

FINAL

**LEBANON CITY COUNCIL
REGULAR SESSION MINUTES &
CAPITAL IMPROVEMENTS PLAN WORK SESSION
Wednesday October 16, 2024, 7:00 p.m.
Council Chambers**

Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Assistant Mayor Clifton Below (remote), Erling Heistad, Karen Liot Hill, Christian Simon, George Sykes [7:05pm], Douglas Whittlesey, Devin Wilkie, and Karen Zook

MEMBERS ABSENT: Mayor Tim McNamara

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager David Brooks, Tim Corwin, Deputy Planning and Development Director, City Engineer Brian Vincent, City Engineer Rod Finley, Energy & Facilities Manager Tad Montgomery, Director of Recreation, Arts & Parks Paul Coats, Solid Waste Manager Erica Douglas

1. CALL TO ORDER: City Manager Mulholland called the meeting to order at 7:00 p.m.

Councilor Heistad MOVED to nominate Councilor Liot Hill as the Temporary Chair for this meeting.

Seconded by Councilor Simon.

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara, Councilor Sykes

**The Vote on the Motion was approved (7-0)*

Councilor Liot Hill sat as Temporary Acting Chair.

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

- City Manager Shaun Mulholland announced the meeting criteria for the public.
- Assistant Mayor Below attended the meeting remotely due to an illness.

3. PUBLIC FORUM: Councilor Liot Hill made the Public Forum announcement.

4. OPEN TO PUBLIC: NONE

5. RECOGNITIONS: NONE

6. ACCEPTANCE OF MINUTES: October 2, 2024 (Regular Meeting)

Amendments:

***Councilor Heistad MOVED to approve the October 2, 2024, minutes as written and presented in the October 16, 2024, City Council agenda packet.
Seconded by Councilor Wilkie.***

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara, Councilor Sykes

****The Vote on the Motion was approved (7-0)***

7. APPOINTMENTS:

- A. Planning Board, Brian Ceglarski (Alternate Member): Recommended by City Manager Mulholland

Councilor Sykes joined the meeting at 7:05pm.

***Councilor Simon MOVED to NOMINATE Brian Ceglarski as an Alternate Member of the Planning Board. Term: 10/2024-10/2027
Seconded by Councilor Wilkie.***

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara

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

8. PUBLIC HEARING ITEMS: NONE

9. OLD BUSINESS: NONE

10. NEW BUSINESS:

- A. Reauthorization of Conveyance of City Land at 0 Mascoma Street (Tax Map 90, Lot 20) to Adjacent Parcel at 192 Mascoma Street (Tax Map 90, Lot 19)

Included in the agenda packet: ***(All supportive documents, including legal documents, maps and additional information can be found on pages 19-28, Council agenda packet)***

1. Excerpt of minutes from City Council meeting of February 5, 1968.
2. Plan of “Parcel Transfer, Donald A. & Irma W. Muzzy – City of Lebanon”, prepared by K.A. LeClair Associates, Inc., dated September 19, 1967, recorded March 12, 1968 at GCRD Bk.1060, pg. 0067
3. Quitclaim Deed from Donald A. & Irma W. Muzzy to City of Lebanon, dated February 16, 1968, recorded March 12, 1968 at GCRD Bk. 1068, pg. 0134.
4. Draft Quitclaim Deed from City of Lebanon to Donald A. & Irma W. Muzzy, along with a title

opinion and a cover page from Attorney Larry Gardner, dated January 24, 1968.

Deputy City Manager Brooks reviewed the background information.

BACKGROUND

On February 5, 1968, the City Council passed a resolution approving the conveyance of a +/- 1,270 square foot parcel from a City-owned property at 0 Mascoma Street (Tax Map 90, Lot 20) to an adjacent property at 192 Mascoma Street (Tax Map 90, Lot 19), then owned by Donald and Irma Muzzy, in exchange for the conveyance of +/-275 square foot parcel from Muzzy to the City. The land areas to be transferred were depicted on a September 1967 plan prepared by K.A. LeClair Associates.

Subsequently, in March 1968, the LeClair plan and the Muzzy-to-City quitclaim deed were recorded at the Grafton County Registry of Deeds. However, the City-to-Muzzy quitclaim deed was never signed or recorded. A copy of the unsigned quitclaim deed was found in the City Clerk's records, along with a January 1968 title opinion and cover letter from Attorney Larry Gardner. Thus far, no information has been found as to why the City-to-Muzzy conveyance was not signed and recorded at the same time as the other documents.

Both Donald and Irma Muzzy are now deceased, and the property at 192 Mascoma Street is currently held by the Estate of Irma Muzzy. Presently, a prospective buyer is in contract to purchase the 192 Mascoma Street property from the Muzzy Estate, but the failure to complete the City-to-Muzzy conveyance was uncovered through a title search and is currently holding up the closing.

Because so much time has passed, the City Manager requests and recommends that the City Council re-authorize the land conveyance to the prospective purchaser of 192 Mascoma Street, and to re-authorize the City Manager to execute the deed and take all other actions necessary to complete the conveyance transaction.

Council Comments: NONE

ACTION:

Councilor Whittlesey MOVED the following resolution:

WHEREAS, on February 5, 1968, the Lebanon City Council approved the conveyance of a parcel of land consisting of 1,270 square feet, from a City-owned property located at 0 Mascoma Street, Tax Map 90, Lot 20, to Donald A. and Irma W. Muzzy, owners of property at 192 Mascoma Street, Tax Map 90, Lot 19, in exchange for the conveyance of a parcel of land consisting of 275 square feet, from Donald A. and Irma W. Muzzy to the City of Lebanon, both parcels as shown on a Parcel Transfer Plan, prepared by Kenneth A. LeClair Associates, Inc., dated September 19, 1967; and

WHEREAS, on March 12, 1968, the LeClair Parcel Transfer Plan, and the Muzzy-to-City of Lebanon Quitclaim Deed were recorded in the Grafton County Registry of Deeds, pursuant to the City Council's authorization; and

WHEREAS, the corresponding City of Lebanon-to-Muzzy Quitclaim Deed was never executed or recorded by the City Manager as authorized by the City Council; and

WHEREAS, both Donald and Irma Muzzy are now deceased, and the property at 192 Mascoma Street is held by the Estate of Irma Muzzy and is in contract to be purchased by a third party.

NOW THEREFORE BE IT RESOLVED, the Lebanon City Council hereby reaffirms the February 5, 1968 decision to convey a portion of City-owned property, consisting of 1,270 square feet, located at 0 Mascoma Street, Tax Map 90, Lot 20, to the prospective purchaser of property at 192 Mascoma Street, Tax Map 90, Lot 19, and hereby reauthorizes the City Manager to execute the deed on behalf of the City, and to take all other actions necessary to complete the conveyance transaction.

Seconded by Councilor Simon.

Discussion:

Deputy City Manager Brooks asked that the language in the motion in the last paragraph be revised to read “NOW THEREFORE BE IT RESOLVED, the Lebanon City Council hereby reaffirms the February 5, 1968 decision to convey a portion of City-owned property, consisting of 1,270 square feet, located at 0 Mascoma Street, Tax Map 90, Lot 20, to the estate of Irma Muzzy, or its successor-in-interest as owner of property at 192 Mascoma Street Tax Map 90, Lot 19, and hereby reauthorizes the City Manager to execute the deed on behalf of the City, and to take all other actions necessary to complete the conveyance transaction.”

Councilor Whittlesey AMENDED the MOTION.

Seconded by Councilor Simon.

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara

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

- B. Work Session: Overview and Presentations of the 2025-2030 Capital Improvements Program (CIP) and Capital Budget**

Included in the agenda packet: ***(All supportive documents, information and the complete presentation can be found on pages 29-128, Council agenda packet)***

- 1. 2025 Capital Improvements Plan Presentation**
- 2. 2025-2030 Capital Improvements Program and Other Capital Projects packet**

Tim Corwin, Deputy Planning and Development Director, reviewed the background. Please note: As part of the preparation and review of the annual budget, the City Manager, Planning & Development Department, and other City departments were present on October 16, 2024, and reviewed their portions of the 2025-2030 CIP, their recommended 2025 Capital Budget items, and answered questions from the City Council.

BACKGROUND

At its meeting on July 22, 2024, the Planning Board reviewed the proposed Capital Improvement Program (CIP) for the six-year period of 2025-2030, discussing those projects that meet the definition of a CIP Item regardless of which year(s) the projects are proposed for funding. At the conclusion of the discussion, the Planning Board voted unanimously to approve and adopt the Capital Improvement Program for 2025-2030, and to submit Year 1 (2025) of the CIP as the Board's recommendation to the City Council for capital budget funding for 2025.

City Manager Mulholland reviewed the 2025-2030 Capital improvements Plan



Capital Improvement Program

Developed and updated annually to review proposed budget expenditures relative to community's capital needs.

Prepared in accordance with statutory requirements (RSA 674:5-8) and based on and supportive of the goals of the Master Plan.

Required to cover at least 6 years to allow community to plan for upcoming large expenditures to avoid significant fluctuations in spending and tax rates to the extent feasible.

Although the annual budget is a Council responsibility, the Planning Board is responsible for preparing and adopting the CIP; it is first and foremost a planning document.

Must have adopted Master Plan to have a CIP; must have adopted CIP to have Impact Fees and Growth Management Ordinances.

Constantly evolving and changing throughout the preparation and review process.

Capital Improvement Program Items



Roads, Bridges, Greenways



Acquisition of land



Construction of new buildings & facilities valued in excess of \$100,000



Facilities engineering design and preconstruction costs in excess of \$100,000



Reconstruction of existing facilities resulting in more capacity for growth at a cost in excess of \$100,000

2024-2025 CIP Budget Comparison

2024

General Fund- \$48,092,610

Sewer Fund- \$300,000

Water Fund- \$150,000

Solid Waste Fund- \$916,000

Airport Fund- \$3,878,340

TOTAL - \$53,336,950

2025

General Fund- \$8,487,160

Sewer Fund- \$1,009,760

Water Fund- \$1,809,050

Solid Waste Fund- \$14,353,390

Airport Fund- \$0

TOTAL - \$25,659,360

CIP Funding Sources

General
Obligations
Bonds

State Revolving
Funds-Water
and Sewer

Capital Reserve
Funds

Grants and
Loan
Forgiveness

Long Term Plan-General Fund

6 Year Capital Improvements Plan

Debt Load Stabilization Plan

Leveling of the General Fund Debt.

Limit new debt to the amount of debt being retired over the 6 Year period + CPI growth factor

Facilities

Streets and Bridges

Vehicles and Equipment

Rolling 6 -year period



The debt ceiling is calculated on a rolling six-year period based upon the CIP.

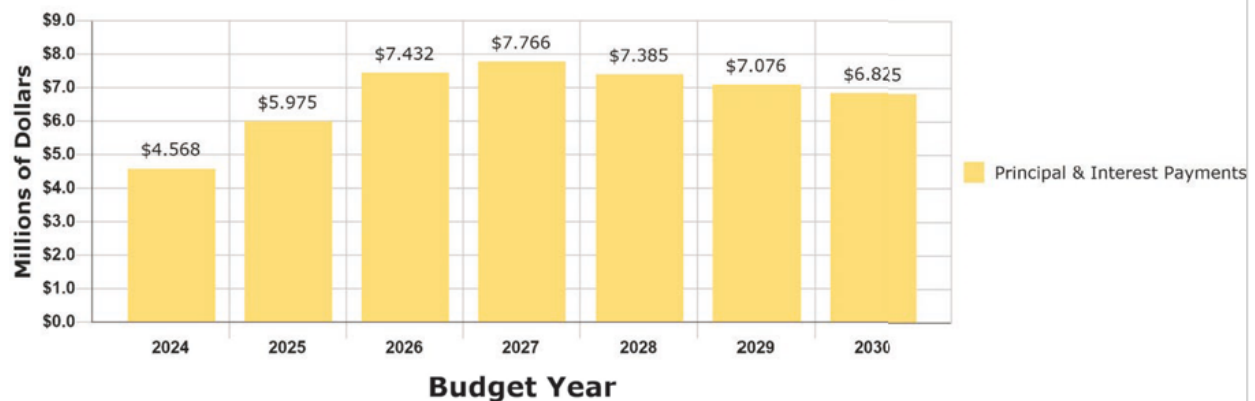


Debt attributable and paid by Tax Increment Finance Districts or Special Assessment Districts is not included in the debt ceiling



Large projects that cause exceedance of the debt ceiling would freeze incurring debt until the amount owed is below the ceiling.

General Fund Debt Service



Note: Projected Debt Service Cost based upon interest rates for present debt at various rates and new debt at 5% interest.

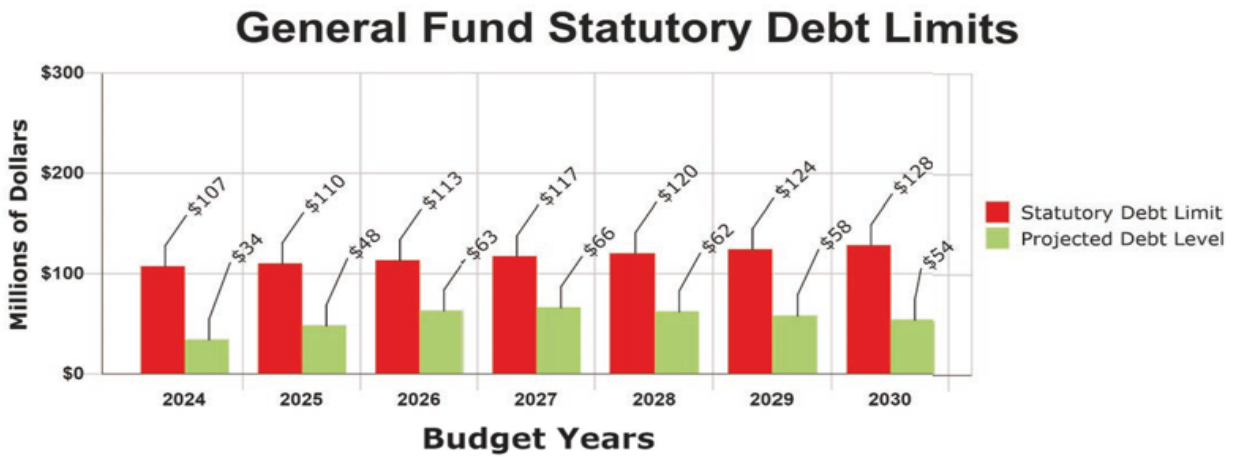
GENERAL FUND DEBT LIMITATIONS

Statutory Debt Ceiling - \$110
Million

City Policy Debt Ceiling - \$48
Million

Debt Retirement

- 2024 \$3.4 Million
- 2025 \$4.08 Million



NOTE: NH RSA 33:4-a limits a municipality's authority to borrow money by bonds to not exceed 3% of the assessed valuation of the City shown in red above. The green bar represents the City's actual and projected debt.

Long Term Plan–Sewer Fund



SEWER COLLECTION
SYSTEM
REHABILITATION



SEWER INTERCEPTOR
REHABILITATION



WWTF UPGRADES



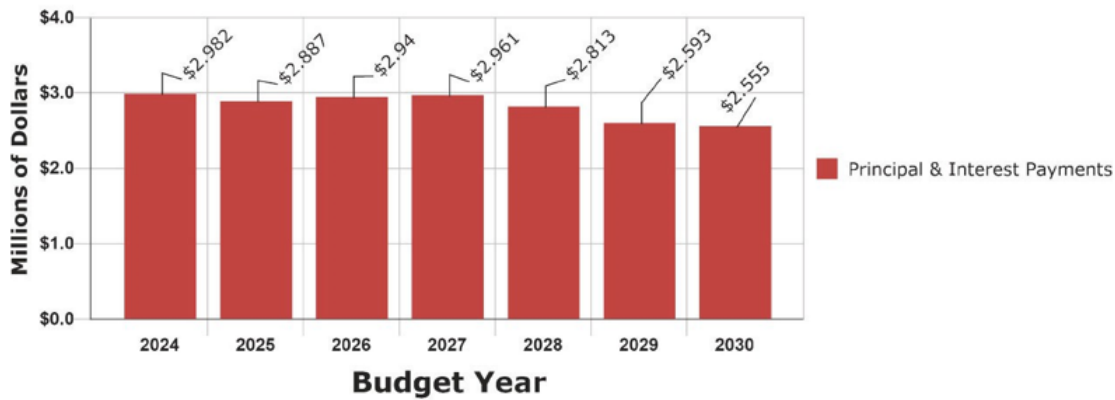
VEHICLE & EQUIPMENT
REPLACEMENT

Projected Rate Increase

6% increase in sewer rates for 2025
5.2% increase in sewer rates for 2024



Sewer Fund Debt Service



Note: Projected Debt Service Cost based upon interest rates for present debt at various rates and new debt at 5% interest.

Long Term Plan-Water Fund

Secondary Water Supply

- New Water Source Well
- New Water Distribution System from the new well to the storage tanks

Distribution System Improvements

- Mack Ave. Project
- Kimball St./Forest Ave. Project
- Mechanic St. water line rehabilitation
- Gate Valves and Fire Hydrants

Projected Rate Increase 2025



8% Rate Increase for 2025



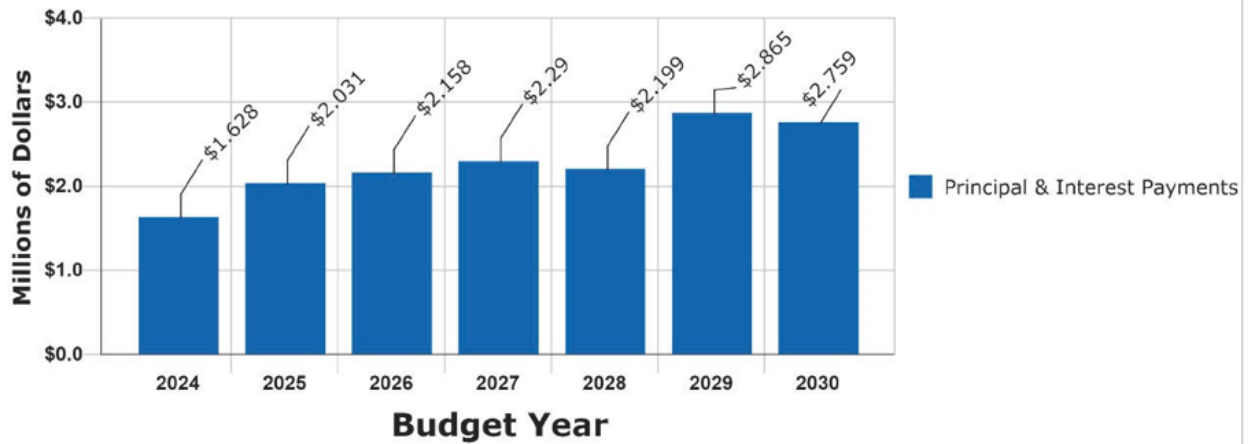
7.2% Rate Increase in 2024

Water fund Debt Management Plan started in 2024

The recently approved debt management structure includes a fixed component annual increase of 5% and a variable component added to that based upon the % increase of the CPI (started in January of 2024)

The development of the secondary water source well will require additional distribution system upgrades which have not been determined yet. This will exceed the debt limits when these projects begin.

Water Fund Debt Service



Note: Projected Debt Service Cost based upon interest rates for present debt at various rates and new debt at 5% interest.





Airport CIP Funding Sources

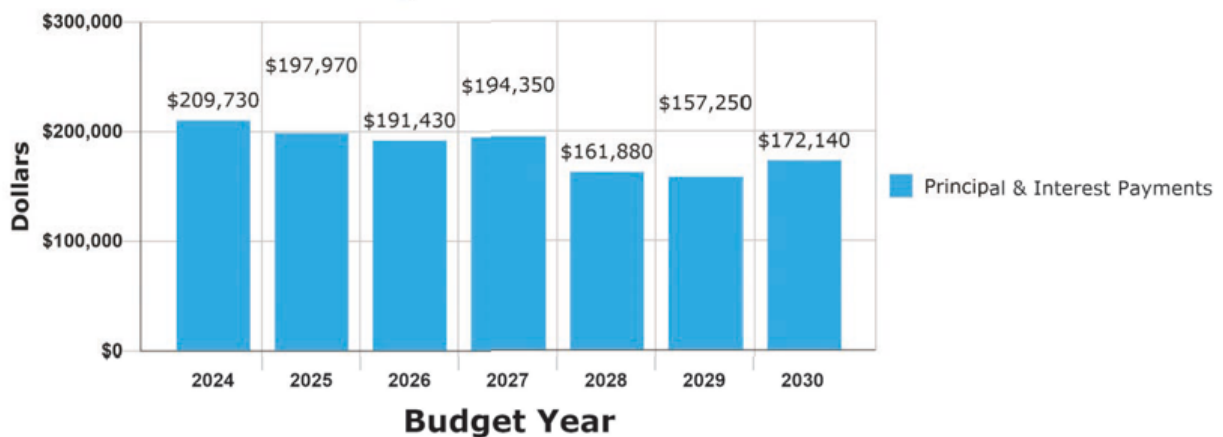
Federal portion 90%

State portion 5%

City portion 5%

ARPA funds will be used for the City portion until exhausted

Airport Fund Debt Service



NOTE: Represents existing, approved but unissued debt and projected debt.



Priority Projects

Landfill Phase 3 & 4 Design and Construction

Phase 2 Capping Project

Gas Collection & Control System

Replacement of Vehicles & Equipment

PFAS & Emerging Contaminants



PRESENT DETECTABLE LEVELS OF PFAS WILL LIKELY EXCEED FEDERAL & STATE REGULATIONS IN THE FUTURE.



DISPOSAL AND DESTRUCTION TECHNOLOGIES HAVE NOT BEEN FULLY TESTED AT THIS TIME.



PROJECTED TO BE VERY EXPENSIVE TO REMEDIATE AND DISPOSE OF.

Solid Waste Fund



Debt limits are based upon the present and future capacity of the Solid Waste Facility to accept waste and generate the revenue from that waste to pay for operating expenses and debt service payments for the ensuing year and beyond.

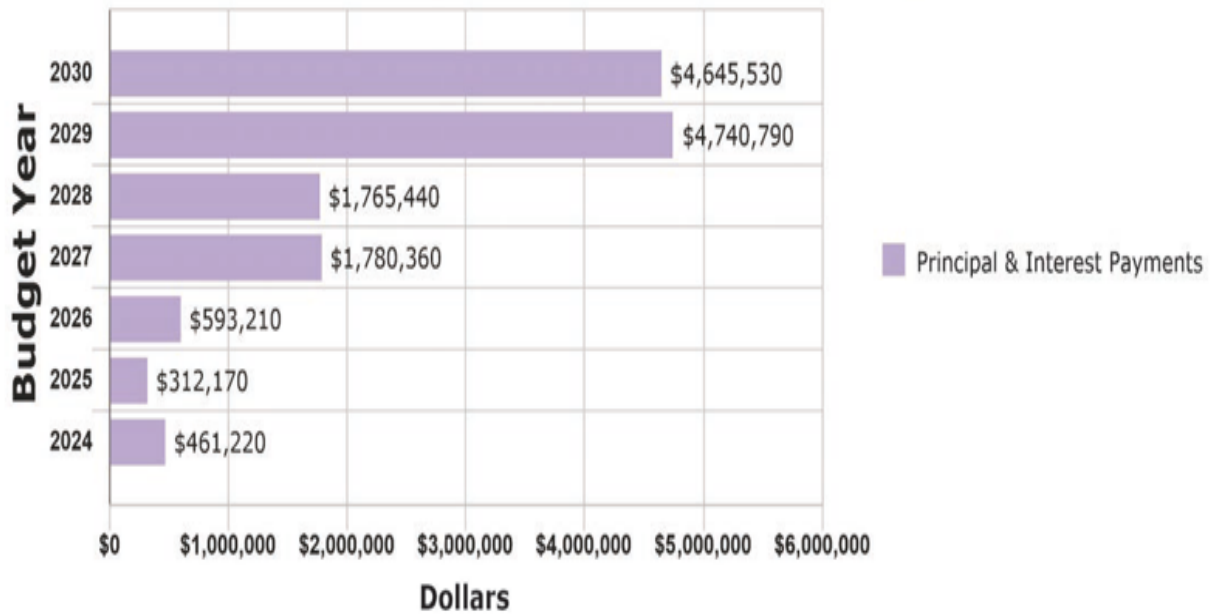


The period by which indebtedness may occur for any given project is limited to the useful life of the infrastructure asset.

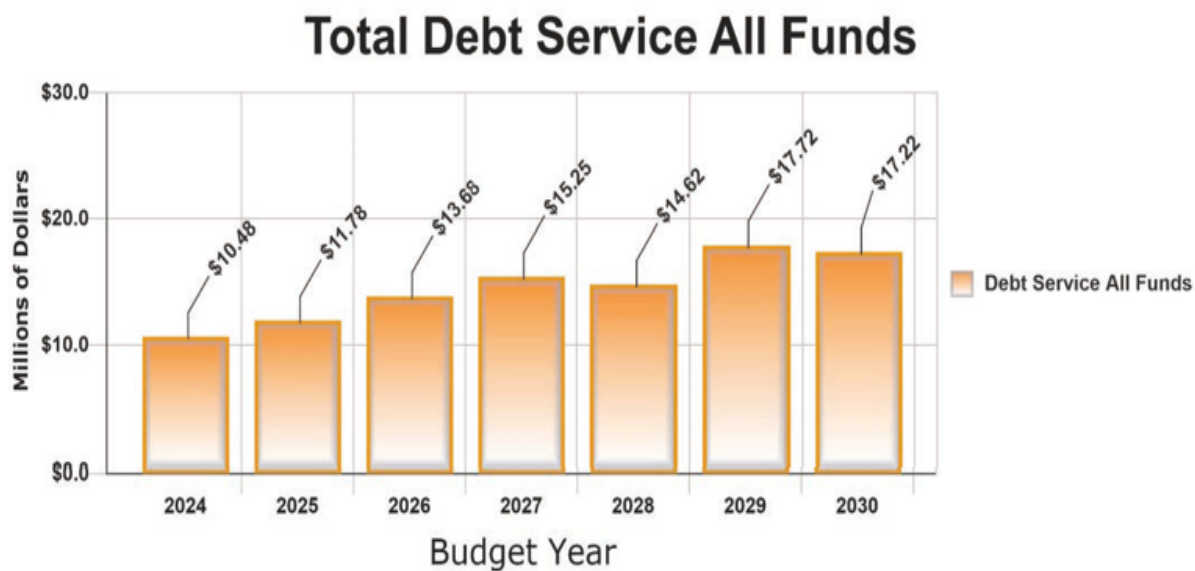


Situations where the state or federal government mandate by administrative or court order that action must be taken by the City that requires long term debt may require borrowing funds for periods beyond the useful life of the asset.

Solid Waste Fund Debt Service



Note: Projected Debt Service Cost based upon interest rates for present debt at various rates and new debt at 5% interest.



NOTE: Represents annual principal & Interest payments for all City funds: General Fund, Airport Fund, Water Fund, Sewer Fund, Solid Waste Fund.

CITY OF LEBANON ~ PLANNING & DEVELOPMENT

Mr. Tim Corwin, Deputy Planning & Development Director, reviewed and explained his memo to the City Council dated October 7, 2024, which contained the following attachments that were included on [pages 59-128, Council agenda packet](#). Since the information is detailed in depth for each project, including graphs and financial information, full details are not included in the minutes. Please refer to the following pages in the agenda packet as listed in [blue](#) below.

- Overview of the 2025-2030 Capital Improvements Program ([Pages 59-103](#))
- 2025 Capital Budget – DRAFT ([Page 68](#))
- 2025 Capital project materials and information ([Pages 104--118](#))
- 2025-2030 School District CIP ([Pages 119-120](#))
- 7/16/24 Planning & Development Department memorandum to the Planning Board ([Pages 121-122](#))
- 2025-2030 CIP adopted by the Planning Board on July 22, 2024 ([Page 126, Council agenda packet](#))
- 7/22/24 Planning Board meeting minutes ([Pages 123-128](#))

Council Comments:

Councilor Wilkie asked if the intent of the Slayton Hill roundabout replacement project is to build the roundabout and raise the underpass. Mr. Finley agreed. This is to both raise and widen the underpass. There will be opportunities for public participation in the design of this project throughout the process.

Councilor Sykes asked about how raising the underpass will impact the Mascoma Greenway rail trail. Rod Finley stated that the approach grade will be minimized to 2%.

Assistant Mayor Clifton Below asked if the Solar Phase 1 Buyout project will pay for itself. City Manager Mulholland agreed that this project will not add to the debt ceiling.

Temporary Chair Hill asked about how the Planning Board incorporated and interacted with the School District throughout the CIP process. Mr. Corwin stated that an SAU representative attended the Planning Board's work session in July in connection with the review of the proposed CIP. The SAU's proposed six year CIP was provided to the Planning Board as is contemplated by State statute. Temporary Chair Hill noted that there do not seem to be many major construction projects planned for the SAU. She would like the City to ask the SAU to consider creating an unfunded project list.

Councilor Wilkie asked if there is a threshold for inclusion on the unfunded projects list. City Manager Mulholland stated that projects are usually included when they are not yet ready to move forward and do not yet have an assigned funding opportunity.

Jay Simms, Ward 2, asked about the timeline and projected cost for the dry bridge replacement project. City Manager Mulholland stated that most of the increases deal with the cost of steel. There are also issues with the railroad's requirements. A temporary transloading facility will be needed during the project.

Daniel Himmelstein, 7 Moss Road, stated that the landfill is a great resource, but he has noticed items being discarded that could have a second life. Reselling some of these items could make the City money and remove items from the landfill. City Manager Mulholland stated that other towns have swap shops, but this could be a huge liability for the City.

Assistant Mayor Below stated that the dry bridge project was originally estimated at 18 months and asked if that anticipated a complete closure. City Manager Mulholland stated that the original concept for a complete closure would create too much havoc for the City.

ACTION: The agenda item is for informational purposes only. No action is required by the Council.

11. CITY MANAGER REPORT: NONE

12. COUNCIL REPRESENTATIVES TO OTHER BODIES: NONE

13. FUTURE AGENDA ITEMS: NONE

14. NON-PUBLIC SESSION:

Councilor Heistad MOVED to enter into Non-Public Session per RSA 91-A:2-a at 9:04pm. Seconded by Councilor Whittlesey.

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara

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

Councilor Whittlesey MOVED to exit Non-Public Session at 9:30pm.

Seconded by Councilor Wilkie.

Roll Call Vote:

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

None voted Nay.

Absent from vote: Mayor McNamara

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

15. ADJOURNMENT:

The meeting was adjourned at 9:30 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary