ 14,370,483
Proportionate share of the net pension liability as a percentage of its covered payroll	210.19%	177.86%	183.89%	240.45%	203.75%	201.60%	194.06%	244.02%	163.43%	200.36%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT H
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of City Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurment date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contributions	$ 1,347,646	$ 1,672,029	$ 1,745,205	$ 1,871,074	$ 1,927,693	$ 2,106,239	$ 2,156,652	$ 2,185,777	$ 2,341,483	$ 2,906,407
Contributions in relation to the contractually required contributions	(1,347,646)	(1,672,029)	(1,745,205)	(1,871,074)	(1,927,693)	(2,106,239)	(2,156,652)	(2,185,777)	(2,341,483)	(2,906,407)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 11,097,378	$ 10,876,951	$ 11,206,359	$ 11,555,902	$ 12,700,824	$ 11,902,341	$ 12,287,475	$ 12,896,955	$ 14,033,071	$ 14,907,762
Contributions as a percentage of covered payroll	12.14%	15.37%	15.57%	16.19%	15.18%	17.70%	17.55%	16.95%	16.69%	19.50%

CITY OF LEBANON, NEW HAMPSHIRE

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule of the City's Proportionate Share of Net Pension Liability and Schedule of City Contributions - Pensions

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – Salary increases changed to 5.4% from 5.6% in the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the City's pension plan at December 31, 2022. These schedules are presented to illustrate the requirement to show information for 10 years.

EXHIBIT I
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
City's proportion of the net OPEB liability	0.35%	0.36%	0.52%	0.51%	0.46%	0.48%	0.50%
City's proportionate share of the net OPEB liability (asset)	$ 1,695,898	$ 1,629,045	$ 2,367,418	$ 2,239,957	$ 2,031,548	$ 1,919,830	$ 1,872,765
City's covered payroll	$ 11,555,902	$ 12,700,824	$ 11,902,341	$ 12,287,475	$ 12,896,955	$ 13,820,770	$ 14,370,483
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.68%	12.83%	19.89%	18.23%	15.75%	13.89%	13.03%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	7.74%	10.64%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT J
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of City Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	$ 203,555	$ 211,169	$ 228,719	$ 233,166	$ 215,437	$ 230,831	$ 208,687
Contributions in relation to the contractually required contribution	(203,555)	(211,169)	(228,719)	(233,166)	(215,437)	(230,831)	(208,687)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 11,555,902	$ 12,700,824	$ 11,902,341	$ 12,287,475	$ 12,896,955	$ 14,033,071	$ 14,907,762
Contributions as a percentage of covered payroll	1.76%	1.66%	1.92%	1.90%	1.67%	1.64%	1.40%

EXHIBIT K
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2022
Unaudited

	December 31, 2018	2019	2020	2021	2022
OPEB liability, beginning of year	$ 1,692,911	$ 1,628,158	$ 1,652,115	$ 1,166,961	$ 1,163,143
Changes for the year:					
Service cost	55,750	50,153	39,303	45,453	53,502
Interest	58,654	66,921	30,915	24,840	27,056
Assumption changes and difference between actual and expected experience	(91,181)	-	(466,752)	7,751	(1,669)
Benefit payments	(87,976)	(93,117)	(88,620)	(81,862)	(75,984)
OPEB liability, end of year	$ 1,628,158	$ 1,652,115	$ 1,166,961	$ 1,163,143	$ 1,166,048
Covered payroll	$ 8,170,172	$ 8,374,426	$ 10,442,024	$ 10,703,075	$ 11,550,479
Total OPEB liability as a percentage of covered payroll	19.93%	19.73%	11.18%	10.87%	10.10%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS LIABILITY

AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Schedule of the City's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of City Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – Salary increases changed to 5.4% from 5.6% in the current period.

Methods and Assumptions Used to Determine Contribution Rates– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits I and J represent the actuarial determined costs associated with the City's other postemployment benefits at December 31, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Changes in City's Total Other Postemployment Benefits Liability and Related Ratios

Changes in Benefit Terms - There were no changes in benefit terms for the current period.

Changes in Assumptions – The discount rate changed to 3.72% from 2.03% in the current period. The medical trend rate was adjusted to 7.0% from 6.5% and the year the ultimate rate is expected to be reached was updated to 2027 from 2025. Finally, the mortality improvement scale was updated to MP-2021 from MP-2019.

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the City's other postemployment benefits at December 31, 2022. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	$ 23,093,868	$ 23,202,930	$ 109,062
Yield	5,000	5,124	124
Excavation	5,000	5,956	956
Payment in lieu of taxes	1,883,022	1,878,970	(4,052)
Interest and penalties on taxes	100,000	137,576	37,576
Total from taxes	25,086,890	25,230,556	143,666
Licenses, permits, and fees:			
Motor vehicle permit fees	2,667,700	2,769,382	101,682
Building permits	340,000	1,018,388	678,388
Other	70,700	83,606	12,906
Total from licenses, permits, and fees	3,078,400	3,871,376	792,976
Intergovernmental:			
State:			
Meals and rooms distribution	1,312,287	1,312,287	-
Highway block grant	324,121	322,860	(1,261)
Water pollution grants	45,160	45,150	(10)
Other	192,461	189,691	(2,770)
Federal:			
Other	61,480	69,631	8,151
Total from intergovernmental	1,935,509	1,939,619	4,110
Charges for services:			
Income from departments	1,661,690	1,794,706	133,016
Miscellaneous:			
Sale of municipal property	-	20,510	20,510
Interest on investments	51,490	86,483	34,993
Other	420,860	415,009	(5,851)
Total from miscellaneous	472,350	522,002	49,652
Other financing sources:			
Transfers in	2,131,370	2,160,625	29,255
Total revenues and other financing sources	34,366,209	$ 35,518,884	$ 1,152,675
Unassigned fund balance used to reduce tax rate	1,078,461		
Amounts voted from fund balance	2,771,450		
Total revenues, other financing sources, and use of fund balance	$ 38,216,120		

SCHEDULE 2
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	$ 45,978	$ 734,770	$ 716,698	$ 90,562	$ (26,512)
Election and registration	57,287	721,630	624,596	87,287	67,034
Financial administration	867,723	3,127,170	3,303,553	534,101	157,239
Legal	-	300,000	176,491	-	123,509
Personnel administration	15,300	4,091,340	3,700,910	3,031	402,699
Planning and zoning	18,663	645,620	615,729	30,400	18,154
General government buildings	2,438	264,450	200,890	60,339	5,659
Cemeteries	-	57,640	44,674	4,200	8,766
Insurance, not otherwise allocated	-	229,000	230,578	-	(1,578)
Advertising and regional associations	-	24,830	24,829	-	1
Other	-	249,710	249,710	-	-
Total general government	1,007,389	10,446,160	9,888,658	809,920	754,971
Public safety:					
Police	193,304	5,949,410	5,593,348	86,461	462,905
Fire	24,302	4,775,030	4,711,982	11,272	76,078
Building inspection	-	460,790	459,561	-	1,229
Other	-	943,600	915,678	-	27,922
Total public safety	217,606	12,128,830	11,680,569	97,733	568,134
Highways and streets:					
Administration	21,590	1,163,070	1,165,450	88,379	(69,169)
Highways and streets	1,199,891	3,062,930	3,787,569	376,196	99,056
Bridges	-	3,500	-	-	3,500
Street lighting	-	89,920	81,408	-	8,512
Other	-	262,500	274,832	-	(12,332)
Total highways and streets	1,221,481	4,581,920	5,309,259	464,575	29,567
Welfare:					
Administration and direct assistance	-	290,320	278,856	-	11,464
Vendor payments and other	-	264,580	264,580	-	-
Total welfare	-	554,900	543,436	-	11,464
Culture and recreation:					
Parks and recreation	32,416	1,109,720	1,116,740	47,940	(22,544)
Library	60,798	1,383,440	1,425,732	-	18,506
Patriotic purposes	-	7,000	7,000	-	-
Total culture and recreation	93,214	2,500,160	2,549,472	47,940	(4,038)
Conservation	-	10,870	10,869	-	1
Debt service:					
Principal of long-term debt	-	3,515,170	3,509,515	-	5,655
Interest on long-term debt	-	1,322,820	1,312,788	-	10,032
Total debt service	-	4,837,990	4,822,303	-	15,687
Other financing uses:					
Transfers out	-	3,155,290	3,155,290	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	$ 2,539,690	$ 38,216,120	$ 37,959,856	$ 1,420,168	$ 1,375,786

See Independent Auditor's Report.

SCHEDULE 3
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2022

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		$ 12,988,865
Changes:		
Unassigned fund balance used to reduce 2022 tax rate		(1,078,461)
Amounts voted from fund balance		(2,771,450)
2022 Budget summary:		
Revenue surplus (Schedule 1)	$ 1,152,675	
Unexpended balance of appropriations (Schedule 2)	1,375,786	
2022 Budget surplus		2,528,461
Decrease in nonspendable fund balance		322,551
Increase in assigned fund balance (non-encumbrance)		(447,521)
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		11,542,445
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(777,155)
Elimination of the allowance for uncollectible taxes		150,000
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		$ 10,915,290

SCHEDULE 4
CITY OF LEBANON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds				
	Public Library	Police Public Safety Revolving	Lebanon Open Space	Fire Public Safety Revolving	Farmers Market
ASSETS					
Cash and cash equivalents	$ 118,110	$ 210,520	$ 1,470,173	$ 67,231	$ -
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectable:					
Accounts	-	16,817	-	-	-
Interfund receivable	4,884	-	-	-	-
Total assets	$ 122,994	$ 227,337	$ 1,470,173	$ 67,231	$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 16,543	$ 5	$ -
Interfund payable	14,361	-	-	-	-
Total liabilities	14,361	-	16,543	5	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	108,633	-	-	-	-
Committed	-	227,337	1,453,630	67,226	-
Total fund balances	108,633	227,337	1,453,630	67,226	-
Total liabilities and fund balances	$ 122,994	$ 227,337	$ 1,470,173	$ 67,231	$ -

Special Revenue Funds							
Recreation Revolving	Impact Fees	Cemetery Maintenance	Public Assistance Revolving	Downtown TIF District	Airport/ Tech Park TIF District	Permanent Fund	Total
$ 102,983	$ 483,338	$ 30,866	$ 150,000	$ 959,897	$ 39	$ 76,878	$ 3,670,035
-	-	-	-	-	-	1,606,566	1,606,566
-	-	-	-	-	-	-	16,817
-	-	-	-	-	-	150	5,034
$ 102,983	$ 483,338	$ 30,866	$ 150,000	$ 959,897	$ 39	$ 1,683,594	$ 5,298,452
$ 1,048	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,596
-	-	-	-	-	-	36,779	51,140
1,048	-	-	-	-	-	36,779	68,736
-	-	-	-	-	-	1,646,815	1,646,815
-	-	-	-	959,897	39	-	1,068,569
101,935	483,338	30,866	150,000	-	-	-	2,514,332
101,935	483,338	30,866	150,000	959,897	39	1,646,815	5,229,716
$ 102,983	$ 483,338	$ 30,866	$ 150,000	$ 959,897	$ 39	$ 1,683,594	$ 5,298,452

SCHEDULE 5
CITY OF LEBANON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2022

	Special Revenue Funds				
	Public Library	Police Public Safety Revolving	Lebanon Open Space	Fire Public Safety Revolving	Farmers Market
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	2,246	-
Charges for services	-	192,737	-	20,391	-
Miscellaneous	208,678	-	9,853	-	2,276
Unrealized loss on investments	-	-	-	-	-
Total revenues	208,678	192,737	9,853	22,637	2,276
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	194,890	-	22,385	-
Culture and recreation	223,023	-	-	-	3,500
Total expenditures	223,023	194,890	-	22,385	3,500
Excess (deficiency) of revenues over (under) expenditures	(14,345)	(2,153)	9,853	252	(1,224)
Other financing sources (uses):					
Transfers in	4,884	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	4,884	-	-	-	-
Net change in fund balances	(9,461)	(2,153)	9,853	252	(1,224)
Fund balances, beginning	118,094	229,490	1,443,777	66,974	1,224
Fund balances, ending	$ 108,633	$ 227,337	$ 1,453,630	$ 67,226	$ -

Recreation Revolving	Impact Fees	Cemetery Maintenance	Public Assistance Revolving	Downtown TIF District	Airport/ Tech Park TIF District	Permanent Fund	Total
Special Revenue Funds							
$ -	$ -	$ -	$ -	$ 728,546	$ 12	$ -	$ 728,558
-	-	-	-	-	-	-	2,246
155,707	-	-	-	-	-	-	368,835
-	117,356	10,766	-	1,787	-	41,521	392,237
-	-	-	-	-	-	(287,437)	(287,437)
155,707	117,356	10,766	-	730,333	12	(245,916)	1,204,439
-	-	-	-	-	-	9,962	9,962
-	-	-	-	-	-	-	217,275
151,196	-	-	-	-	-	-	377,719
151,196	-	-	-	-	-	9,962	604,956
4,511	117,356	10,766	-	730,333	12	(255,878)	599,483
-	-	-	150,000	-	-	-	154,884
-	(332,980)	-	-	(288,320)	-	(4,884)	(626,184)
-	(332,980)	-	150,000	(288,320)	-	(4,884)	(471,300)
4,511	(215,624)	10,766	150,000	442,013	12	(260,762)	128,183
97,424	698,962	20,100	-	517,884	27	1,907,577	5,101,533
$ 101,935	$ 483,338	$ 30,866	$ 150,000	$ 959,897	$ 39	$ 1,646,815	$ 5,229,716

See Independent Auditor's Report.

SCHEDULE 6
CITY OF LEBANON, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
December 31, 2022

	Custodial Funds				
	Taxes	Trust Funds	School Impact Fees	State Fees	Total
ASSETS					
Cash and cash equivalents	$ -	$ 370,038	$ 264,784	$ -	$ 634,822
Investments	-	3,482,865	-	-	3,482,865
Intergovernmental receivables	16,163,703	-	-	-	16,163,703
Total assets	16,163,703	3,852,903	264,784	-	20,281,390
LIABILITIES					
Intergovernmental payable - due to school district	16,163,703	-	261,738	-	16,425,441
NET POSITION					
Unrestricted	$ -	$ 3,852,903	$ 3,046	$ -	$ 3,855,949

See Independent Auditor's Report.

SCHEDULE 7
CITY OF LEBANON, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Custodial Funds				
	Taxes	Trust Funds	School Impact Fees	State Fees	Total
Additions:					
Contributions	$ -	$ -	$ 60,440	$ -	$ 60,440
Investment earnings	-	42,897	-	-	42,897
Tax collections for other governments	39,333,204	-	-	-	39,333,204
State fees collected	-	-	-	820,810	820,810
Total additions	39,333,204	42,897	60,440	820,810	40,257,351
Deductions:					
Change in fair market value	-	218,649	-	-	218,649
Administrative expenses	-	140,327	273,990	-	414,317
Payments of taxes to other governments	39,333,204	-	-	-	39,333,204
Payments of State fees	-	-	-	820,810	820,810
Total deductions	39,333,204	358,976	273,990	820,810	40,786,980
Change in net position	-	(316,079)	(213,550)	-	(529,629)
Net position, beginning	-	4,168,982	216,596	-	4,385,578
Net position, ending	$ -	$ 3,852,903	$ 3,046	$ -	$ 3,855,949

See Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORTS AND SINGLE AUDIT ACT SCHEDULES

PLODZIK & SANDERSON
Professional Association/Certified Public Accountants
193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX-224-1380

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements, and have issued our report thereon dated February 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lebanon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lebanon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PLODZIK & SANDERSON
Professional Association

February 28, 2024
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association/Certified Public Accountants
193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX-224-1380

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lebanon's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon's major federal programs for the year ended December 31, 2022. The City of Lebanon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Lebanon's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lebanon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Lebanon's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Lebanon's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Lebanon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Lebanon's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we;

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lebanon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Lebanon's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lebanon's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Lebanon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

February 28, 2024
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

SCHEDULE I
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinions on the governmental activities, business-type activities, each major fund, and aggregate remaining fund information.

Internal control over financial reporting:

- Material weakness(es) identified? ____ yes __X__ no
- Significant deficiency(ies) identified? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ yes __X__ no
- Significant deficiency(ies) identified? __X__ yes ____ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __X__ yes ____ no

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ____ yes __X__ no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-001 Lack of Documented Use of Airport Revenue Policy (Significant Deficiency)

Federal Agency: Department of Transportation
Cluster/Program: Airport Improvement Program
Assistance Listing Number: 20.106
Passed-through Identification: #3-33-0010-059-2019, #3-33-0010-062-2020, #3-33-0010-064-2021, #3-33-0010-065-2021, #3-33-0010-066-2021, #3-33-0010-067-2021, #3-33-0010-068-2021, #3-33-0010-069-2022, and #3-33-0010-070-2022
Compliance Requirement: Special Test and Provision – Revenue Diversion

Type of Finding:
Internal Control over Compliance – Significant Deficiency

Criteria or Specific Requirement: Federal regulations 2 CFR 200.303 states, the City, as a recipient of Federal funds, must establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and the terms and conditions of the Federal award.

In addition, the requirements of the program states that the use of airport revenues generated by a public airport must be expended for the capital or operating costs for the airport. The Federal Aviation Administrator issued a notice titled "*Policies and Procedures Concerning the Generation and Use of Airport Revenue*" which contains definitions, and unlawful revenue diversion, example of airport revenue, and describes permitted and prohibited uses of airport revenue.

Condition: During our review of the program, the City does not have a policy over the use of airport revenues.

Cause: The City has not documented a use of airport revenue policy that complies with the Code of Federal Regulations (CFR) or the Federal program.

Effect: Lack of a formal, documented policy may result in inappropriate use of revenues that may not be in compliance with federal standards.

Questioned Costs: None

Identification as Repeat Finding: As identified in Schedule III, Summary Schedule of Prior Audit Findings, this is a repeat of finding 2021-002.

Recommendation: We recommend that the City formally establish and implement a policy over the use of airport revenues to ensure compliance with Federal regulations.

Views of Responsible Officials: Management's views and corrective action plan is included at the end of this report.

SCHEDULE II
City of Lebanon
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through the State of New Hampshire Community Development Finance Authority				
Community Development Block Grant/State's Program	14.228	19-094-CDPF	$ 417,602	$ 433,354
PROGRAM TOTAL			417,602	433,354
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the State of New Hampshire Department of Transportation				
Airport Improvement Program:	20.106	AIP #3-33-0010-059-2019	-	858
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-062-2020	-	2,100
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-064-2021	-	1,036,833
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-065-2021	-	7,263
Airport Improvement Program	20.106	AIP #3-33-0010-065-2021	-	41,758
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-066-2021	-	817
Airport Improvement Program	20.106	AIP #3-33-0010-066-2021	-	28,274
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-067-2021	-	439,006
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-068-2021	-	2,220
COVID-19 - Airport Improvement Program	20.106	AIP #3-33-0010-069-2022	-	15,459
Airport Improvement Program	20.106	AIP #3-33-0010-070-2022	-	816,345
PROGRAM TOTAL			-	2,390,933
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the State of New Hampshire Department of Transportation				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
Highway Planning and Construction	20.205	40794	-	63,305
Highway Planning and Construction	20.205	41366	-	63,761
Passed Through the State of New Hampshire Department of Natrual and Cultural Resources				
Recreational Trails Program	20.219	22-21	-	14,567
CLUSTER TOTAL			-	141,633
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the State of New Hampshire Department of Safety				
State and Community Highway Safety	20.600	#19-101	-	22,838

(Continued)

The accompanying notes are an integral part of this schedule.

SCHEDULE II (Continued)
City of Lebanon
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
Passed Through the State of New Hampshire Department of Environmental Services				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	00FRF602WB4401A	-	20,800
Passed Through the State of New Hampshire Governor's Office for Emergency Relief and Recovery				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	38,143
PROGRAM TOTAL			-	58,943
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the State of Vermont Department of Health				
Medical Reserve Corps Small Grant Program	93.069	03420-09099	-	5,116
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the State of New Hampshire Department of Health and Human Services				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4516-DR-NH	-	11,312
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the State of New Hampshire Department of Safety				
BRIC: Building Resilient Infrastructure and Communities	97.047	EMB-2020-PC-0005	-	8,000
DIRECT FUNDING				
U.S. DEPARTMENT OF JUSTICE				
Bullet Proof Vest Partnership Program	16.607	N/A	-	787
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	60,000
U.S. DEPARTMENT OF TREASURY				
COVID-19 - Coronavirus Relief Fund - TSA Cleaning	21.019	N/A	-	3,950
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	915,890
U.S. DEPARTMENT OF HOMELAND SECURITY				
COVID-19 - Assistance to Firefighters Grant	97.044	EMW-2020-FG-01172	-	1,425
Total Expenditures of Federal Awards			$ 417,602	$ 4,054,181

The accompanying notes are an integral part of this schedule.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Lebanon under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lebanon, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Lebanon.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City of Lebanon has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. COVID-19 - Coronavirus State and Local Recovery Fund

The City was allotted a total of $1,429,118 in federal funds as a non-entitlement unit from the American Rescue Plan Act (ARPA) which was received in two equal payments. The City of Lebanon had a library renovation project that began in fiscal year 2021 which was originally planned to be funded through non-federal means. In fiscal year 2022, the City earmarked $900,000 in Coronavirus State and Local Fiscal Recovery Funds – Direct Funding to be used for the library renovation project under expense category 6.1 Revenue Replacement. Of the $915,890 reported on Schedule II, $900,000 represented expenditures incurred in fiscal year 2021, but not earmarked until fiscal year 2022.

Note 5. COVID-19 - Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Non-federal entities must record expenditures on the Schedule of Expenditures of Federal Awards (SEFA) when (1) FEMA has approved the nonfederal entity's project worksheet (PW), and (2) the nonfederal entity has incurred the eligible expenditures. Federal awards expended in years subsequent to the fiscal year in which the PW is approved are to be recorded on the nonfederal entity's SEFA in those subsequent years. The $11,312 reported for COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters), ALN 97.036, represents expenditures occurred in prior years that were approved by FEMA during fiscal year 2022.

APPENDIX

CORRECTIVE ACTION PLAN
February 27, 2024

Audit Finding Reference:

2022-001

Planned Corrective Action:

The City has adopted an Airport Revenue Policy on 6/8/2023.

Name of Contact Person and Completion Date:

Name 1 Carl Gross, Airport Manager

Name 2 Vicki Lee, Finance Director

Anticipated Completion Date – Completed 6/8/2023

Audit Finding Reference:

2022-002

Planned Corrective Action:

The City acknowledged the recommendation and submitted the 2022 reports as required within the 120 days after the calendar year end date.

Name of Contact Person and Completion Date:

Name 1 Carl Gross, Airport Manager

Name 2 Vicki Lee, Finance Director

Anticipated Completion Date – Completed 3/1/2023

CITY OF LEBANON,
NEW HAMPSHIRE

LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGES REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

CITY OF LEBANON, NEW HAMPSHIRE

LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGES REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

Report on Compliance for the Passenger Facility Charge Program

We have audited the City of Lebanon's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration that could have a direct and material effect on the City of Lebanon's passenger facility charge program for the year ended December 31, 2022.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Lebanon's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City of Lebanon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the City of Lebanon's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the City of Lebanon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2022.

Report on Internal Control over Compliance

Management of the City of Lebanon is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Lebanon's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charge Collections and Expenditures Required by the FAA Guide

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Lebanon as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements. We issued our report thereon dated February 28, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Passenger Facility Charge Collections and Expenditures is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other record used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the Schedule of Passenger Facility Charge Collections and Expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

February 28, 2024
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
Schedule of Passenger Facility Charge
Collections and Expenditures
For the Fiscal Year Ended December 31, 2022

Program	Application Approved Number	PFC collections	Expenditures
Passenger Facility Charges *(see note)*	18-09-C-00-LEB	$ 46,196	$ 404

The accompanying note is an integral part of this schedule.

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT

NOTE TO SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES

AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Basis of Presentation

The accompanying Schedule of Passenger Facility Charge Collections and Expenditures reports the activity of the City of Lebanon's Municipal Airport related to its passenger facility charges.

The following is the basis of presentation:

PFC Revenues – These amounts represent the receipt of PFC charges from airlines for the year ended December 31, 2022. Amounts are reported on a modified accrual basis of accounting.

Expenditures – Expenditures represent the amount of capital and other approved costs expended for approved PFC projects. Amounts are reported on a modified accrual basis of accounting.

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGE PROGRAM
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Passenger Facility Charge Program

Internal control over compliance:

• Material weakness(es) identified?	____	yes	X	no
• Significant deficiency(ies) identified?	____	yes	X	none reported
Type of auditor's report issued on compliance:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Guide?	____	yes	X	no

SECTION II - PASSENGER FACILITY CHARGE PROGRAM FINDINGS

NONE

Agenda
Lebanon City Council
March 20, 2024

10. New Business:

10.F – Amendment to the City Manager's Job Description

Background

The International City Manager's Association (ICMA) has a Code of Ethics that its members must abide by in order to be a member of the ICMA. The City Manager has implemented ADM-108, which is the administrative policy on ethics that City staff must comply with. The City Manager is recommending that the job description for the position of City Manager be amended to include the ICMA Professional Code of Ethics to the extent its tenets are not contrary to the City's ethics provisions.

Action

The following motion is offered for City Council consideration:

MOVED, that the Lebanon City Council hereby amends the City Manager job description to include the provisions of the ICMA Code of Ethics.

Included In This Section:

1. ICMA Code of Ethics
2. Draft City Manager Job Description with proposed changes

ICMA Code of Ethics with Guidelines

The ICMA Code of Ethics was adopted by the ICMA membership in 1924, and most recently amended by the membership in April 2023. The Guidelines for the Code were adopted by the ICMA Executive Board in 1972, and most recently revised in June 2023.

The mission of ICMA is to advance professional local government through leadership, management, innovation, and ethics. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

Tenet 1. We believe professional management is essential to effective, efficient, equitable, and democratic local government.

Tenet 2. Affirm the dignity and worth of local government services and maintain a deep sense of social responsibility as a trusted public servant.

GUIDELINE

Advice to Officials of Other Local Governments. When members advise and respond to inquiries from elected or appointed officials of other local governments, they should inform the administrators of those communities in order to uphold local government professionalism.

Tenet 3. Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.

GUIDELINES

Public Confidence. Members should conduct themselves so as to maintain public confidence in their position and profession, the integrity of their local government, and in their responsibility to uphold the public trust.

Length of Service. For chief administrative/executive officers appointed by a governing body or elected official, a minimum of two years is considered necessary to render a professional service to the local government. In limited circumstances, it may be in the best interests of the local government and the member to separate before serving two years. Some examples include refusal of the appointing authority to honor commitments concerning conditions of employment, a vote of no confidence in the member, or significant personal issues. It is the responsibility of an applicant for a position to understand conditions of employment, including expectations of service. Not understanding the terms of employment prior to accepting does not justify premature separation. For all members a short tenure should be the exception rather than a recurring experience, and members are expected to honor all conditions of employment with the organization.

Appointment Commitment. Members who accept an appointment to a position should report to that position. This does not preclude the possibility of a member considering several offers or seeking several positions at the same time. However, once a member has accepted a formal offer of employment, that commitment is considered binding unless the employer makes fundamental changes in the negotiated terms of employment.

Credentials. A member's resume for employment or application for ICMA's Voluntary Credentialing Program shall completely and accurately reflect the member's education, work experience, and personal history. Omissions and inaccuracies must be avoided.

Professional Respect. Members seeking a position should show professional respect for persons formerly holding the position, successors holding the position, or for others who might be applying for the same position. Professional respect does not preclude honest differences of opinion; it does preclude attacking a person's motives or integrity.

Reporting Ethics Violations. When becoming aware of a possible violation of the ICMA Code of Ethics, members are encouraged to report possible violations to ICMA. In reporting the possible violation, members may choose to go on record as the complainant or report the matter on a confidential basis.

Confidentiality. Members shall not discuss or divulge information with anyone about pending or completed ethics cases, except as specifically authorized by the Rules of Procedure for Enforcement of the Code of Ethics.

Seeking Employment. Members should not seek employment for a position that has an incumbent who has not announced his or her separation or been officially informed by the appointive entity that his or her services are to be terminated. Members should not initiate contact with representatives of the appointive entity. Members contacted by representatives of the appointive entity body regarding prospective interest in the position should decline to have a conversation until the incumbent's separation from employment is publicly known.

Relationships in the Workplace. Members should not engage in an intimate or romantic relationship with any elected official or board appointee, employee they report to, one they appoint and/or supervise, either directly or indirectly, within the organization.

This guideline does not restrict personal friendships, professional mentoring, or social interactions with employees, elected officials and Board appointees.

Influence. Members should conduct their professional and personal affairs in a manner that demonstrates that they cannot be improperly influenced in the performance of their official duties.

Conflicting Roles. Members who serve multiple roles – either within the local government organization or externally – should avoid participating in matters that create either a conflict of interest or the perception of one. They should disclose any potential conflict to the governing body so that it can be managed appropriately.

Conduct Unbecoming. Members should treat people fairly, with dignity and respect and should not engage in, or condone bullying behavior, harassment, sexual harassment or discrimination on the basis of race, religion, national origin, age, disability, gender, gender identity, or sexual orientation.

Tenet 4. Serve the best interests of all community members.

GUIDELINES

Effects of Decisions. Members should inform the appropriate elected or appointed official(s) of a decision's anticipated effects on community members.

Promote Equity. Members should ensure fairness and impartiality in accessing programs and services and in the enforcement of laws and regulations. Members should assess and propose solutions to strive to eliminate disparities.

Tenet 5. Submit policy proposals to elected officials; provide them with facts, and technical and professional advice about policy options; and collaborate with them in setting goals for the community and organization.

Tenet 6. Recognize that elected representatives are accountable to their community for the decisions they make; members are responsible for implementing those decisions.

Tenet 7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

GUIDELINES

Elections of the Governing Body. Members should maintain a reputation for serving equally and impartially all members of the governing body of the local government they serve, regardless of party. To this end, they should not participate in an election campaign on behalf of or in opposition to candidates for the governing body.

Elections of Elected Executives. Members shall not participate in the election campaign of any candidate for mayor or elected county executive.

Running for Office. Members shall not run for elected office or become involved in political activities related to running for elected office, or accept appointment to an elected office. They shall not seek political endorsements, financial contributions or engage in other campaign activities.

Elections. Members share with their fellow citizens the right and responsibility to vote. However, in order not to impair their effectiveness on behalf of the local governments they serve, they shall not participate in political activities to support the candidacy of individuals running for any city, county, special district, school, state or federal offices. Specifically, they shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund-raising activities for individuals seeking or holding elected office.

Elections relating to the Form of Government. Members may assist in preparing and presenting materials that explain the form of government to the public prior to a form of government election. If assistance is required by another community, members may respond.

Presentation of Issues. Members may assist their governing body in the presentation of issues involved in referenda such as bond issues, annexations, and other matters that affect the government entity's operations and/or fiscal capacity.

Personal Advocacy of Issues. Members share with their fellow citizens the right and responsibility to voice their opinion on public issues. Members may advocate for issues of personal interest only when doing so does not conflict with the performance of their official duties.

Tenet 8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

GUIDELINES

Self-Assessment. Each member should assess his or her professional skills and abilities on a periodic basis.

Professional Development. Each member should commit at least 40 hours per year to professional development activities that are based on the practices identified by the members of ICMA.

Tenet 9. Keep the community informed on local government affairs. Encourage and facilitate active engagement and constructive communication between community members and all local government officials.

GUIDELINE

Engagement. Members should ensure community members can actively engage with their local government as well as eliminate barriers and support involvement of the community in the governance process.

Tenet 10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

GUIDELINE

Information Sharing. The member should openly share information with the governing body while diligently carrying out the member's responsibilities as set forth in the charter or enabling legislation.

Tenet 11. Manage all personnel matters with fairness and impartiality.

GUIDELINE

Diversity and Inclusion. It is the member's responsibility to recruit, hire, promote, retain, train, and support a diverse workforce at all levels of the organization.

Tenet 12. Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

GUIDELINES

Gifts. Members shall not directly or indirectly solicit, accept or receive any gift if it could reasonably be perceived or inferred that the gift was intended to influence them in the performance of their official duties; or if the gift was intended to serve as a reward for any official action on their part.

The term "Gift" includes but is not limited to services, travel, meals, gift cards, tickets, or other entertainment or hospitality. Gifts of money or loans from persons other than the local government jurisdiction pursuant to normal employment practices are not acceptable.

Members should not accept any gift that could undermine public confidence. De minimus gifts may be accepted in circumstances that support the execution of the member's official duties or serve a legitimate public purpose. In those cases, the member should determine a modest maximum dollar value based on guidance from the governing body or any applicable state or local law.

The guideline is not intended to apply to normal social practices, not associated with the member's official duties, where gifts are exchanged among friends, associates and relatives.

Investments in Conflict with Official Duties. Members should refrain from any investment activity which would compromise the impartial and objective performance of their duties. Members should not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict of interest, in fact or appearance, with their official duties.

In the case of real estate, the use of confidential information and knowledge to further a member's personal interest is not permitted. Purchases and sales which might be interpreted as speculation for quick profit should be avoided (see the guideline on "Confidential Information"). Because personal investments may appear to influence official actions and decisions, or create the appearance of impropriety, members should disclose or dispose of such investments prior to accepting a position in a local government. Should the conflict of interest arise during employment, the member should make full disclosure and/or recuse themselves prior to any official action by the governing body that may affect such investments.

This guideline is not intended to prohibit a member from having or acquiring an interest in or deriving a benefit from any investment when the interest or benefit is due to ownership by the member or the member's family of a de minimus percentage of a corporation traded on a recognized stock exchange even though the corporation or its subsidiaries may do business with the local government.

Personal Relationships. In any instance where there is a conflict of interest, appearance of a conflict of interest, or personal financial gain of a member by virtue of a relationship with any individual, spouse/partner, group, agency, vendor or other entity, the member shall disclose the relationship to the organization. For example, if the member has a relative that works for a developer doing business with the local government, that fact should be disclosed.

Confidential Information. Members shall not disclose to others, or use to advance their personal interest, intellectual property, confidential information, or information that is not yet public knowledge, that has been acquired by them in the course of their official duties.

Information that may be in the public domain or accessible by means of an open records request, is not confidential.

Private Employment. Members should not engage in, solicit, negotiate for, or promise to accept private employment, nor should they render services for private interests or conduct a private business when such employment, service, or business creates a conflict with or impairs the proper discharge of their official duties.

Teaching, lecturing, writing, or consulting are typical activities that may not involve conflict of interest, or impair the proper discharge of their official duties. Prior notification of the appointing authority is appropriate in all cases of outside employment.

Representation. Members should not represent any outside interest before any agency, whether public or private, except with the authorization of or at the direction of the appointing authority they serve.

Endorsements. Members should not endorse commercial products or services by agreeing to use their photograph, endorsement, or quotation in paid or other commercial advertisements, marketing materials, social media, or other documents, whether the member is compensated or not for the member's support. Members may, however, provide verbal professional references as part of the due diligence phase of competitive process or in response to a direct inquiry.

Members may agree to endorse the following, provided they do not receive any compensation: (1) books or other publications; (2) professional development or educational services provided by nonprofit membership organizations or recognized educational institutions; (3) products and/or services in which the local government has a direct economic interest.

Members' observations, opinions, and analyses of commercial products used or tested by their local governments are appropriate and useful to the profession when included as part of professional articles and reports.

CITY OF LEBANON, NEW HAMPSHIRE

POSITION TITLE: City Manager

DEPARTMENT: City Manager

REPORTS TO: City Council

FLSA DESIGNATION: Exempt

AFFILIATION: Non-Bargaining

SALARY GRADE: N/A - Determined by City Council

JOB SUMMARY

The City Manager is appointed by the City Council and serves as the City's chief executive and administrative officer in accordance with the City Charter. The City Manager has overall responsibility for implementing the Council's policies, resolutions and budget; for advising the City Council about the condition and needs of the City; for ensuring that City operations comply with the City Charter, ordinances and all applicable state and federal laws and regulations; for the proper administration of all City departments; and for representing the City at all levels of government as well as with residents, businesses, nonprofit organizations, community stakeholders, and the media. The City Manager does not oversee school operations as the School District is a separate entity overseen by a School Board and Superintendent of Schools.

The City Manager is expected to demonstrate excellent leadership; operate in a principled and civil manner at all times; place City residents first at all times and serve as an effective advocate for the interests of the City and its residents.

JOB DUTIES AND RESPONSIBILITIES

1. Ensure compliance with City Charter, ordinances, policies and all applicable state and federal laws and regulations.
2. Provide overall administration and supervision of all City departments and operations. Work with and coach department heads to ensure effective operations. Act as liaison between the City Council and administration.

3. Keep the City Council informed and advise them on conditions and needs of the City; attend and take part in all Council meetings (non-voting); provide reports as requested by the Council. Maintain regular, open communication with City Council and individual members.

4. Advise the City Council, and City boards and committees regarding legal compliance issues, pending legislation, financial updates and/or other important developments.

5. Develop, present and administer the City budget and capital expenditure budget; ensure efficient use of budgeted funds and institute appropriate cost controls; and monitor revenues.

6. Appoint, manage, and terminate department heads and other City employees consistent with City Charter requirements; Conduct annual evaluations of Department Heads.

7. Provide leadership in the development and implementation of short and long-term City goals, plans, programs, policies, facilities and service delivery methods. Assist the City Council and all departments in complying with the *Guiding Principles* and *Principles for Sustainability*, and in assessing opportunities and challenges for the City.

8. Ensure effective monitoring of City programs, policies and service delivery methods and recommend needed changes to City Council as necessary.

9. Recommend new or revised City ordinances, policies and rules to City Council.

10. Oversee, develop priorities for, and participate in labor negotiations.

11. Oversee public relations and communication efforts; lead and participate in current and emerging social media (whether video, audio, or data based); lead and participate in community engagement efforts; monitor and respond to community satisfaction with City priorities, projects and operations.

12. Maintain good relationships with community residents and stakeholders.

13. Assist residents and stakeholders in addressing problems with the City and delegate to other departments and/or employees as necessary.

14. Review, approve and sign all local government contracts and binding written agreements. Oversee service of all contract agreements (professional consultants, engineers, etc.)

15. Serve as chief media contact for the City and provide effective representation of the City at the local, county, regional state and federal levels.

16. Maintain current knowledge of City, state and federal issues, legal requirements related to municipal government, and best practices.

17. Attend appropriate City, county, regional, state and federal meetings, seminars and trainings.

18. Perform such other duties and responsibilities as may be assigned by the City Council, consistent with the City Charter and other applicable laws and regulations. Participate in annual performance evaluation by the City Council.

~~18.~~19. Uphold and follow the City's Ethics Policies and the International City Management Association's Code of Ethics to the extent it is not inconsistent with the City's Ethics Policies.

CHIEF EQUITY OFFICER

The City Manager shall serve as the City's Chief Equity Officer. The City Manager will work to develop and operationalize a long-term program of initiatives that will develop a diverse, equitable and inclusive culture and develop priorities that provide opportunities to build diversity and inclusive practices into the City's operations. The Chief Equity Officer will work with the Diversity, Equity and Inclusion Commission. For purposes of this position description, social equity is meant to include all groups as defined in City Code Chapter 185.

1. Provide leadership and partner with the department directors, local community organizations and diversity leaders and experts to improve the City's inclusive climate and design equitable structures throughout the City's programs and processes. Review policies and plans developed City wide to ensure they comply with the City's racial and social equity goals.

2. Develop ways to engage communities in meaningful dialogue about racial and social equity, inclusion, and what it means for City of Lebanon to be a welcoming community, including meeting regularly with various community groups.

3. Develop new employee groups to provide an engine for positively impacting the organization through effective leadership, engagement, programming and management; develop and build programs that create a common language around racial and social equity and inclusion and facilitate dialogue amongst City employees.

4. Monitor and make recommendations relative to Federal, State and Local equal employment opportunity and non-discrimination policies, mandates and directives to ensure that the City is in full compliance.

5. Provide prompt, fair and impartial processing and investigation of complaints of discrimination.

QUALIFICATIONS

EDUCATION AND EXPERIENCE:

- A Bachelors Degree in public administration, business administration or a related field is required. A Masters Degree in public or business administration, planning or a related field is preferred (current matriculation or commitment to matriculate in a master's program will be considered). An advanced Graduate Degree in fields related to business, governmental, or legal studies may also be considered, including a Juris Doctor Degree (JD).

- A minimum of seven years of successful experience as a municipal manager is preferred. A combination of highly responsible municipal experience and/or other relevant work experience may be considered.

- Strong knowledge of laws and regulations affecting municipal operations (as well as best practices); public administration; government operations; municipal budgets; economic development; public safety; planning; human resources and collective bargaining.

- Other combinations of education and experience that qualify an individual to perform the job duties and responsibilities may be considered.

SKILLS AND ABILITIES:

- Excellent verbal, written and public presentation skills.

- Excellent leadership, management and team building skills. Ability to motivate employees and the public for the betterment of the City. Ability to be flexible and adapt to changing circumstances.

- Excellent financial management and budgeting skills.

- Commitment to integrity, fair dealing with all constituencies and leading by example.

- Excellent interpersonal, employee relations, problem solving and negotiation skills. Ability to facilitate effective solutions to complex organizational, political and interpersonal problems. Effective delegator and supporter of achievement of others.

- Ability to lead the City in making meaningful improvements to ensure long-term growth and success; energetic and enthusiastic booster of the City.

- Ability to work effectively with City and other government officials at all levels; employees; the general public; union officials; attorneys; private businesses; and public/private organizations.

- Ability to prioritize and balance competing and sometimes conflicting needs and to apply sound judgment, sensitivity and diplomacy in addressing City needs. Courage to take considered risks when appropriate.

- Ability to maintain confidentiality of sensitive City, employee and citizen information.
- Ability to analyze complex data, statistics and issues; anticipate problems; and identify effective solutions.
- Commitment to community engagement; appreciation and respect for the City's history and diverse population.
- Ability to interpret, communicate and apply federal, state and City laws, regulations and policies.
- Ability to effectively utilize technology.
- Attention to detail; accuracy; and ability to meet deadlines.
- Commitment to lifelong learning and continuous organizational improvement; creative and innovative mindset.

LICENSES/CERTIFICATIONS:

- ICMA manager credential or intent to obtain credential is preferred.
- Valid driver's license.

RESIDENCY REQUIREMENTS:

The City Charter requires that the City Manager live within the City limits.

PHYSICAL REQUIREMENTS:

The City will make reasonable accommodations regarding the physical requirements in accordance with the provisions of the federal Americans with Disabilities Act and NH Civil Rights statutes Chapter 354-A. In the absence of a needed accommodation.

The employee is regularly required to stand; walk; sit; use hands to finger, handle, or feel; reach with hands and arms; stoop, kneel, crouch, or crawl; and talk or hear. The employee is occasionally required to climb or balance. The employee will rarely lift and/or move up to 40 pounds and occasionally up to 50 pounds. Specific vision abilities include close vision.

Agility: Ability to move quickly and easily.

Carrying: Transporting or moving an object.

Color vision: Ability to distinguish and identify different colors.

Crawling: Moving about in a low or crouched position.

Crouching: Positioning body downward and forward.

Eye/Hand/Foot Coordination: Performing work through using two or more body parts or other devices.

Fine Dexterity: Sufficient coordination to operate a vehicle and manipulate objects.

Fingering: Picking and pinching, through use of fingers or otherwise.

Handling: Seizing, holding, grasping, through use of hands, fingers, or other means.

Hearing/Talking: Perceiving and comprehending the nature and direction of sounds/ability to communicate ideas.

Hearing: Perceiving and comprehending the nature and direction of sounds.

Kneeling: Assuming a lowered position.

Lifting: Moving objects weighing no more than 20 pounds from one level to another.

Oral Comprehension: Ability to discern the meaning of oral speech.

Pulling: Exerting force upon an object so that it is moving to the person.

Pushing: Exerting force upon on object so that it moves away from the person.

Reaching: Extending the hands and arms or other device in any direction.

Repetitive motions: Making frequent or continuous movements.

Sitting: Remaining in a stationary position.

Standing: Remaining in a stationary position.

Stooping: Positioning oneself low to the ground.

Talking: Communicating ideas or exchanging information.

Vision Far Acuity: Ability to perceive or detect objects clearly at 20 feet or more.

Vision Near Acuity: Ability to perceive or detect objects at 20 inches or less.

Vision: Ability to perceive animal behavior, comprehend signs, and detect color.

Walking: Ability to move or traverse from one location to another.

Written Comprehension: Ability to discern the meaning of written words.

Work is primarily in an office environment.

Frequent work outside of regular office hours is required.

Ability to operate office equipment.

APPROVAL/REVISION DATE: 04/20/2022

Note: Job descriptions may be revised as needed to meet the City's business and operational needs.

NOTE: Reasonable accommodations may be made to enable individuals with disabilities to perform the position's essential functions.

~~5/11/2022~~

Signature: Timothy J. McNamara, Mayor   Date: