# LEBANON CITY COUNCIL
# DECEMBER 4, 2024 - 7:00 PM
# COUNCIL CHAMBERS, CITY HALL OR REMOTE VIA VIRTUAL PLATFORM
# LEBANONNH.GOV/LIVE

**1. Call to Order**

A. To participate in this meeting, please join live via Microsoft Teams or call 929-229-5356 (access code: 356 610 450#). If you have trouble accessing this meeting, please email Shaun Mulholland

The December 4, 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. Proclamation for Homeless Persons' Memorial Day

B. 2024 Statewide, NH Business and Economic Affairs Partner of the Year Award to the City of Lebanon

**6. Approval of Minutes**

A. MOTION TO approve the minutes as presented in the December 4, 2024 agenda packet.

**7. Appointments: None**

**8. Public Hearing Items: None**

**9. Old Business**

A. Presentation of Second Reading: Amendments to Ordinance #18, Salary Plan, to include implementation of a 3% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan.

**10. New Business**

A. Request from Lebanon Opera House for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property in 2025

B. Request from Lebanon Outing Club for an Exemption (per §14-5) of City Code Chapter 14, Alcoholic Beverages, to permit the serving of alcoholic beverages on City property in 2025

C. Presentation of 2023 Financial Audit

D. Authorization for the City Manager to Transfer Appropriated, Unencumbered FY2024 General Funds

E. Public Input on Proposed 2025 Municipal Budget

## 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 - There are no future board/committee/commission appointments at this time.

Proposed Future Agenda Items: Dates may be tentative, and this list is not considered all inclusive.
December 18, 2024
Public Hearing Items:
A. Adoption of 2025 City Budget
B. Amend Ordinance No. 18 Salary Plan
New Business:
A. Review and adoption of amendments to City Council Policy CC-101, Fund Balance
B. Review and adoption of amendments to City Council Policy CC-107, Debt Management
C. Authorization for the City Manager to Transfer Appropriated, Unencumbered FY2024 General Funds

There will be no City Council meeting on the first Wednesday in January because of the New Year's Day Holiday.

January 8, 2025
Old Business:
A. Amendments to City Charter – Review of comments by State agencies and Order to Place Proposed Charter Amendments on the Ballot for the March 11, 2025 Municipal Election.
New Business:
A. Review and Adoption of 2025 Annual Calendar
B. Appointment of 2025 Chair and Vice-Chair for Economic Development Commission
C. Discussion of Status of Board of Cemetery Trustees and Potential Courses of Action
D. Rescission of 79-E Community Revitalization Tax Relief Approval for LWM Residential, LLC for Redevelopment of 1 Foundry Street, Lebanon, NH
E. Review of Proposed Zoning Amendments for Council Adoption and for Placement on the 2025 Municipal Ballot and Set Public Hearing for January 22, 2025
F. Families Flourish Northeast -CDBG/RHP application
G. Discussion of TIF District payment for Solaflect EV Charging Equipment
City Manager Report:
A. Strategic Plan

# Proclamation
# Homeless Persons' Memorial Day

**WHEREAS**, the Lebanon City Council in its 2018 Resolution for Inclusiveness, and again in its 2020 Welcoming Lebanon Ordinance, has affirmed its commitment to the human rights and promotion of quality of life of all the City's residents regardless of housing status; and

**WHEREAS**, Lebanon Human Services and LISTEN Community Services are among a growing network of service providers that participate in the annual Point-in-Time Count coordinated by the US Department of Housing and Urban Development in the month of January, and they have recently supplemented this effort with an annual summer count to better understand the extent of homelessness in our local community; and

**WHEREAS,** in January 2024 this effort discovered that 47 individuals were known to be unhoused in the Upper Valley, including 15 individuals living unsheltered, and the summer 2024 count discovered at least 63 individuals known to be unhoused, including 46 individuals living unsheltered, and

**WHEREAS**, the City of Lebanon and LISTEN Community Services have for at least six years supported or helped to coordinate an annual Homeless Memorial Vigil, held on the winter equinox as the shortest day of the year and recognizing those who have died and whose lives had been shortened by homelessness; and

**WHEREAS**, the 2023 Homeless Memorial Vigil recognized that 19 persons are known to have died in the Upper Valley in the past year, whose lives had been shortened by homelessness; and

**WHEREAS**, the City of Lebanon is committed to mitigating the harms of homelessness, including through the recent addition of its seasonal shelter on Mechanic Street and support for affordable dwellings throughout the City, but still recognizes that there is more work to be done to aid those suffering due to homelessness.

**NOW, THEREFORE BE IT RESOLVED**, that the Lebanon City Council hereby proclaims December 20, 2024 to be Homeless Persons' Memorial Day in the City of Lebanon.

**BE IT FURTHER RESOLVED** that this Proclamation be written upon the minutes of the Lebanon City Council meeting.

Dated this 4th day of December 2024.

________________________________________

Timothy J. McNamara, Mayor
on behalf of the Lebanon City Council

# Resolution Recognizing the City of Lebanon as the 2024 Statewide Partner of the Year

**WHEREAS**, the City of Lebanon has demonstrated exceptional leadership and innovation in addressing housing needs within the Upper Valley region, earning the Statewide Partner of the Year Award at the 2024 EconForum held at Manchester Community College on November 15, 2024; and

**WHEREAS**, the Department of Business and Economic Affairs (BEA) presented this award in recognition of Lebanon's strategic approach to housing development, which aligns with the city's commitment to sustainability, community character, and economic growth; and

**WHEREAS,** the City of Lebanon's Planning and Development Department has long been a trailblazer in proactive planning, focusing on initiatives that enhance livability, promote environmental stewardship, and support economic vitality through projects such as the Lebanon Master Plan; and

**WHEREAS**, the City of Lebanon's innovative housing strategies have been instrumental in fostering a vibrant community, with Planning and Development Director Nathan Reichert stating, "The recognition at EconForum underscores our dedication to making Lebanon a vibrant place to live, work, and thrive".

**NOW, THEREFORE BE IT RESOLVED**, that the Lebanon City Council, on behalf of the City of Lebanon, hereby acknowledges and celebrates the City of Lebanon's receipt of the Statewide Partner of the Year Award, reflecting its dedication to strategic housing development and its commitment to enhancing the quality of life for all its residents.

**BE IT FURTHER RESOLVED** that this Resolution be written upon the minutes of the Lebanon City Council meeting.

Dated this 4th day of December 2024.

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Timothy J. McNamara, Mayor
on behalf of the Lebanon City Council

**Agenda**
**Lebanon City Council**
**December 4, 2024**

## 6. Acceptance Of Minutes:

**Minutes To Be Accepted**

- November 7, 2024 (Work Session)
- November 13, 2024 (Work Session)
- November 14, 2024 (Work Session)
- November 19, 2024 (Work Session)

**MOVED, to approve the minutes as presented in the December 4, 2024 agenda packet.**

**DRAFT**

**LEBANON CITY COUNCIL**
**BUDGET WORK SESSION MINUTES**
**Thursday, November 7, 2024, 5:30 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, Christian Simon, George Sykes, Douglas Whittlesey Devin Wilkie, and Karen Zook |
| **MEMBERS ABSENT:** | |
| **STAFF PRESENT:** | City Manager Shaun Mulholland, Deputy City Manager David Brooks, Director of Public Works Jay Cairelli, Assistant Public Works Director Rick Brown, Administrative Services Manager Kelly Crate, Deputy Finance Director Alesia Williams, Assistant Public Works Director Chris Kilmer (virtual), Solid Waste Manager Erica Douglas (virtual) |

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1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 5:30 p.m.

2. QUESTION & ANSWER SESSION
   - Public Works
     - Cemeteries **(Pages 17-18, Council Agenda packet)**
     - Administration (Engineering, Energy & Facilities, Operations & Maintenance **(Pages 19-23, Agenda packet.)**
     - Solid Waste Disposal **(Pages 24-27, Council agenda packet)**
     - Water Treatment & Distribution **(Pages 28- 31, Council agenda packet)**
     - Sewage Collection & Disposal **(Pages 32-36 Council agenda packet)**

**The City of Lebanon's DPW Proposed 2025 Budget materials and all supportive documentation, including detailed itemized budget information can be found on pages 2-36, Council agenda packet.**

Jay Cairelli, Director of Public Works and Rick Brown, Assistant Director of Public Works, came forth to speak about the accomplishments achieved in 2024 and their proposed DPW budget/goals in 2025.

Mr. Cairelli spoke about the four biggest challenges, the first being that the City is losing ground on pavement management, due to the vast volume of work needed to be done. This will be the bulk of his presentation. The other three areas are sidewalk maintenance and repairs, and again, like roadways, they are deteriorating faster than they have funding to complete the necessary repairs. Waste capping, which was discussed during last night's meeting, with a proposed budget increase of 15%, and lastly, the new water source project.

The proposed budget has modest increases and allows for maintaining the current level of service, except for solid waste. This is a bare bones proposal to be able to maintain the current level of service. Paving proposed budget is $620,000, which is not sufficient, but the contractor has agreed to hold the bid they offered in 2024, and Jay thinks this is the last time the City can get this work done for the price of $659,000. He thinks the cost can be supplemented with the guard rail budget and other funds. The cost of materials is going up much faster than what CPI has been in recent years, so he does not think there will be another opportunity to get the work completed for this price.

He showed pictures of the poor condition of Storrs Hill, a direct result of unfunded work. Uncompleted but necessary work often results in emergency repairs, citizen complaints, washouts, premature failure of car parts, etc. These repair delays cost the City and its citizens money.

Lebanon is currently at an index of 72 for average condition (also the current low national average), with DPW's goal to be at an 80 Average Pavement Condition Index. An 80 allows for communities to be in *preservation mode* and get better use of the funding available. The current backlog is $17.2M. Over $6M of this is deferred maintenance and not included in the proposed budget.

Mr. Cairelli explained the difference between reclaimed and rebuilt pavement. Most of the proposed budget allows for reclaimed only.

The graph on page 5 poignantly shows PCI decline with the current funding strategy, which increases exponentially over time. The current cost per mile is much less than it will be in the future.

The original proposed budget was $3.5M for paving and would have allowed them to get to preservation mode and attain the 80-index goal.

Mr. Cairelli shared that Preservation by Chip Seal (20% rubber) is relatively inexpensive at $71,500 /mile compared to any other options, with 1" Overlay being the next least expensive at $80,000/ mile.

Their policy is to work on the worst roads first, but this eats up the budget quickly given the higher costs per mile. The present rate of spending is not sufficient.

Sidewalks generate the second highest number of complaints by call volume (trips and falls, unsightly, etc.). There are 30 miles of sidewalks in the City and a goal has been to have many of these connect and have Lebanon be a walkable city. If Lebanon is to become a walkable city, this too needs to be addressed.

City Manager Mulholland reiterated that the most expensive issue in the City is the condition of the roads and the failure to maintain them. There will be consequences for this. The amount being budgeted is insufficient. The failure to maintain these roads will cost the City more in the future, in capital, cash, the delay of other projects, along with the costs for damage to vehicles, for people that travel through these areas. There are other smaller communities, less affluent than Lebanon, that spend much more to maintain their roads. This is the quintessential issue for the City to address in the general fund, the ability to maintain these roads. $3.5M is what is needed now.

Mr. Cairelli will get a cost diagram showing what the annual cost would be to maintain at the 80 level, along with realistic times the work would last (timelines), if the City made a one-time investment of $3.5M to do the current necessary roadwork.

Mayor McNamara stated that gravel roads are much less expensive to maintain than paved roads. This could be a consideration for those roads where the traffic and population density per mile is low.

# City of Lebanon
# Department of Public Works

## 2025 Proposed Budget

# Department of Public Works
## 4 Divisions
## &
## Cost Centers

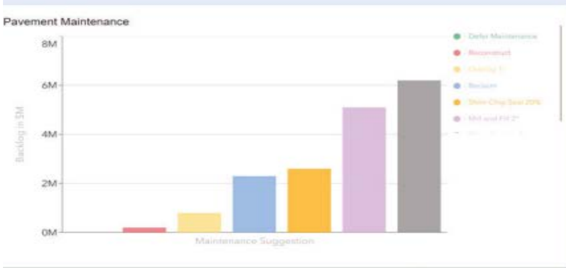
- **DPW –** ADMINISTRATION, ENGINEERING, OPERATIONS AND MAINTENANCE (HIGHWAY), CEMETERIES, FLEET and FACILITIES/BUILDINGS & ENERGY
- **SOLIDWASTE**: LANDFILL & RECYCLING
- **WATER :** TREATMENT PLANT, DISTRIBUTION (WATERMAINS, STORAGE TANKS, BOOSTER STATIONS) & METERS
- **WASTEWATER:** TREATMENT PLANT, SEWERS/COLLECTION & PUMP STATIONS

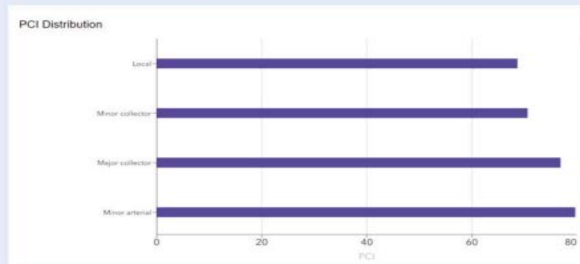


| | 2024 Approved Budget | 2025 Proposed Budget | % Increased/ Decreased |
|---|---|---|---|
| DPW<br>*Admin, O&M, Eng, Cemeteries, Facilities, Fleet* | $6,396,520. | $6,628,650. | 3.5% |
| Solid Waste *Enterprise Fund* | $5,380,950. | $6,660,920. | 19.2% |
| Water *Enterprise Fund* | $4,689,410 | $4,904,770. | 4.4% |
| Wastewater *Enterprise Fund* | $8,483,400 | 8,792,090. | 4% |
| Total DPW | $24,950,280. | $26,986,430. | 7.5% |

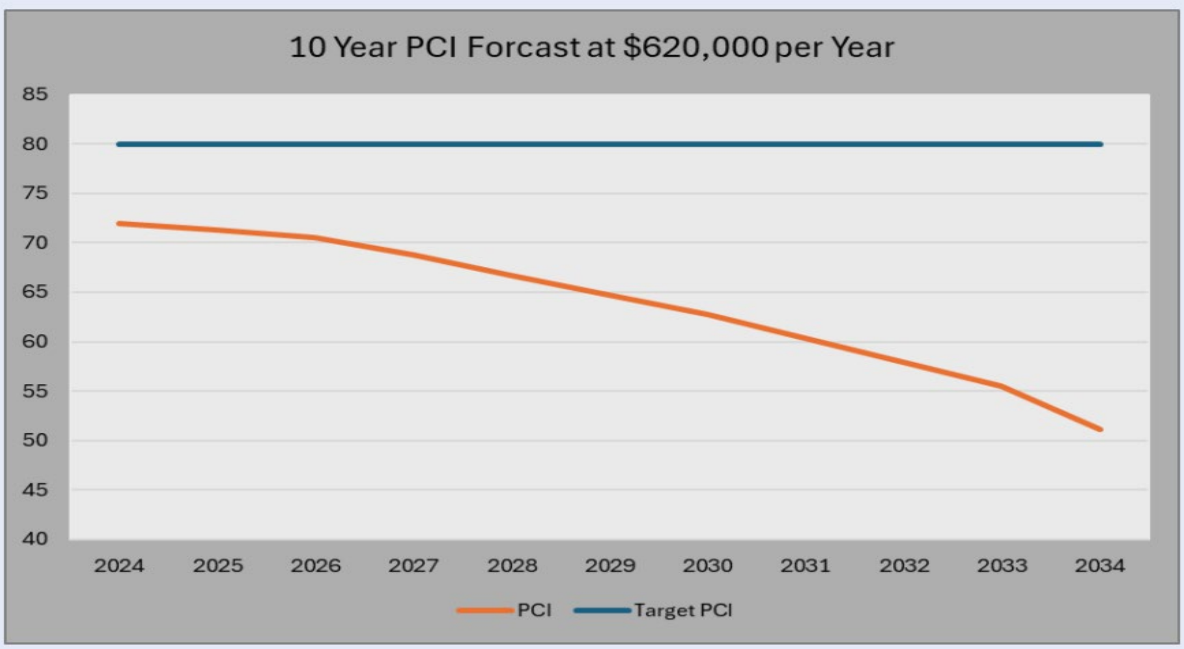
# Lebanon’s Road Network

- 92 Miles of Paved Roads
- 8 Miles of Gravel Roads
- Average Pavement Condition Index: 72
- Current Backlog of $17.2 Million



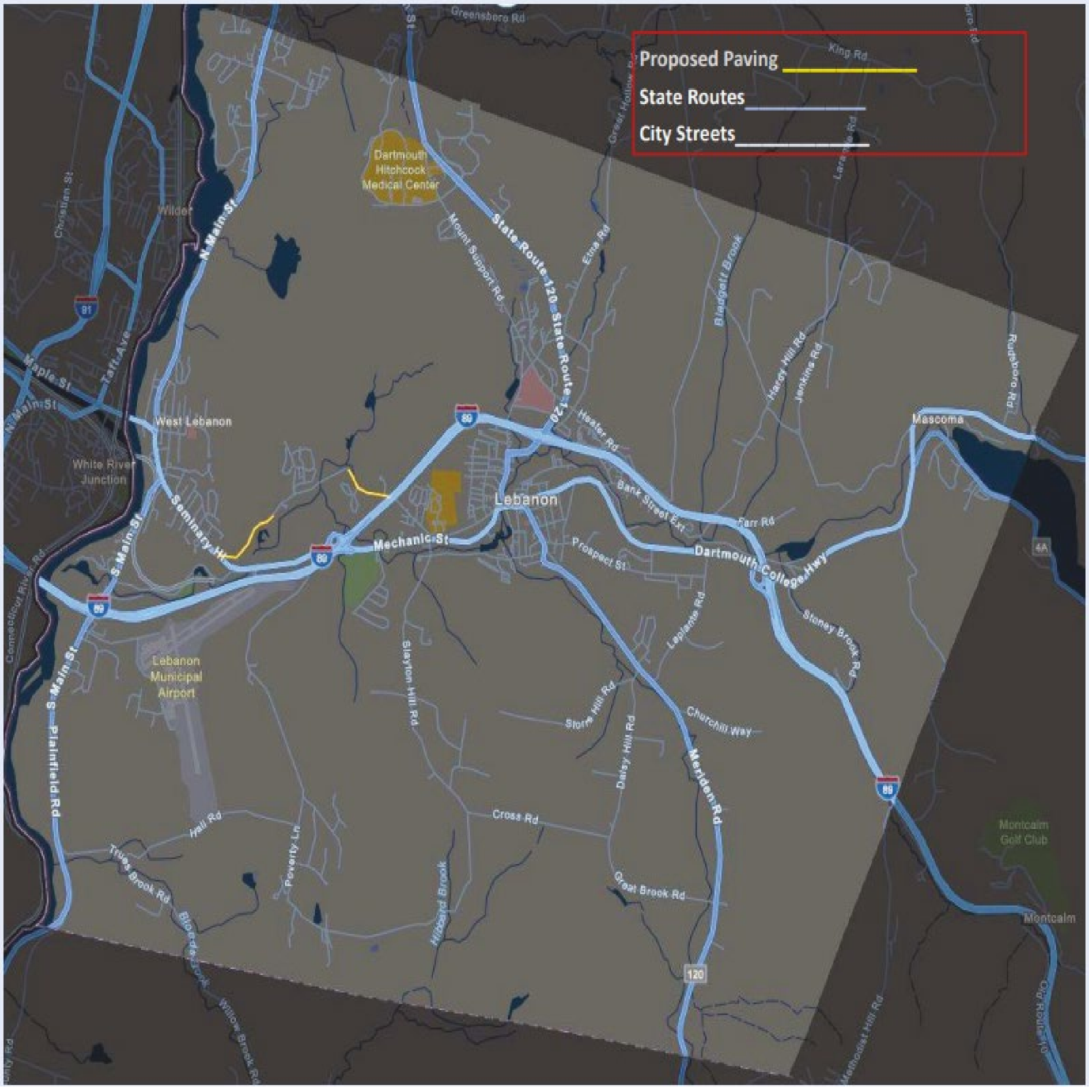




## PCI Decline with Current Funding Strategy.



# 2025 Originally Proposed $3.5M Paving

# 2025 Current Proposed $620,000 Paving




# Unfunded Work

- Proposed for $3.5 Million
- Cost of Repair is High and Consumes Entire Budget

# Road Network Valuation Materials Only

| PRESENT DAY VALUE OF ROAD NETWORK | | | | | | | |
|---|---|---|---|---|---|---|---|
| | MILEAGE: | | | UNIT COSTS: | | | |
| | 92 | Paved | | Pavement | $ 85.96 | /ton | |
| | 8 | Gravel | | Gavel | $ 44.75 | /ton | |
| Depth | PAVED ROADS | | | | | | |
| Inches) | Material | Cost/SY | Miles | Width (ft) | SY | Cost | |
| 4 | Pavement | $ 19.34 | 92 | 24 | 1295360 | $ | 25,053,558 |
| 12 | Gravel | $ 20.14 | | | | $ | 26,085,312 |
| | | ***TOTAL VALUE PAVED ROADS*** | | | | **$** | **51,138,870** |
| Depth | GRAVEL ROADS | | | | | | |
| Inches) | Material | Cost/SY | Miles | Width (ft) | SY | Cost | |
| 12 | Gravel | $ 20.14 | 8 | 16 | 75093.3 | $ | 1,512,380 |
| | | ***TOTAL VALUE GRAVEL ROADS*** | | | | **$** | **1,512,380** |
| | | ***TOTAL VALUE OF THE NETWORK*** | | | | **$** | **52,651,249** |
| | **ANNUALIZED DEPRECIATION AT** | | | 20 | ***YEAR LIFE*** | **$** | **2,632,562** |

## Road Preservation and Strategies

- Preservation: Chip Seal (20% rubber) - $71,500 / mile. PCI 66-85
- Preservation: 1" Overlay - $80,000 / mile. PCI 81-90
- Preservation: 1" Overlay/Chip Seal - $146,000 / mile. PCI 66-90
- Preservation: Shim & Overlay (2" total) - $160,000 / mile. PCI 46-65

## Negative Effect on PCI with Worst Roads First Policy

- Rehab: Mill, Shim, Overlay (2" total) - $190,000 / mile. PCI 46-65
- Rehab: Reclaim, Grade, Repave - $400,000 / mile. PCI 36-45
- Reconstruction (Rural) - $1,500,000-$2,000,000 / mile. PCI 0-35

- 92 Miles of paved roads.
- $620,000 per year.

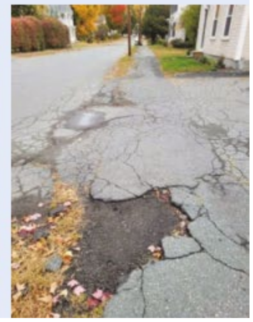
***92 miles X $1.5M per mile = $130M***
***$130M / $620,000 = 222 years.***

- Reclaim = $400,000 per mile.

*This does not include ditches, culverts, signs or guardrails*

## Sidewalk Concerns

- 30 Miles of Sidewalk
- Second highest number of complaints by call volume



## Engineering 2025 Budget Highlights

- Attend monthly Planning Board meetings to provide answers to board members' questions regarding technical issues related to site plans and subdivisions.
- Review and process Driveway Permits, Excavation Permits, Sewer Use Permits, Water Use Permits, Stormwater Permits, and Floodplain Permits.
- Project Management for the construction of sixteen major projects including roadways, sidewalks, crosswalks, a multi-use path, utility infrastructure, slope stabilization, the LaHaye/Mount Support Roundabout, and the Riverdale Odor Control Facility.
- Project Management and design of seventeen major projects including roundabouts, roadways, streetscapes, sidewalks, multi-use paths, bridges, utility infrastructure, and a cottage development.
- In-house design of a control valve vault and septage receiving facility.

Council/Staff Discussions:

Mr. Cairelli acknowledged the hard work of the City Engineers, Brian Vincent and Rod Finley. They are responsible for all the major CPI projects. They are the project managers for the City. They also do all the planning board review and the attendance at those meetings, all the PDW permitting, and they consult with the Conservation Committee, as well as consulting with many other departments within the City.

He also recognized their own Maintenance crew, headed by Alan Hamilton , Highway Superintendent, and the many accomplishments of his team, including the line painting that was completed ahead of schedule this year, switching the color crosswalks to longer lasting paint, and the many efforts they make for Memorial Day, including sweeping and cleaning the roads, readying the City for this holiday, setting up and taking down signage for all elections, preparation for the parade on Veterans' Day, among other things.

**Public Works Cemeteries**

**2024 Accomplishments**

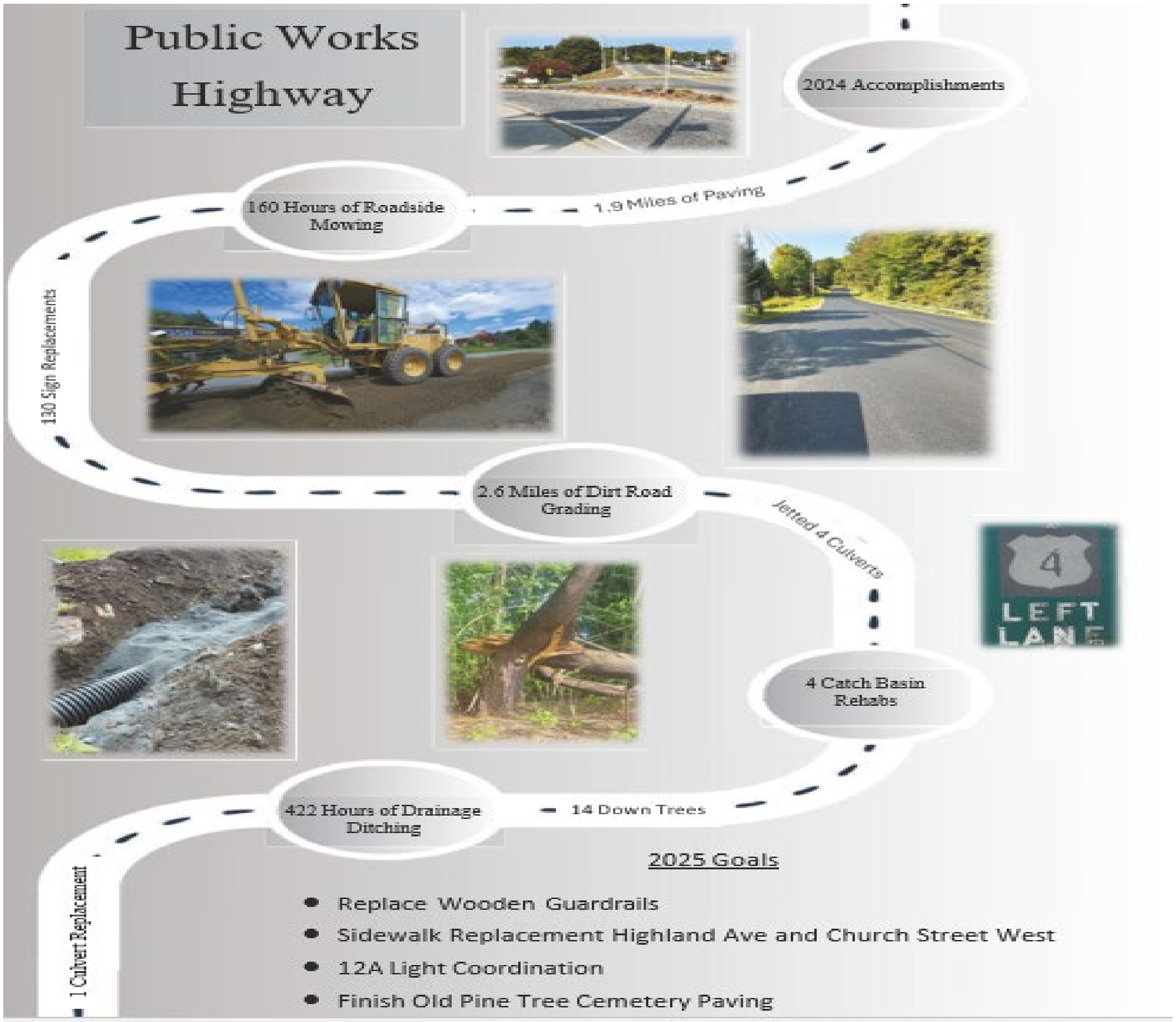
- Mowing 86 acres
- 15,000 burial sites.
- 17 Full Burials
- 35 Cremation Burials.
- Natural Burial 3
- Regular Grave Sales 3
- Columbarium Sales 5
- Transferred 3 deeds
- Monument Cleaning

**2025 Goals**

- Vegetation Control
- Monument Restorations
- Cemetery Expansion

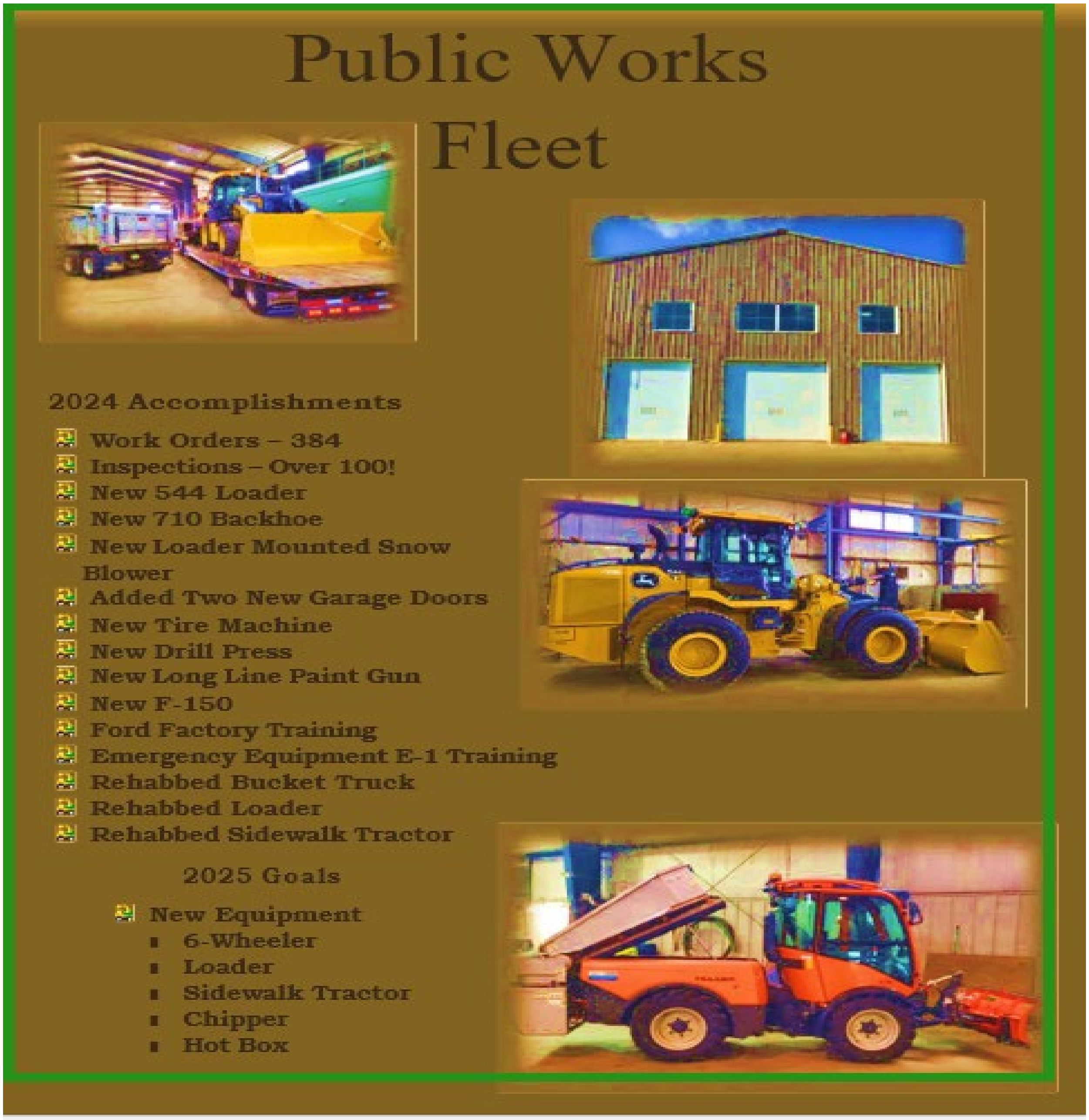
**See itemized costs for cemeteries on pages 17-18, Council agenda packet.**

**Council/Staff Discussions: NONE**




**See itemized costs on pages 19-23, Council agenda packet.**

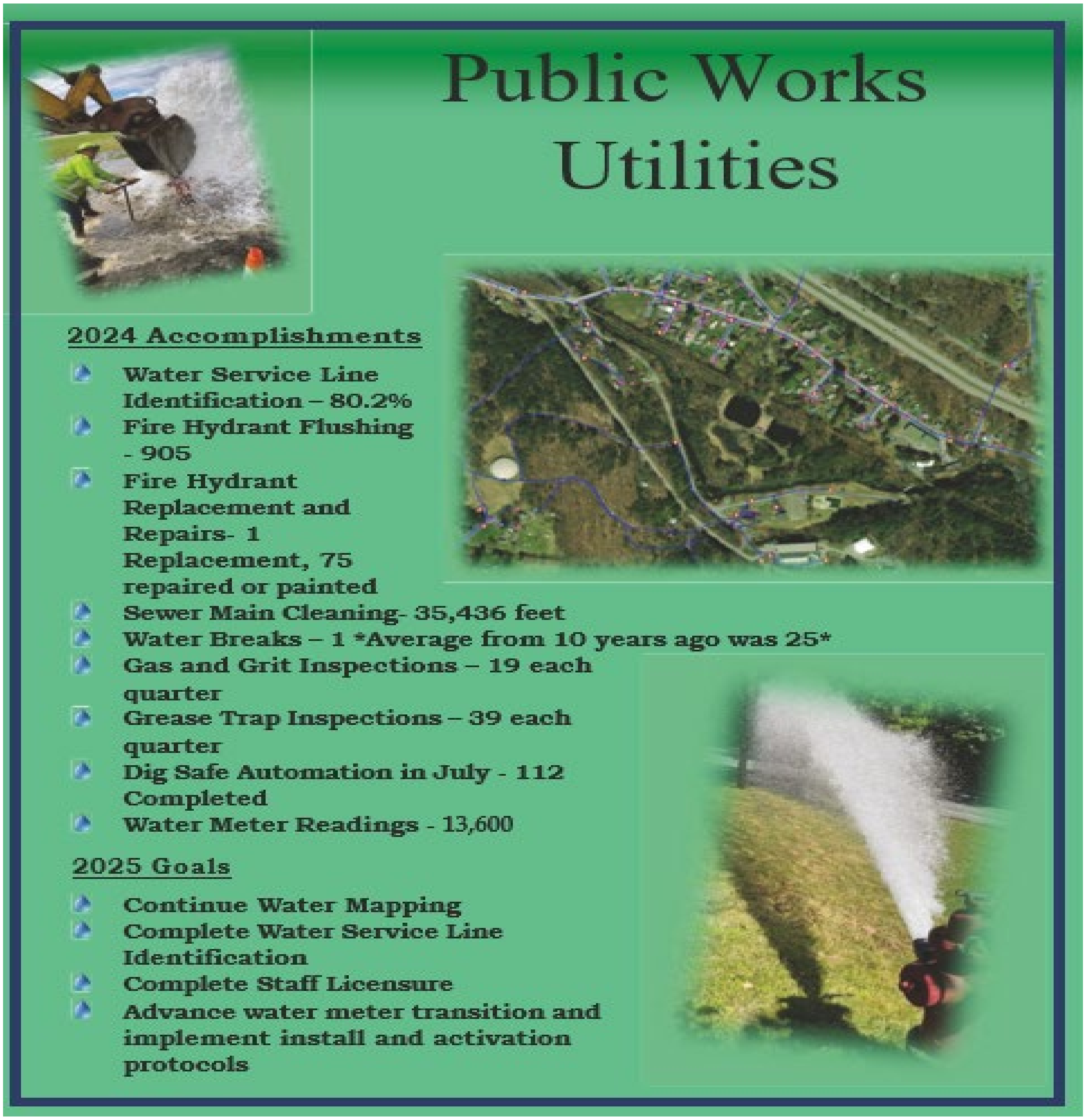
**Council/Staff Discussions: NONE**




**Council/Staff Discussions:**

Currently there are 3 snowblowers, one assigned to Lebanon and one to West Lebanon, and the other in reserve in case one of these two breakdown. Mr. Cairelli said that ideally, they would have 5 sidewalk tractors, two for Lebanon and the other 2 for West Lebanon and a backup blower in reserve. This would allow them to maintain sidewalks, but this is not being proposed, and manpower would be an issue as well.

Mr. Brown said that using the snowblowers for sidewalks is not an option since these are much slower, and his team has time constraints as well.



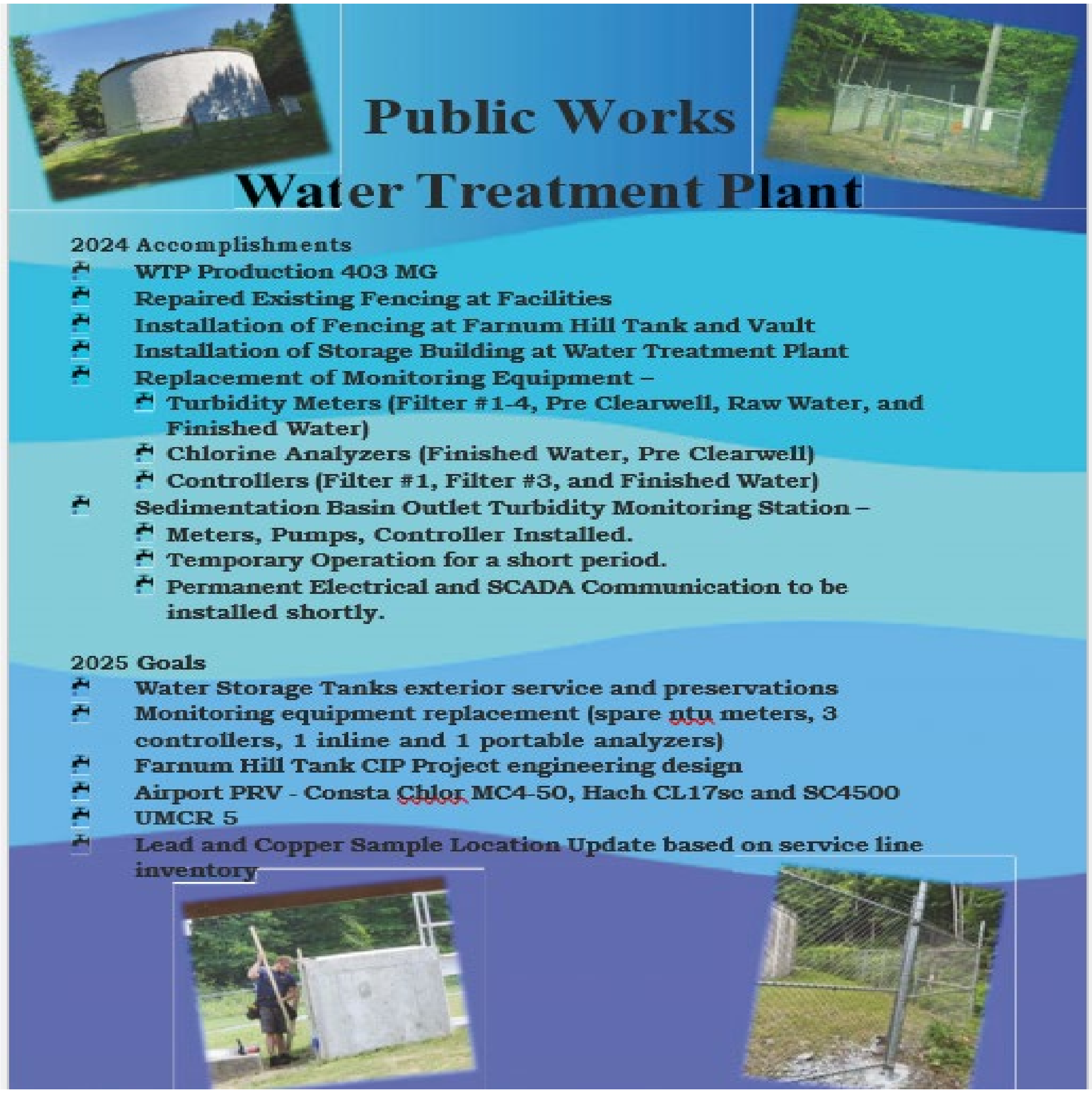

**See itemized details on pages 21-23, agenda packet.**

**Council/Staff Discussions: NONE**


**See itemized costs on pages 24-27, Council agenda packet.**

**Council/Staff Discussions:**

While there were no questions, Mayor McNamara commented that they need to get out ahead on the topic of Landfill to the Public.




**See itemized costs on pages 28-31, Council agenda packet.**

**Council/Staff Discussions:**

Water:

Mr. Cairelli discussed this topic during the November 6, 2024 meeting and asked for any questions. Mayor McNamara asked about the status of talks with the State and if there are any hurdles since this was first discussed, anything pertaining to permitting. Mr. Cairelli said they are waiting for a positive response from FEMA and anticipates they can move forward with permitting in 2026. Any anticipated federal funding is dependent on the new government.

Mayor McNamara asked that the Council continue to be updated on CIP as discussions for this funding progress.

Emergency situations were discussed, and the City has a plan in place with Hanover and Hartford that could help. The City has an emergency PRMV and with heavy user restrictions, the whole town could be sustained for a period of a few weeks.

Mayor McNamara said that the funding is secure for the DHMC construction with Hanover. The hospital, and State grants have been secured and will begin in 2025.

# Public Works Wastewater

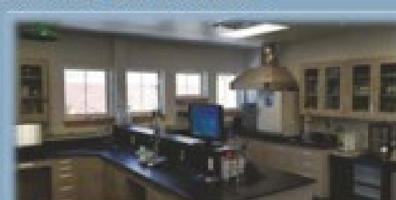
**2024 Accomplishments**

- **Installed automated front gate at the treatment plant**
- **Completed bridge over contact tank**
- **Completed Huber Press project**
- **Constructed and Operated New Odor Control Trailer**
- **Conducted Chemical dosing and pH Monitoring at 4A Pump Station**
- **Installed New Security Camera at Wastewater Plant**
- **Septage taken to-date (through August 2024) from Lebanon and surrounding Communities: 2.67 MG**

- **Dewatered and delivered to date over 1,900 Tons of Sludge to the Landfill**
- **Implemented Automatic Wasting with Solitax Solids Meters**
- **Average Removal of total Suspended Solids: 99%**
- **Average Removal of BOD: 98%**
- **Installed New Borger Feed Pump for Huber Dewatering**
- **Replaced 3 VFD's in Sludge Storage**
- **Purchased New Hand Wheel Slide Gates for Mixed Liquor Control on Aeration Tank Outfall**
- **Purchased New Secondary Scum Pumps to Replace Outdated Original Pumps.**

**2025 Goals**

- **Neuros Turbo Blower VFD Replacements to ensure functionality with critical plant equipment.**
- **Route 12A Pump Station refurbishing. Work will include New Perimeter Fence, freshly painted building, rebuilt Pump Can Floor and New Generator Air Louvers.**
- **Sludge Grinder refurbishing due to high volume processed and wear to components.**
- **Raw Sewage Pump VFD Replacements to ensure functionality of critical plant equipment.**
- **Borger Pump Rebuild Kits to replace worn items from high volume pumping operations.**
- **WWTP Employee Locker Room refurbishing. New Lockers, toilets, sinks, showers, flooring, and ceiling.**
- **Concrete Sandblasting and Coating of the Sludge Storage Tank at the WWTP.**



**See itemized costs on pages 32-36, Council agenda packet.**

**Council/Staff Discussions:**

Wastewater: The City is nowhere near running out of capacity (main interceptors) currently are not in jeopardy until the next generation, if ever. No issues with pinch point in treatment either.

The Council agreed they will calculate the cost of a $3.5M bond, along with the associated cost. This would allow the City to complete the pavement repairs currently needed and maintain roads thereafter. Tax implications will be provided as well.

**The meeting was adjourned at 6:46PM.**

Respectfully submitted,
Cinda Mersel
Recording Secretary

**DRAFT**

**LEBANON CITY COUNCIL**
**BUDGET WORK SESSION MINUTES**
**Wednesday, November 13, 2023, 5:30 p.m.**
**Council Chambers**
**Remote Via Microsoft Teams:** LebanonNH.gov/Live

**MEMBERS PRESENT:** Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, Christian Simon, Douglas Whittlesey, Devin Wilkie

**ABSENT:** Mayor Tim McNamara, George Sykes, and Karen Zook

**STAFF:** City Manager Shaun Mulholland, Deputy City Manager David Brooks, Human Services Director Lynne Goodwin, Lebanon Fire Chief Jim Wheatley, Deputy Fire Chief Jeff Libbey, City Clerk Jaseya Ewing, Cyber Services Director Perry Eaton

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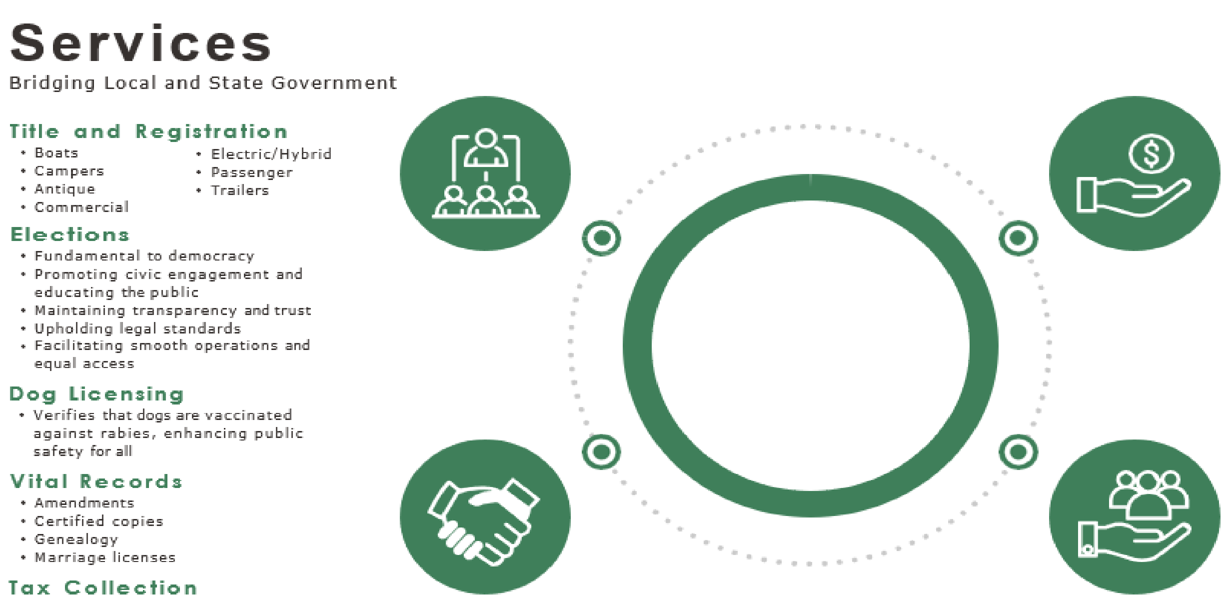
1. **CALL TO ORDER:** Assistant Mayor Below called the work session to order at 5:30 p.m.
   - City Manager Shaun Mulholland announced the meeting criteria for the public.
   - City of Lebanon 2025 Proposed Operating Budget available at **LebanonNH.gov/Budget**

2. **QUESTION & ANSWER SESSION**
   - **City Clerk/Tax Collection –** The Board took up this agenda item at this time.

**Included in the agenda packet: (All supportive documents and detailed budget information can be found on pages 29-34, Council agenda packet)**

Ms. Jaseya Ewing (City Clerk & Tax Collector) reviewed the proposed 2025 budget and introduced the Staff under her purview.




**CITY CLERK & TAX COLLECTOR SERVICES**

- Dog licensing
- Motor Vehicle Registrations
- Vital Records
  - Amendments
  - Certified Copies
  - Marriage Licenses
- Notary/Justice of the Peace
- Elections
  - Absentee Ballots
  - Voter Registration
  - Planning, Recruitment, Training
- Meeting Transcription
- Property Tax Collection
  - Lien/Deeds

**2024 FIGURES as of 9/1/24**

- 9,872 Registrations
- 122 Boat Registrations
- 1,712 Dog Licenses
- 130 Marriage Licenses
- Vital Records
  - 59 Amendments
  - 6,454 Certified Copies
- 260 Notary Services
- Property Taxes
  - 98% Collected
- 606 Voters Registered

**REVENUE**

- Dog Licensing
  - $11,053.50
- MV Registrations
  - $1,954,923.83
- Vital Records
  - $23,119.00

**Please review the detailed itemized budget on page 34, Council agenda packet**

**Council/Staff Discussions:**

Councilor Whittlesey asked why the number of certified vital records requests have increased over the years. Ms. Ewing stated that she believes the Department's inviting, educated staff may play a role in this. There may also have been more births recorded.

Councilor Liot Hill asked about City Hall being closed on Fridays. City Manager Mulholland stated that this decision was made by him. This allows for early hours on other days. There is not staff available to do so on every day of the week.

- **Human Services**
  **Outside Human Service Agencies**

**Included in the agenda packet: (All supportive documents and detailed budget information can be found on pages 2-6 , Council agenda packet)**

Ms. Lynne Goodwin (Human Services Director) reviewed the Human Services proposed 2025 budget.

**Direct Assistance Breakdown - Year over Year**

| Type of Assistance | 2022 | 2023 | FY24 Budgeted | YTD as of 10/31 | FY25 Proposed |
|---|---|---|---|---|---|
| Rent/mortgage | $16,220 | $72,041 | | $56,530 | |
| Security deposit | $7,519 | $10,517 | | $7,468 | |
| Shelter | $7,510 | $8,670 | | $3,120 | |
| Motel | $73,222 | *$105,266 | | **$104,765 | |
| Housing | $104,471 | $196,494 | $210,000 | $171,883 | $210,000 |
| Electric | $339 | $1,650 | $3,000 | $634 | $3,000 |
| Oil or Propane | | | $5,000 | $477 | $2,500 |
| Cremation | $8,800 | $4,100 | $9,000 | $6,700 | $8,500 |
| Transportation | $469 | $35 | $500 | $8 | $500 |
| Other*** | $262 | | $2,000 | $95 | $1,000 |
| Medical | | | $1,000 | | $500 |
| **TOTAL** | **$114,341** | **$202,279** | **$230,500** | **$179,797** | **$226,000** |

*$6,590 received in reimbursement from Grafton County Cold Weather Shelter Funds
**$14,697 received in reimbursement from Grafton County Cold Weather Shelter Funds
*** Laundry, food, birth certificates, phone minutes, lease preparation fee

**Operating Costs* of Shelter (per bed night) compared to Cost of Hotel Room**

| Month | Operational Costs | Bed Nights | Cost/Bed Night | Average Occupancy/Night |
|---|---|---|---|---|
| December 2023 | $2,918.78 | 0 | n/a | n/a |
| January 2024 | $20,767.58 | 29 | $716.12 | 4.1 |
| February 2024 | $36,173.85 | 203 | $178.20 | 7.0 |
| March 2024 | $31,862.68 | 277 | $115.03 | 8.9 |

| | | | | |
|---|---|---|---|---|
| April 2024 | $15,759.12 | 149 | $105.77 | 9.9 |
| **TOTAL** | **$107,482.01** | **658** | **$163.35** | |

[*Operating costs only include payments made to the Haven; do not include utilities or other DPW expenses]

| Hotel | Cost/Night |
|---|---|
| Sunset Motel | $159 + tax |
| Quality Inn | $129 + tax |
| Fireside Inn | $110 + tax |
| Super 8 | $99 + tax |

The Lebanon Emergency Winter Shelter also provided dinners, breakfast, supportive services, and Coordinated Entry into HMIS, which would not occur with hotel assistance from Human Services.


**Please review the detailed itemized budget on page 6, Council agenda packet.**

Council/Staff Discussions:

There was discussion regarding the winter shelter. Ms. Goodwin explained that the intention is for the shelter to open this year from December 16-April 15, depending on being able to hire the necessary staff. Approximately 50% of the people who utilize this service are Lebanon residents. Approximately 25% were from Vermont, and others were from elsewhere in New Hampshire or other states.
The shelter can handle approximately 13 people per night and averages ten per night. The Upper Valley Haven can place people above the capacity in motels. The long-term strategy for the shelter is to create a

new 20 bed shelter in White River Junction, to be operational in Spring 2026. The goal is to provide an emergency shelter while trying to find appropriate housing.

Deputy City Manager Brooks explained that the City is eligible to receive approximately $9,500 through a FEMA program for the shelter.

Councilor Liot Hill asked for an explanation regarding any proposed cuts to the outside Human Service Agencies. Ms. Goodwin explained that, in order to get to a 3.8% tax rate increase, all of the agencies who requested funding would have to take a 5% cut from the amount they were allocated in 2024.

**Ms. Kathleen Vasconcelos, Grafton County Senior Citizens Council**, stated that the group works hard not to turn anyone away. A waitlist may have to be implemented if funding is unavailable.

**Ms. Cheryl Avery, Headrest**, stated that a reduction in funding would likely lead to an outpatient counseling/therapy waitlist.

**Ms. Laura Byrne, HIV/HCV Resource Center**, stated that a 5% reduction could be factored into the budget. The Mobile Integrated Health Unit from the City is very helpful.

**Ms. Kristi Lenart-Rikert, Liste**n, stated that level funding was requested and a reduction in funding would impact the number of individuals served. In FY24, the group was able to provide services to 1,100 Lebanon households, or over 2,000 residents. The value of this to the City is almost $1M.

**Ms. Beth Long, Twin Pines Housing**, explained that the group has requested an increase of $1,000 which represents approximately 3% of the resident supportive services budget. There are approximately 200 apartments in Lebanon which house about 360 individuals. Without the proposed increase, it is difficult to say what will be impacted.

**Mr. Mike Redmond, The Haven,** stated that the funding is very specific to the 10 Parker St. program and providing supportive services. If funding was cut, this could likely be managed.

**Mr. Marty Degen, Visiting Nurse & Hospice,** explained that the cost to delivering healthcare in the home continues to increase at a higher rate than what is being reimbursed. The company still runs at an operating loss and is dependent on some of the City funding.

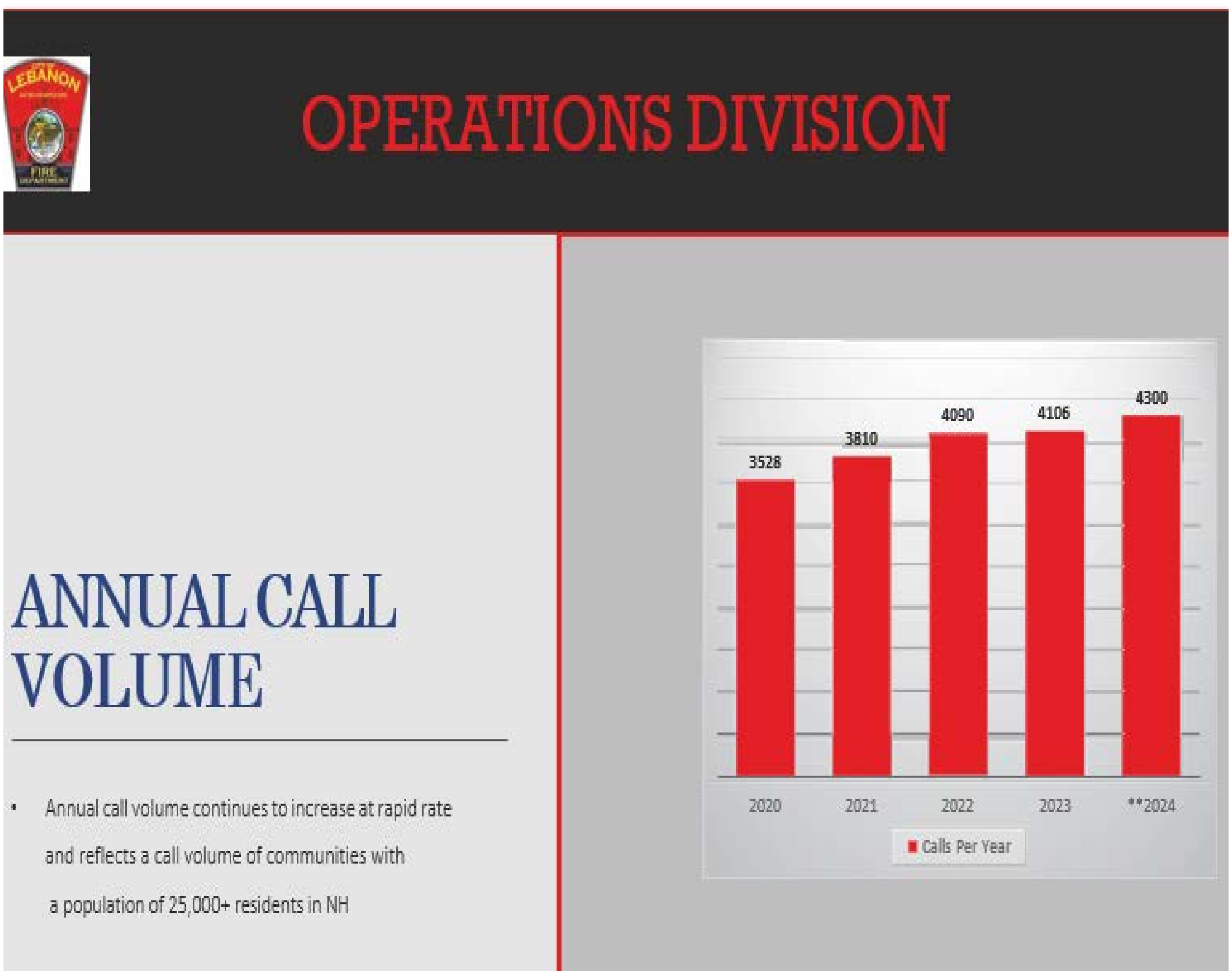
**Ms. Dana Michalovic, West Central Behavioral Health,** stated that the group serves nearly 230 residents from Lebanon. It serves people who have moderate to severe mental illness and 85% of the patients are enrolled in Medicaid. A reduction in funding would mean that the money would need to be raised elsewhere. The support is appreciated.

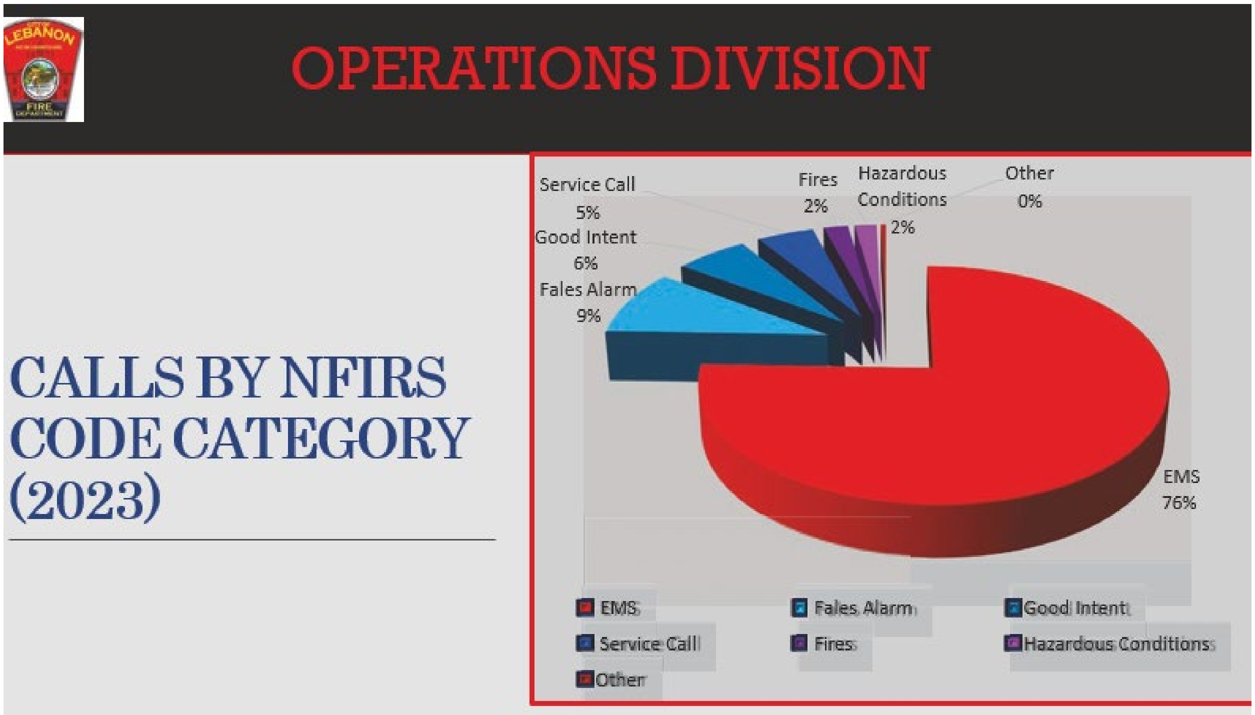
Councilor Liot Hill asked about the pressing challenges facing the community in the coming year. Ms. Goodwin stated that housing is the most pressing need, though progress is being made in some areas. The Lebanon Housing Authority successfully advocated for HUD to use small area market rents and zip codes for Lebanon and West Lebanon will now have a payment standard much nearer market rent. This will lead to more vouchers able to be used. Housing First also created a landlord risk mitigation fund.

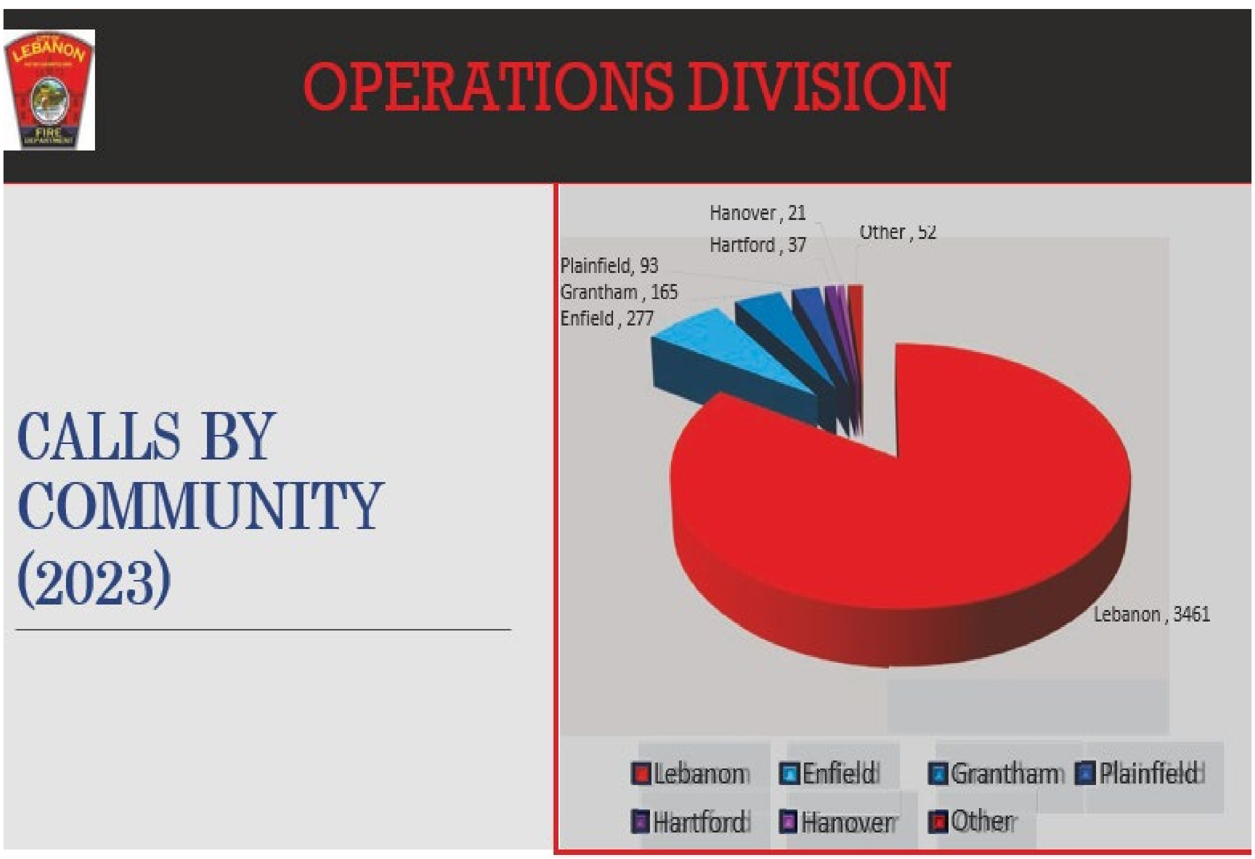
- **FIRE**

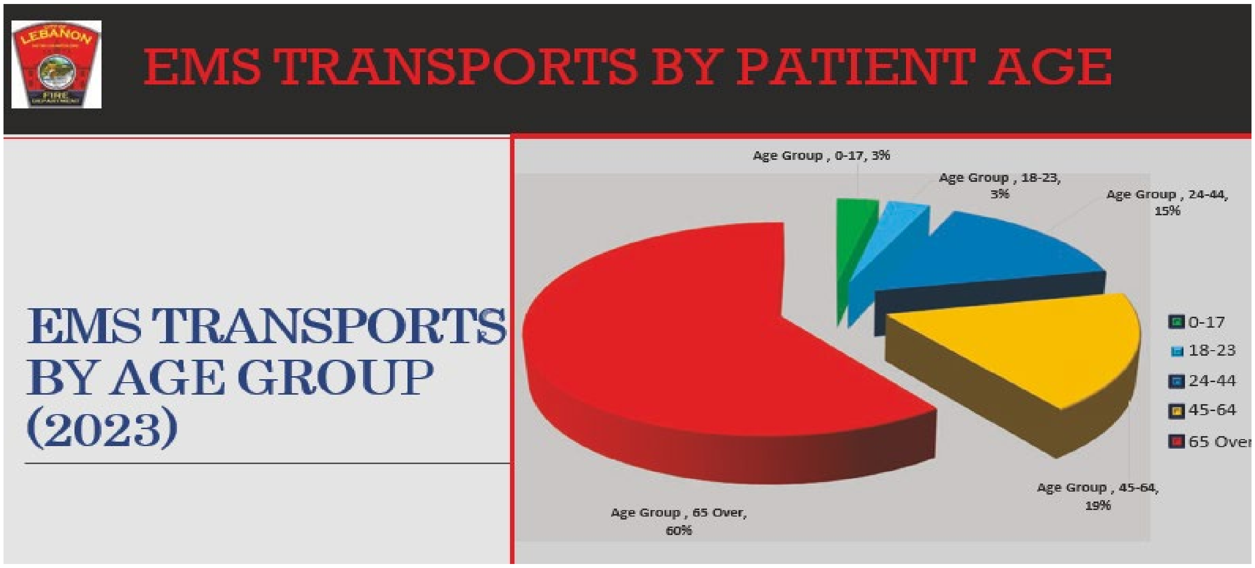
**Included in the agenda packet:** ***(All supportive documents and detailed budget information can be found on pages 7-28, Council agenda packet)***

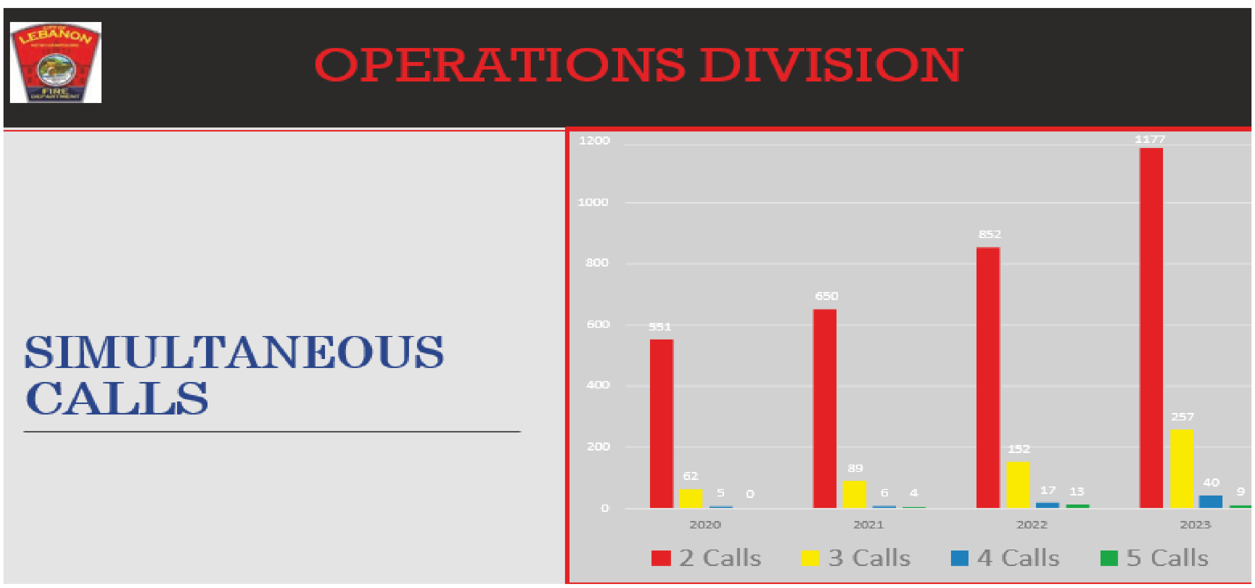
Lebanon Fire Chief Jim Wheatley and Assistant Fire Chief Jeff Libbey reviewed and gave a presentation on the Fire Department's proposed budget for 2025. Highlights are as follows:

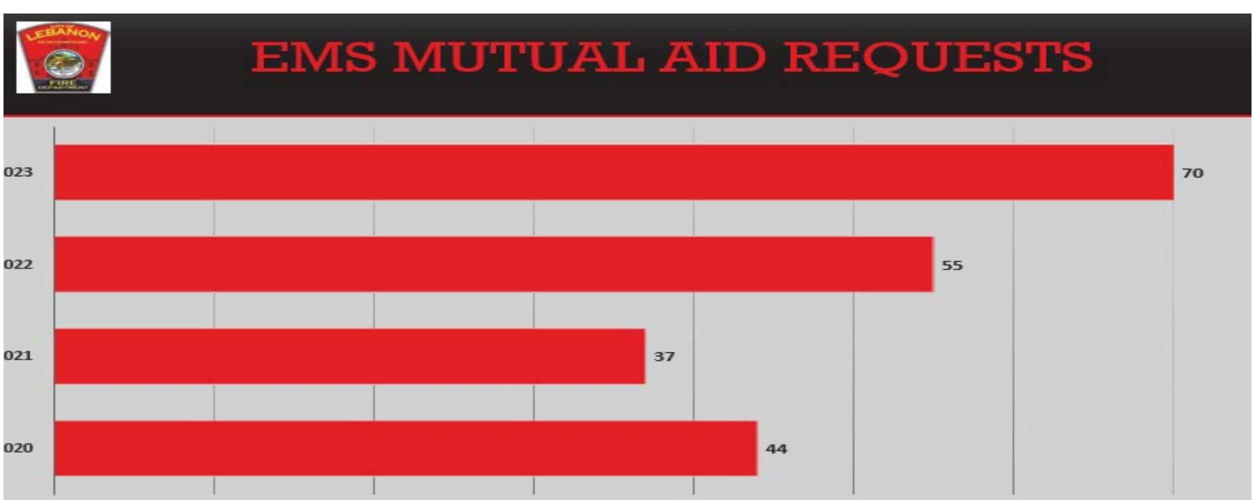



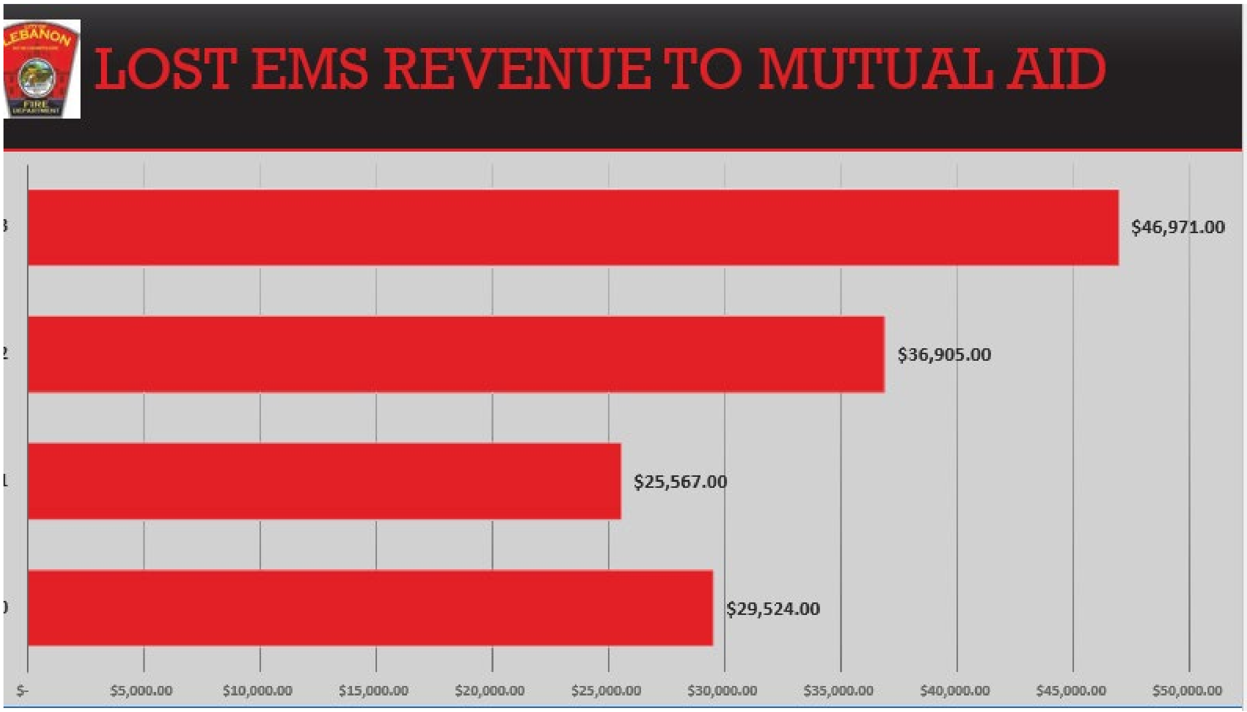

OPERATIONS DIVISION
CALLS BY NFIRS CODE CATEGORY (2023)
Service Call 5%
Good Intent 6%
Fales Alarm 9%
Fires 2%
Hazardous Conditions 2%
Other 0%
EMS 76%
EMS
Fales Alarm
Good Intent
Service Call
Fires
Hazardous Conditions
Other

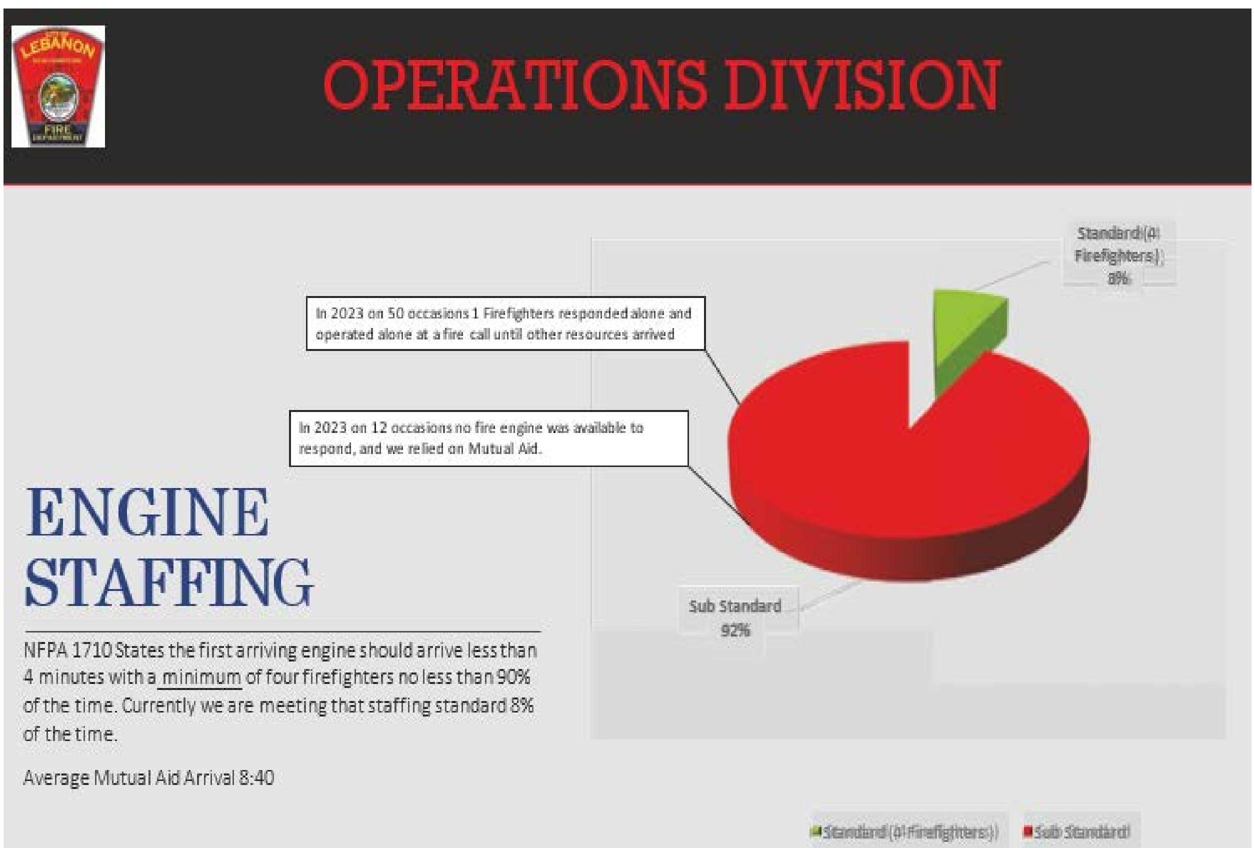

OPERATIONS DIVISION
CALLS BY COMMUNITY (2023)
Hanover , 21
Hartford , 37
Other , 52
Plainfield, 93
Grantham , 165
Enfield , 277
Lebanon , 3461
Lebanon
Enfield
Grantham
Plainfield
Hartford
Hanover
Other


EMS TRANSPORTS BY PATIENT AGE
EMS TRANSPORTS BY AGE GROUP (2023)
Age Group , 0-17, 3%
Age Group , 18-23, 3%
Age Group , 24-44, 15%
Age Group , 45-64, 19%
Age Group , 65 Over, 60%
0-17
18-23
24-44
45-64
65 Over


OPERATIONS DIVISION
SIMULTANEOUS CALLS
2020: 551, 62, 5, 0
2021: 650, 89, 6, 4
2022: 852, 152, 17, 13
2023: 1177, 257, 40, 9
2 Calls
3 Calls
4 Calls
5 Calls


EMS MUTUAL AID REQUESTS
023 70
022 55
021 37
020 44


LOST EMS REVENUE TO MUTUAL AID
$46,971.00
$36,905.00
$25,567.00
$29,524.00
$-
$5,000.00
$10,000.00
$15,000.00
$20,000.00
$25,000.00
$30,000.00
$35,000.00
$40,000.00
$45,000.00
$50,000.00

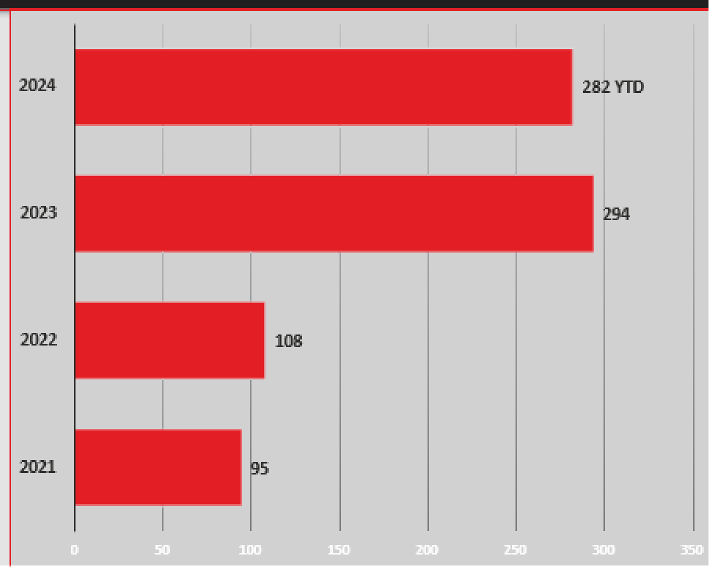

OPERATIONS DIVISION
ENGINE STAFFING
NFPA 1710 States the first arriving engine should arrive less than 4 minutes with a minimum of four firefighters no less than 90% of the time. Currently we are meeting that staffing standard 8% of the time.
Average Mutual Aid Arrival 8:40
In 2023 on 50 occasions 1 Firefighters responded alone and operated alone at a fire call until other resources arrived
In 2023 on 12 occasions no fire engine was available to respond, and we relied on Mutual Aid.
Standard (4 Firefighters) 8%
Sub Standard 92%
Standard (4 Firefighters)
Sub Standard

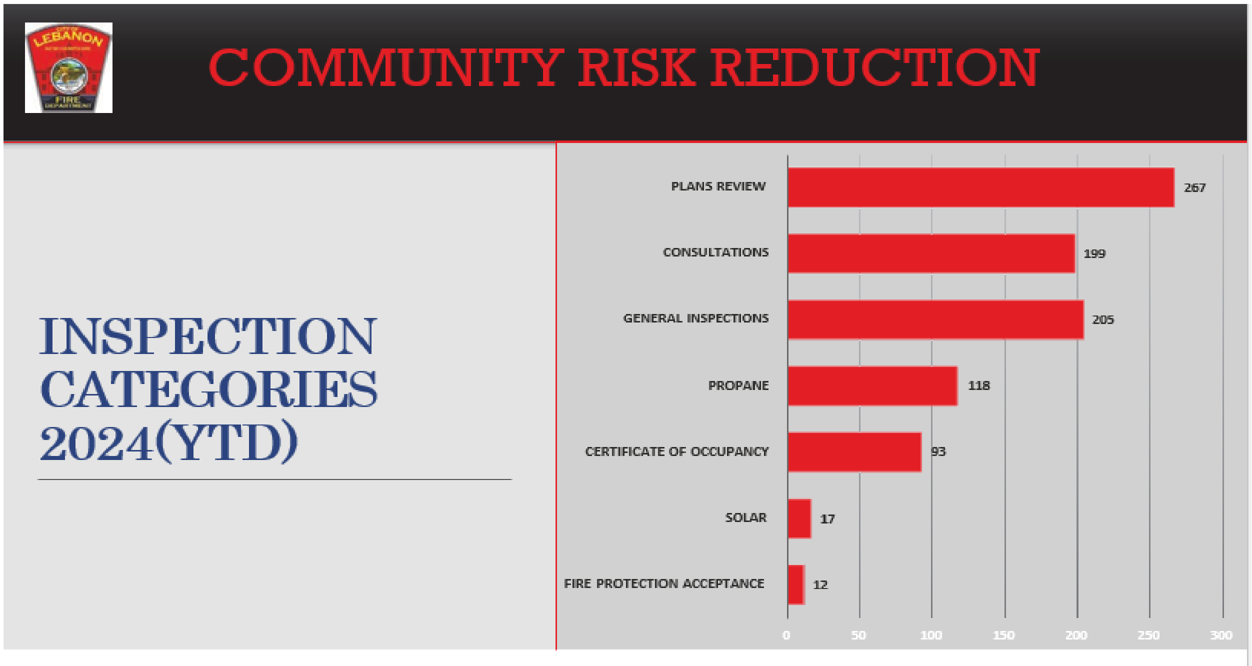
# OPERATIONS DIVISION

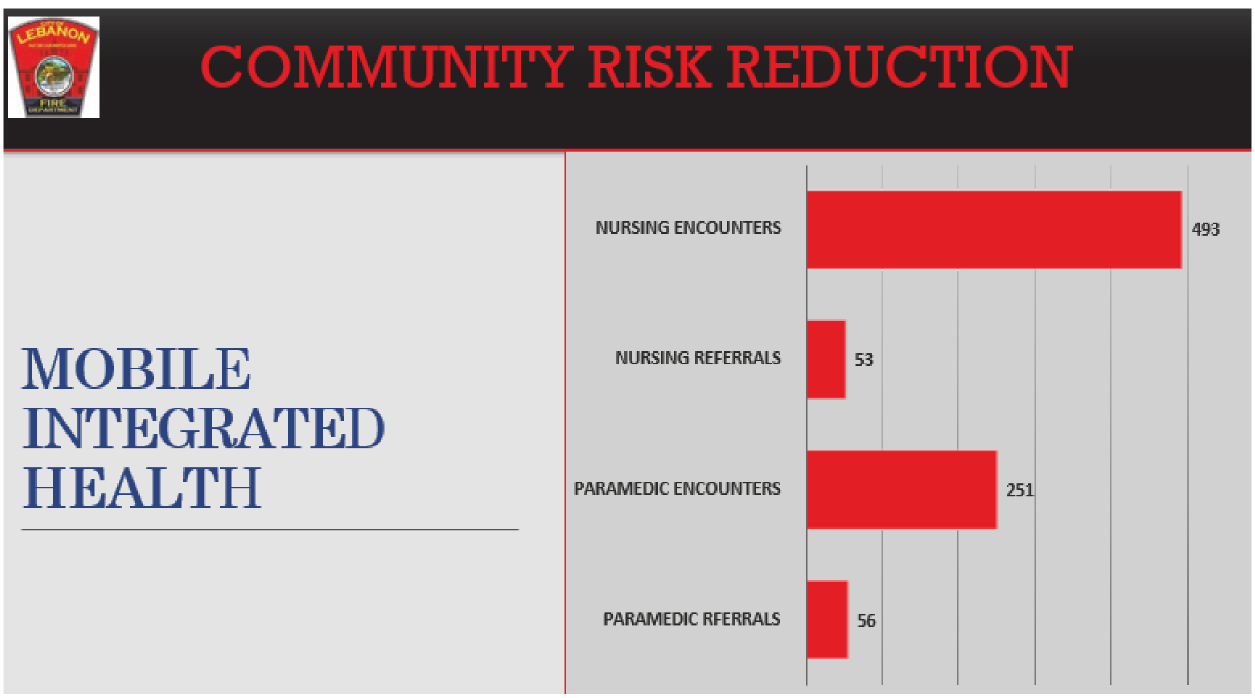
| City or Town | Staffing | On Duty | Call Volume | Call vs Staff Ration | Staffed Ambulances | % Municipal Budget |
|---|---|---|---|---|---|---|
| North Hampton | 12 | 3 | 1200 | 100 | 1 | 26% |
| Pelham | 20 | 5 | 1479 | 74 | 2 | 14% |
| Gilford | 20 | 5 | 1820 | 91 | 2 | 13% |
| Belmont | 14 | 3/4 | 1879 | 134 | 2 | 19% |
| Hanover | 20 | 5 | 2225 | 111 | 2 | 18% |
| Hartford Vt | 24 | 6 | 2650 | 106 | 3 | 19% |
| Hooksett | 28 | 7 | 2550 | 93 | 2 | 20% |
| Goffstown | 24 | 6 | 2822 | 117 | 2 | 12% |
| Hampton | 44 | 11 | 3437 | 91 | 2 | 13% |
| Bedford | 36 | 9 | 3745 | 54 | 3 | 19% |
| Merrimack | 44 | 11 | 3790 | 86 | 3 | 18% |
| Lebanon | 25 | 6 | 4106 | 164 | 3* | 10% |
| Londonderry | 48 | 12 | 4444 | 93 | 4 | 21% |
| Laconia | 40 | 10 | 4523 | 113 | 3 | 16% |
| Derry | 60 | 15 | 5500 | 92 | 4 | 21% |
| Keene | 44 | 11 | 5779 | 131 | 3 | 12% |
| Salem | 72 | 18 | 6100 | 84 | 4 | 24% |
| Dover | 60 | 15 | 7671 | 127 | 4 | 23% |
| Concord | 84 | 21 | 10,710 | 127 | 4 | 21% |
| Average | | | | 102 | | 18.2% |

# COMMUNITY RISK REDUCTION

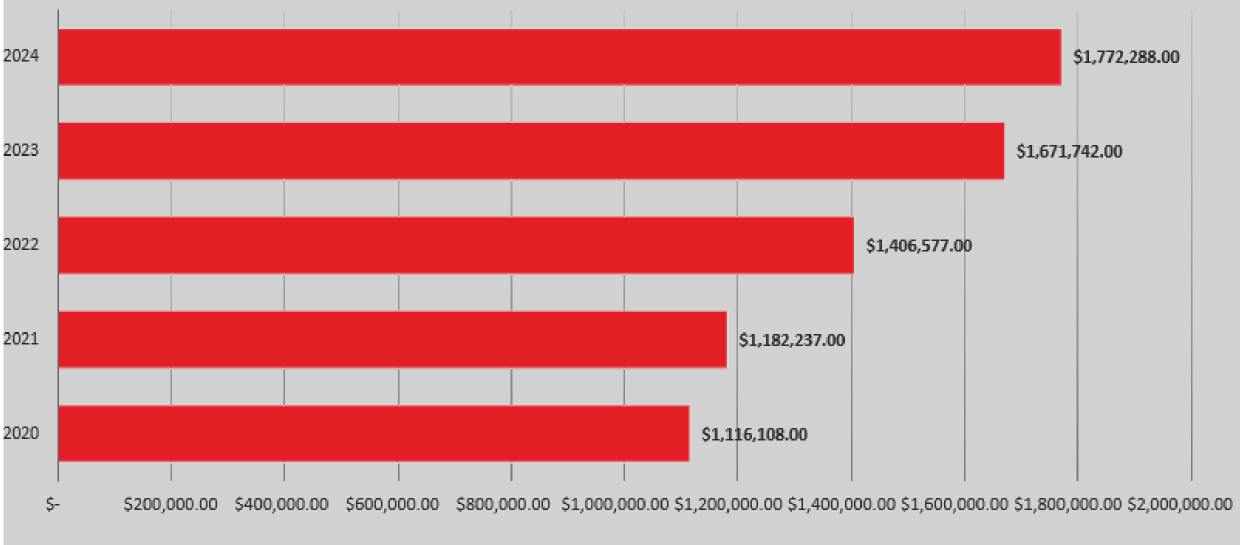
## EMERGENCY RESPONSES BY CRR DIVISION




COMMUNITY RISK REDUCTION
INSPECTION CATEGORIES 2024(YTD)
PLANS REVIEW 267
CONSULTATIONS 199
GENERAL INSPECTIONS 205
PROPANE 118
CERTIFICATE OF OCCUPANCY 93
SOLAR 17
FIRE PROTECTION ACCEPTANCE 12
0 50 100 150 200 250 300


COMMUNITY RISK REDUCTION
MOBILE INTEGRATED HEALTH
NURSING ENCOUNTERS 493
NURSING REFERRALS 53
PARAMEDIC ENCOUNTERS 251
PARAMEDIC RFERRALS 56

# ANNUAL REVENUE



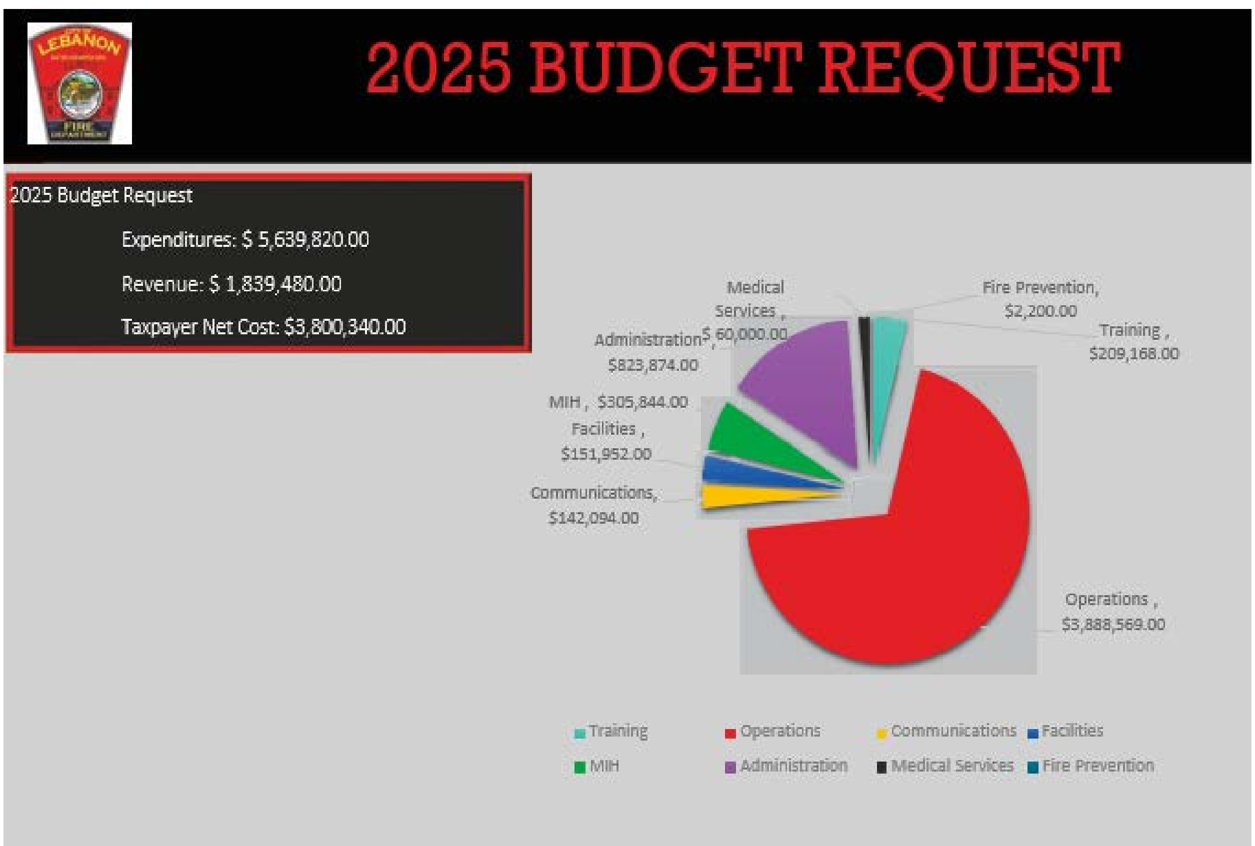

# EMREGENCY MANAGEMENT

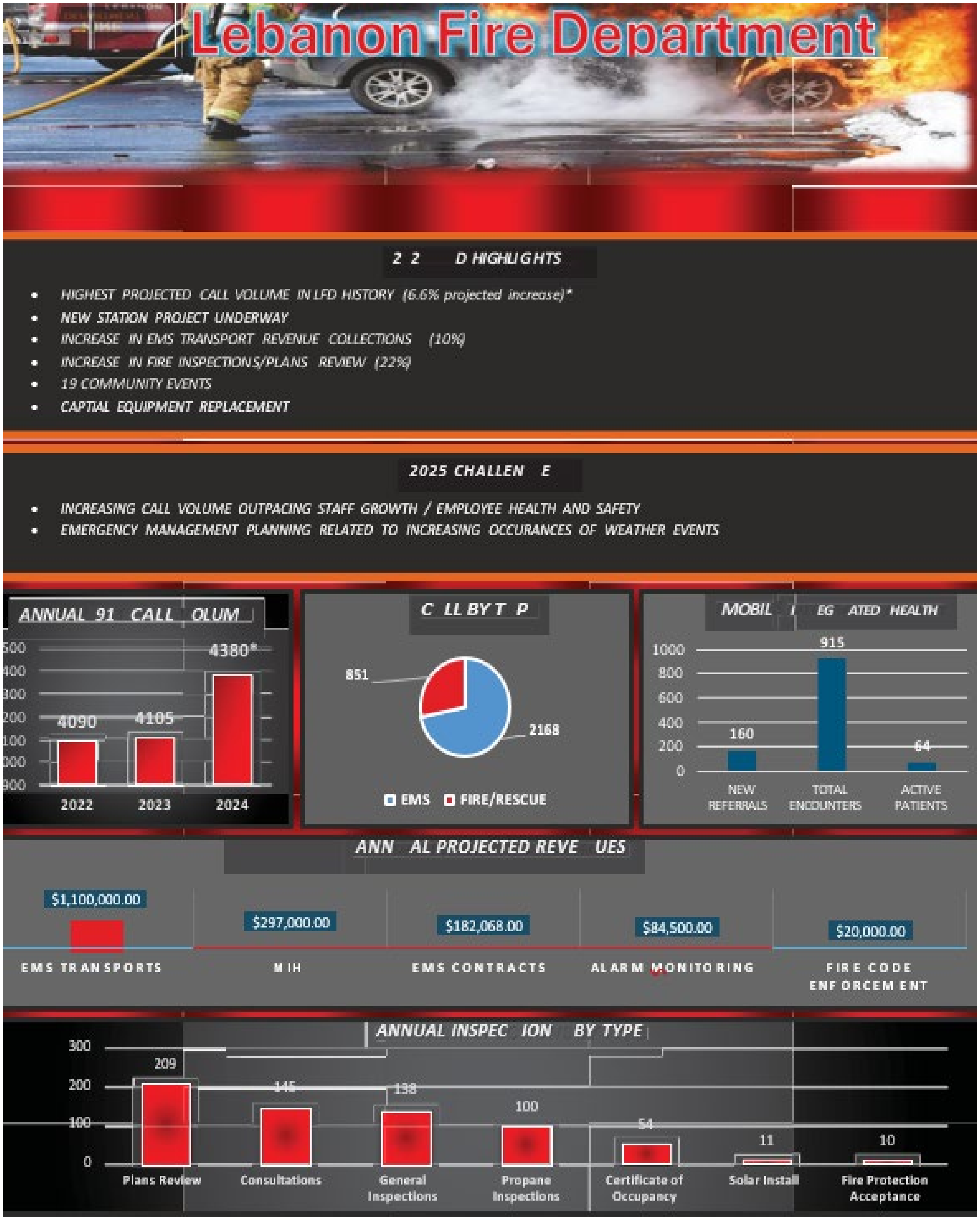
- 2024 Hazard Mitigation Plan Adopted
  - City team working on a grant application for mitigation projects
- Applied for and waiting official approval for shelter trailers
  - Human and Pet Shelter Trailers
- Shelter walk through conducted
  - Working in conjunction with UVMIRC, DHMC Population Health and Lebanon High School to increase and formalize shelter plan.

# UNPREPARED RISKS

- Active Shooter/Hostile Events
- Airport Incidents
- Natural Disasters


FIRE STATION REPLACEMENT
Concrete Work Begins 11/12/2024
Structural Steel Begins 1/20/2025
Roofing Complete 4/09/2024
Electrical Work Begins 5/22/2025
Drywall Begins 5/22/2025
Painting Begins 9/25/2025
Flooring Begins 10/16/2025
Substantial Completion 1/23/2026
Project Completion 3/2/2026


2025 BUDGET REQUEST
2025 Budget Request
Expenditures: $ 5,639,820.00
Revenue: $ 1,839,480.00
Taxpayer Net Cost: $3,800,340.00
Medical Services , $ 60,000.00
Fire Prevention, $2,200.00
Training , $209,168.00
Administration, $823,874.00
MIH , $305,844.00
Facilities , $151,952.00
Communications, $142,094.00
Operations , $3,888,569.00
Training
Operations
Communications
Facilities
MIH
Administration
Medical Services
Fire Prevention




**Please review the detailed itemized budget on pages 27-28, Council agenda packet**

**Council Discussions:**

In response to a question from Councilor Whittlesey, Chief Wheatley stated that if the City has two medical calls, there is a high likelihood that there is nobody left staffing the West Lebanon station. The station would be completely empty. When there are three calls, both stations are completely empty. These are best case scenarios, as one call may completely tax the entire staff.

Regarding the Mobile Integrated Health unit, the goal was to extend services to the community, while also hoping to reduce the demand on 911 services. The service does seem to be reducing 911 calls, but the volume is outpacing what that program is offering.

The Board discussed the proposed budget requesting, including staffing and funding for the positions.

Councilor Simon suggested creating an EMS division enterprise account in order to directly offset the Fire Department budget as opposed to just going into the general fund budget. City Manager Mulholland stated that, if it completely paid for itself, he would generally agree, but this is generally subsidized by general fund dollars in some form.

Councilor Wilkie asked if the data would indicate there is a dire need for at least eight new firefighters, even though the budget request does not currently reflect that. Chief Wheatley stated that he believes it is important to continue to work toward the eight number. The intention is to try to add one position per year for the next eight years. Councilor Wilkie asked when another SAFER grant could be applied for. Chief Wheatley stated that the application filing period is March or April, with awards coming out in July through October.

Councilor Whittlesey stated that the Department's target is six people on duty at any given time and is averaging approximately five at this time. He asked what this would look like with the three new FTE positions proposed in the budget, and/or with the eight proposed needed positions. Chief Wheatley stated that the three new FTEs would allow for a rotating schedule of three shifts at seven people assigned. Eight would allow for all four shifts to be assigned at eight people.

Councilor Whittlesey asked what is driving the call volume increase. Chief Wheatley stated that this is mostly due to an increase in population. 87%-88% of those transported are Lebanon residents. The highest increase in call volume continues to be the 120 corridor and north.

Councilor Liot Hill asked if there is a standard for EMS response. Chief Wheatley stated that there is a standard, with the target to be on site with an Advanced Life Saving (ALS) provider in four minutes or less no less than 90% of the time. The Department is likely closer to meeting the standard for this than for Fire, as this is where resources are being sent. The travel distance is impeding the Department. The most frequent EMS calls seen are for chest pain and difficulty breathing. Councilor Liot Hill stated that the City hoped the SAFER grant would be obtained and the direness of the situation has not eased. The Department has only added one full time staff person in the last 17 years. This Department needs to be a high priority this budget season.

- **Cyber Services**

**Included in the agenda packet: (All supportive documents and detailed budget information can be found on pages 35-41, Council agenda packet)**

Mr. Perry Eaton (Cyber Services Director) reviewed and gave a presentation on the Cyber Services proposed 2025 budget. Highlights are listed below.

# Cyber Services Overview

- Supports 253 users
- Supports 42 applications
- Supports 851 devices
- Provides 24/7 support
- Help Desk Support
  - Handled 2,239 help desk cases
- Hardware Replacements
  - Replaced 45 PCs/laptops
- System Implementations
  - Implemented a Project Management System
  - Implemented a Help Desk System
  - Implemented a new Emergency alerting system
- System Upgrades
  - Upgraded the Council Chambers microphone system

# Cyber Security Threats

Cyber Security Challenges
- Continuous attempts from other countries
- Over 8,000 attempts from Russian Federation blocked in 7 days

Business Email Compromises
- Emails from compromised organizations sent to our staff
- Mitigated through vigilant users and advanced technology
- Enabling MFA to reduce risks

Email Threats Over 9 Months
- 1,143 phishing emails blocked
- 1,271 imposter emails blocked
- 581 virus-containing emails blocked

# Cybersecurity Training and Assessments

### Cybersecurity Training Program

Includes online courses

Ongoing monthly phishing tests

New employee onboarding

### Annual Security Assessments

Performed by a third party

Internal and external assessments

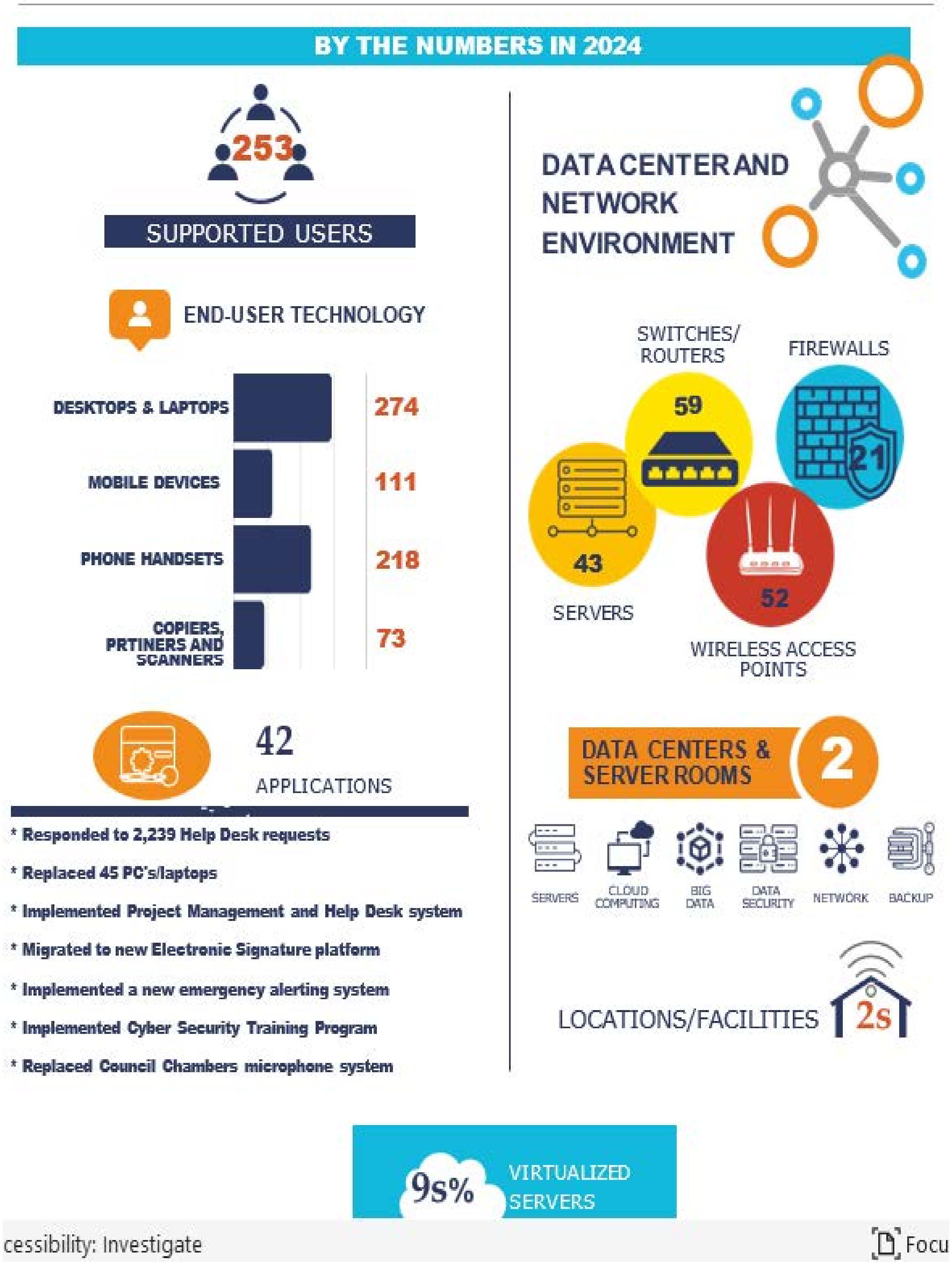
Identify technical areas for improvement


# Future Focus Areas

Implementation of AI Solutions
- Aimed at improving productivity

Infrastructure Management
- Maintain and optimize network
- Ensure scalability and redundancy

Increased Security Measures
- Enhance threat detection and response




**Please review the detailed itemized budget items on page 41, Council agenda packet**

**Council/Staff Discussions:**

Councilor Liot Hill suggested benchmarks to compare how much of the City's budget is going toward cybersecurity compared to other communities. City Manager Mulholland stated that he believes the City's benchmark is higher than others in order to continue with higher protections.

**The meeting was adjourned at 7:27PM.**

Respectfully submitted,
Kristan Patenaude
Recording Secretary

**DRAFT**

**LEBANON CITY COUNCIL**
**BUDGET WORK SESSION MINUTES**
**Wednesday, November 14, 2023, 5:30 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, Christian Simon, George Sykes, Douglas Whittlesey Devin Wilkie, and Karen Zook

**MEMBERS ABSENT:**

**STAFF PRESENT:** City Manager Shaun Mulholland, Deputy City Manager David Brooks, Recreation, Arts, and Parks Director Paul Coats, Recreation Coordinator Kristine Flythe, Recreation Coordinator Meagan Henry, Airport Director Carl Gross, Director of Planning & Development/Zoning Nathan Reichert, Deputy Director of Planning & Development Tim Corwin, Lebanon Libraries Director Sean Fleming, Deputy Library Director Amy Lappin (Remote), Human Services Director Lynne Goodwin, DPW Administrative Services Manager Kelly Crate, Planning Administrative Assistant Crystal Taplin

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1. **CALL TO ORDER:** Mayor McNamara called the meeting to order at 5:30 p.m.
   - City Manager Mulholland reviewed the criteria for this meeting noting that while the meeting is not a public session, there would be opportunities for public comment on December 4, 2024 and December 18, 2024. On December 19, 2024, if the Council approves the budget, it will take effect on January 1, 2025.
   - City of Lebanon 2025 Proposed Operating Budget available at LebanonNH.gov/Budget

2. **PLEDGE OF ALLEGIANCE:** Assistant Mayor Below led the Council in the Pledge of Allegiance.

3. **QUESTION & ANSWER SESSIONS**

**City Manager Mulholland announced that Planning & Development would be reviewed first, which is a change in the order of presentations that was listed in the Council agenda packet. All other presentations are listed in the order they were presented to the City Council.**

- **PLANNING & DEVELOPMENT**

**Included in the agenda packet: (All supportive documents and detailed itemized budget information can be found on pages 22-31, Council agenda packet)**

Mr. Nathan Reichert, Director of Planning & Development/Zoning Director and Mr. Tim Corwin, Deputy Director of Planning & Development reviewed and explained their proposed 2025 budget presentation. Highlights of the presentation are listed below.

## FY 2025
## Planning & Development Budget Presentation

### PLANNING OFFICE HIGHLIGHTS 2024

- Implementation of OpenGov permit software.
  - Went live in June 2024, Work Continues to expand the constellation of permits being available within the platform.
- Building Permit Documentation and Process Update.
- Pattern Zones Study and associated Zoning Reform.
- 120 Northern Lebanon Study and associated Zoning Reform.
- Impact Fee update Completed.
- E911 Coordinator and Address processes.
- Nuisance Ordinance Development.

## FY 2025
## PLANNING & DEVELOPMENT BUDGET PRESENTATION

A year of Changing Staff

Welcoming: Leigh Hays - Chief Building Official and Health Officer (May 2024)

Welcoming: Liam Ehrenzweig - Code and Health Inspector (June 2024)

Promotion: Tiffany Adams – Executive Assistant (June 2024)

Retiring: Win Spencer – Electrical Inspector (Feb 2025)

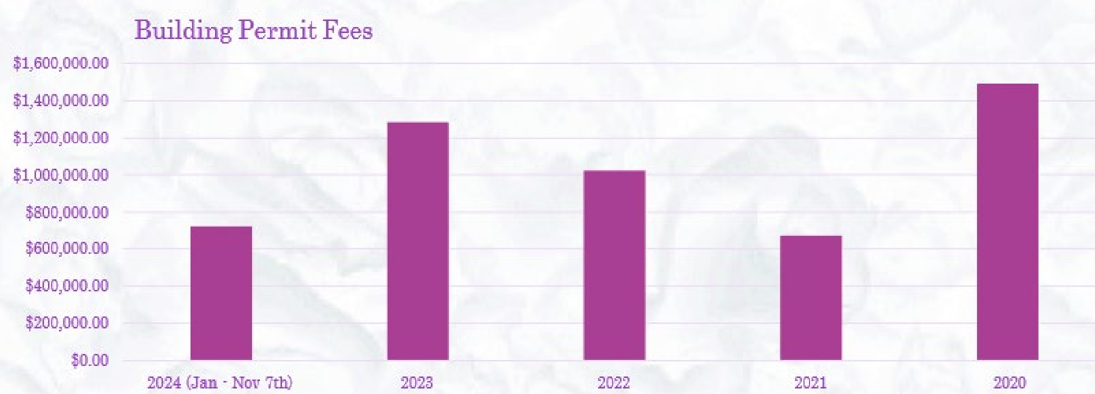
Retired: Calvin Hunnewell – Code and Health Inspector (May 2024)

Retired: Brad Shaw – Field Inspector (May 2024)

Personnel Changes have had a major impact on the Department's budget.

## 2024 Building Permit Fees to Nov 7th

## = $719,110.11



## Notable Building Permits:

402 Mount Support Road - 2024
- Permit Fee = $385,990.00
- Project Estimate = 49,000,000.00

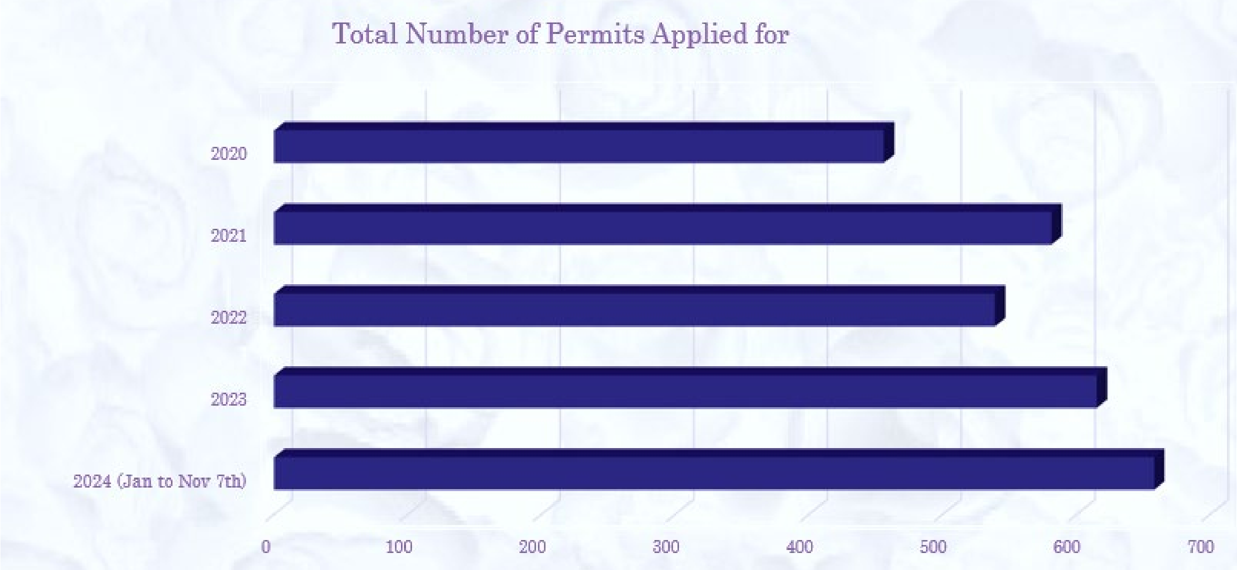
Novo Nordisk - 2023
- Permit fee = $582,865.00
- Project Estimate = $74,000,000.00

DHMC Tower - 2020
- Permit fee = $775,414.00
- Project Estimate = $105,482,796.00

**Total value of construction permitted and inspected from 2020 - 2024 ytd is:**

**$751,987,756.42**


## BUILDING PERMITS 2020-2024



**Please see the detailed proposed line items, along with the Planning and Development Department's FY 2024 YTD at a Glance, as listed on pages 29-31, Council agenda packet.**

**Council/Staff Discussions: NONE**

- **RECREATION, ARTS, AND PARKS**
  - **OUTSIDE RECREATION SERVICES**

**Included in the agenda packet: (All supportive documents and detailed itemized budget information can be found on pages 2-12 , Council agenda packet)**

Mr. Paul Coats, Recreation, Arts, and Parks Director, and Recreation Coordinators Ms. Kristine Flythe and Ms. Meagan Henry were present to review/explain their proposed 2025 budget and the duties that Lebanon Rec Team members are involved with as highlighted below.

Director Coats gave a 90 second video highlighting some of the recreational activities for the City of Lebanon.



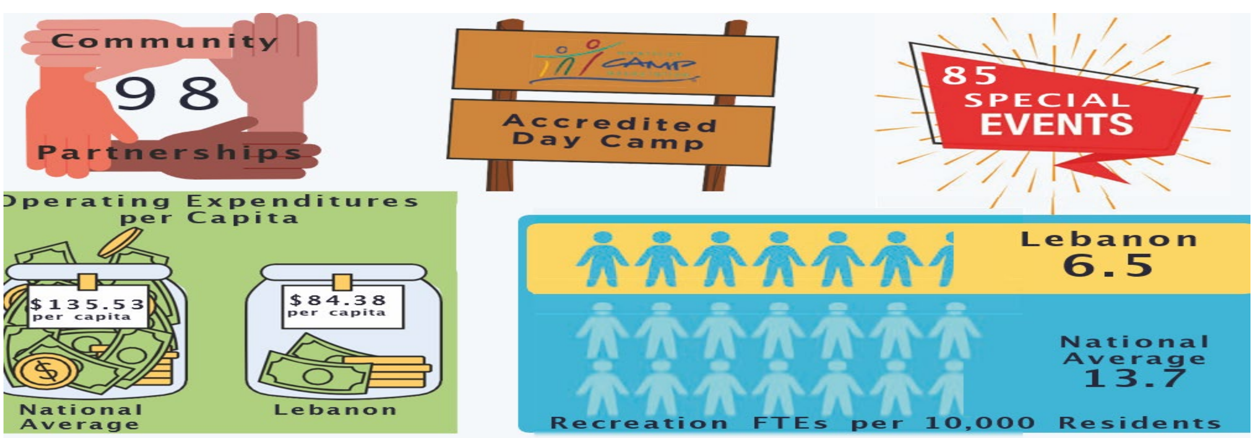
Ms. Megan Henry highlighted and elaborated on the work Rick does for Lebanon's Recreations Dept.


Ms. Flythe also explained the work she has done with the Arts & Culture Commission over the past year.


Ms. Henry noted that many of their marketing efforts, including program guides and Special Events, are featured in their program guide which is distributed virtually through their database.

Director Coats noted that every single member of our community is receiving a benefit from the work the Recreation Department is doing, even if they never attend one of these programs and then elaborated on the programs that bring Lebanon residents together as a community. He then spoke about the work that Parks & Grounds Crew Supervisor Damian Hetzel is doing to maintain all the maintenance of Lebanon's Parks/Gardens. City Manager Mulholland noted that the Recreation Department's responsibilities will also extend to the Rail Trail (another 7 acres of land), which will add more responsibilities for Damian. Director Coats also explained that adding the Rail Trail would be too much for one maintenance Director and, while it is not in the budget for this year, they continue to actively find ways to maintain these places without the help of an additional staff member.

City Manager Mulholland Stated that Federal Funds are providing 80% of the costs (for maintenance of the existing Rail Trail into West Lebanon to the park). Director Coats noted that Westboro Yard will provide additional playing fields for recreation. These playing fields will be maintained by Recreation, which will be a significant challenge for them to keep up with the demand.



**There have been 31 public art installations since the arts & culture commission inception.**

**Please see the detailed proposed 2025 budget line items as listed on pages 11-12 , Council agenda packet.**

**Council/Staff Discussions:**

Councilor Sykes spoke about the Tri-Bike Program and inquired whether or not the marketing of this program is correct because he would like to see more participants. Director Coats noted that while they have many volunteers, it is a challenge to fill some of the desired trips with pilot availabilities. The program is actually called Cycling without Age and felt there could be more outreach when more pilots are added to the program.

Councilor Heistad noted that with a family member who has disability problems, the VA reached out to him about a tri-cycle program and asked if this was coordinated with the Rec. Department. Mr. Coats said yes.

Councilor Liot Hill spoke about a memo received by the Council that highlighted some of the options where the budget could be cut and noted that in order for the Arts/Parks/Recreation Department to achieve their 7% cost reduction, it would require some drastic measures. She asked Director Coats to elaborate on what would need to be done to achieve this cost reduction noting that cuts in several programs could really mean a different quality of life in Lebanon.

Director Coats stated the 7% cost reduction would equal $145K and made the argument that Recreation, Arts & Parks, while not traditionally thought of as a critical piece of the City's infrastructure, is part of the reason why people want to live in Lebanon. If some of the programs start disappearing in a cumulative fashion, the Quality of Life in Lebanon would change quite a bit. He also spoke about how the City's employers who overwhelmingly say that their #1 challenge in the Upper Valley is to recruit staff who are willing to stay here and spoke about his reasons why he felt this his department was meeting the employer's needs.

Director Coats spoke about the impact the following programs would have if they need to be cut:

- Closing the swimming pool due to the amount of funds required to operate it would give them almost a $11K in savings.
- Reduction in the number of concerts (i.e., eliminate Monday nights; Thursday afternoons – performing arts for the young children; eliminating a couple of Special Events like the summer celebration in August and the July 4th fireworks show.)
- Some Holiday lights
- Eliminate the handing out of sports equipment (i.e., Lacrosse, etc.)
- Eliminate part-time maintenance staff
- Eliminate the portable restrooms in Colburn Park
- At the next level of cuts would be to cut a staff position, which would equal a 20% cut in their workforce.

Councilor Whittlesey spoke about his personal reasons why he felt equipment cost cuts would not be a good idea, noting that during his time couching Lacrosse, he noticed that 2/3rds of the kids who signed up did not have equipment and would not have been able to play if equipment had not been provided to them. This speaks to the importance of services that do not necessarily fall into public safety and infrastructure but are things why people live in Lebanon. He also spoke about his reasons why cuts like these go much deeper than just saving money and urged the Council to think about the ripple effects of some of these cuts and how much these things really mean to our community and the people who use these services.

Councilor Liot Hill spoke about her reasons why she thought closing the community pool would be devasting and a drastic change in the quality of life for the residents of Lebanon, as would some of the other cuts that Director Coats mentioned. We really do get an incredible return in our investment for the dollars that we spend in Recreation, Arts and Parks because a lot of what they do makes Lebanon a special place to live.

Council Sykes concurred with Councilor Liot Hill and spoke about his reasons why he thought cuts (in services like this) would affect Lebanon's businesses and their ability to attract employees. This is a factor in the quality of life in Lebanon and when businesses cannot attract employees because the quality of life does not match their expectations, then suddenly they do not have enough employees and make a decision to then move their business operations elsewhere. That would b a much bigger impact on Lebanon's tax base. We have to be mindful of the good things that are happening in Lebanon and the quality of life that is represented here. Business can not manufacture a quality of life, but we, as a City Council, can.

- **AIRPORT**

**Included in the agenda packet: (All supportive documents and detailed itemized budget information can be found on pages 13-21, Council agenda packet)**

Mr. Carl Gross, Airport Director, started his presentation by noting good news first before reviewing their proposed 2025 budget presentation as highlighted below.

The good news is that the Airport's FAA Authorization for 5 years as passed by Congress for Fiscal Years 2025-2028 has been increased from $1M to $1.3M for Lebanon. There was also another provision for Fiscal Years 2025-2026 that notes the FAA will be funding the Airport's improvements at 95% instead of 90%. As a result, the State will be funding 2.5% of those funds, which ties into the Airport's Safety Project. Initially, the FAA wanted to delay funding by 1-year to relocate 200 feet of the primary runway. We are estimating this project would cost around $4M. FAA has now asked us to move that project up a year, which puts it soundly into their payment of 95%. The City's contribution would be $100K. We also have some bipartisan infrastructure funding and the last two years of that should be $1.3M.

LEB

Lebanon Airport

2024 Aircraft Operations and Landing Fee Collection

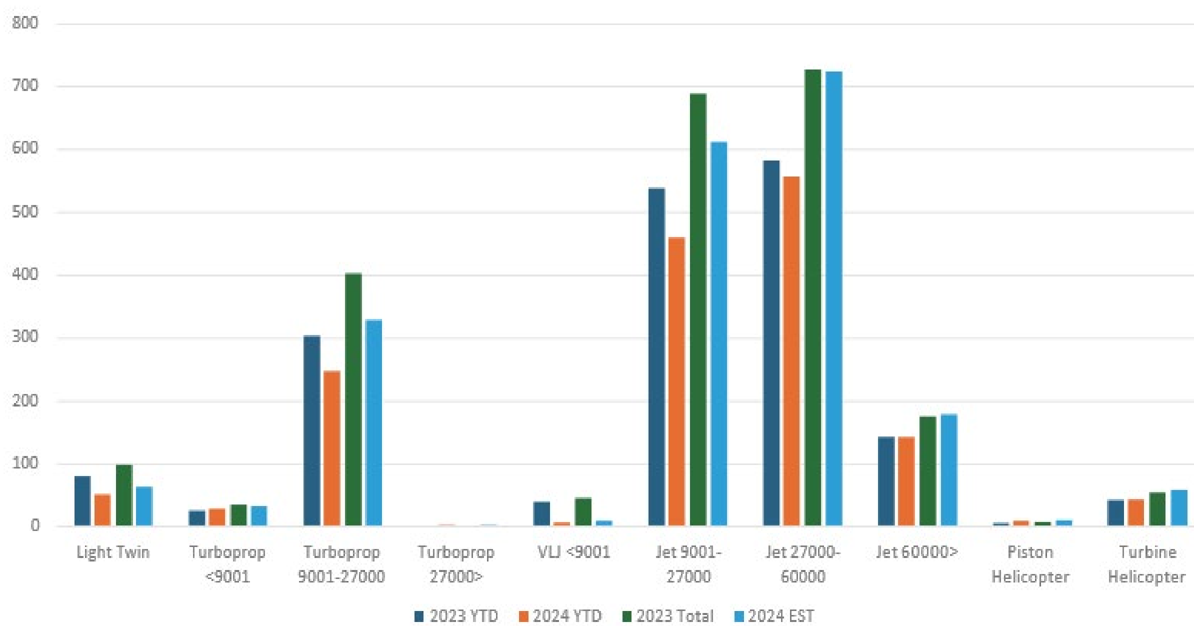
# Total Aircraft Operations


| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Air Taxi | 8199 | 8345 | 8823 | 6766 |
| General Aviation | 11617 | 11243 | 11392 | 8685 |
| Military | 282 | 193 | 332 | 195 |
| Local | 9659 | 7334 | 9725 | 6275 |

2024 Traffic counts provided by the Control Tower are approximately 91% year to date of the 4-year average.

1
2

# 2023 -2024 Operations YTD and Total

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## 2024 YTD Compared to 2023 YTD

- Light Twins are at 63.29% of last year
- Turboprops under 9,001 are at 112.50% of last year
- Single Engine 9,000-27,000 Turboprops are at 109.93% above last year
- Twin Engine 9,001-27,000 Turboprops are at 41.95% of last year
- Turboprops 9,001-27,000 combined are at 81.45% of last year
- Very Light Jets are at 13.15% of last year
- Jets 9,001-27,000 are at 85.47% of last year
- Jets 27,001-60,000 are at 95.70% of last year
- Jets over 60,000 are at 100.00% of last year
- Piston Helicopters are at 200% of last year
- Turbine Helicopters are at 102.44% of last year

## 2024 Revenue Estimates

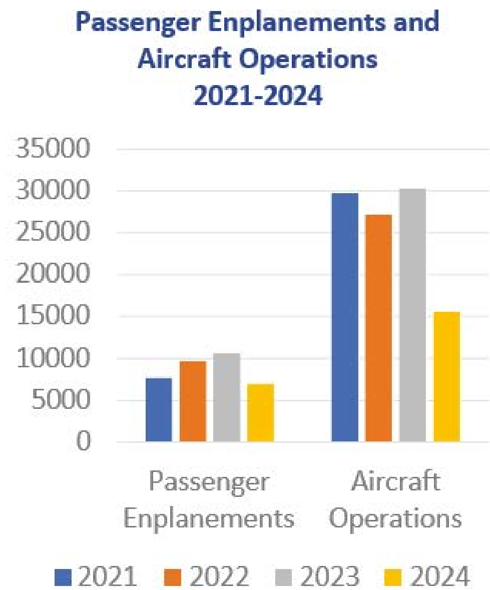
| | 2023 Collected | 2024 Projection | 2024 Year-to-Date | 2024 End-of-Year Est. |
|---|---|---|---|---|
| Light Twin | $873.00 | $1305.50 | $562.50 | $697.50 |
| Turboprop (<9,001 lbs.) | $765.00 | $1140.00 | $810.00 | $900.00 |
| Turboprop (9,001-27,000 lbs.) | $18, 045.00 | $25,584.00 | $14,760.00 | $19,320.00 |
| Turboprop (>27,000 lbs.) | $0.00 | $108. 75 | $108. 75 | $108.75 |
| Jet (VLJ) | $1980.00 | $1,140.00 | $375.00 | $600.00 |
| Jet (9,001-27,000 lbs.) | $79,863.75 | $137,775.00 | $94,668.75 | $140,456.25 |
| Jet (27,001-60,000 lbs.) | $97,875.00 | $184,781.25 | $156,375.00 | $173,531.25 |
| Jet (>60,000 lbs.) | $27,213.75 | $34,342. 50 | $50,231.25 | $63,056.25 |
| Jet (Airline Category) | $0.00 | $0.00 | $0.00 | $0 |
| Piston Helicopter | $81.00 | $33.75 | $90.00 | $101.25 |
| Turbine Helicopter | $769.50 | $696.00 | $630.00 | $855.00 |
| **TOTAL** | **$227,466.00** | **$386,910.75** | **$318,6111.25** | **$399, 626.25** |

## Proposed 2025 Fees and Estimated Revenue

| Type | Current Fee | Proposed Fee | Total Estimated Landing Fees | Estimated Airport Revenue |
|---|---|---|---|---|
| Light Twin | $15.00 | $15.00 | $930.00 | **$697.50** |
| Turboprop <9001 lbs. | $40.00 | $40.00 | $1,200.00 | **$900.00** |
| Turboprop 9001-27000 lbs. | $80.00 | $85.00 | $27,370.00 | **$20,527.50** |
| Turboprop 27000> lbs. | $145.00 | $150.00 | $150.00 | **$112.50** |
| Jet <9001 lbs. (VLJ) | $100.00 | $105.00 | $840.00 | **$630.00** |
| Jet 9001-27000 lbs. | $275.00 | $295.00 | $200,895.00 | **$150,671.25** |
| Jet 27001-60000 lbs. | $375.00 | $395.00 | $243,715.00 | **$182,786.25** |
| Jet 60000> lbs. | $475.00 | $495.00 | $87,615.00 | **$65, 711.25** |
| Jet (airline category) | $800.00 | $830.00 | $0.00 | **$0.00** |
| Piston Helicopter | $15.00 | $15.00 | $135.00 | **$101.25** |
| Turbine Helicopter | $20.00 | $20.00 | $1,140.00 | **$855.00** |
| **TOTAL** | | | $563,990.00 | **$422,992.50** |

Lebanon Airport

- Commercial service to Boston and New York City
- Private flights from the US, Canada, and Europe
- 48 based aircraft




**Airport Projects**

- 2024
  - Rehabilitation of the North Air Carrier Apron (2023 grant)
  - NH DES permitting for Runway Safety Project
- 2025
  - Partial reconstruction of TW A and partial extension of TW A to the south (2024 grant)
  - Relocate localizer
- 2026
  - Extend Runway 36
  - Obstruction removal
  - Construct T-Hangars
- 2027
  - Extend Taxiway A Phase 2

**Please see the detailed line items proposed for their 2025 budget as listed on pages 19-21, Council agenda packet, which also includes a map of the proposed Runway Safety Project 2025-2031.**

**Council/Staff Discussions:**
City Manager Mulholland noted the Airport is now self-sustaining and does not require funding from the General Fund.

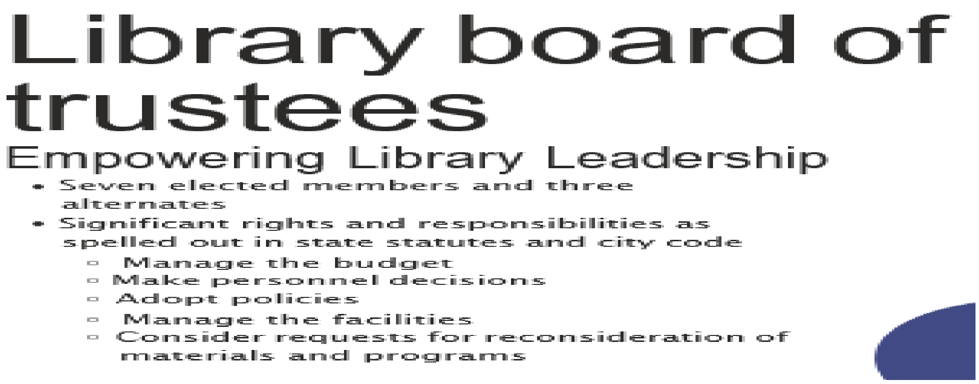
The Council discussed the engine maintenance issues on Cape Air's new aircraft. Cape Air has slowed down the deliveries of their new aircraft until the engine problems have been resolved.

- **LIBRARY**

**Included in the agenda packet: (All supportive documents and detailed itemized budget information can be found on pages 32-38, Council agenda packet)**

Mr. Sean Fleming, Lebanon Libraries Director, and Deputy Library Director Amy Lappin (remote) reviewed their proposed budget and gave a presentation as highlighted below.

LEBANON
PUBLIC LIBRARIES


Director Fleming spoke about the responsibilities of the Library Board of Trustees, noting the NH State Statute 202A, states how libraries are governed in New Hampshire. This Statute was created out of the concern for the challenges to intellectual freedom and the Legislature did this because they wanted the Board of Trustees to be really focused on just library issues without the burden of dealing with Public Safety, etc. He also spoke about book bans, and noted the Office of Intellectual Freedom at the American Library Association tracks these challenges.

Director Fleming noted the Library Foundation is currently working on funding for the AV system in the Kilton Library and maps from the Bird Foundation. He also spoke about the many groups using their community room.


**Please see the detailed line items proposed for their 2025 budget as listed on page 38, Council agenda packet.**

**Council/Staff Discussions:**

In response to Councilor Heistad's question about what the impact would be to the libraries if their proposed budget cuts were to take place. Director Fleming noted he had submitted a document to the Council about a month ago, which was their initial take on how they would reduce their budget. They have taken funds from quite a few areas to get to the 7% ($290K) reduction and he explained what the impact would be if each of the following were eliminated:

- Position of systems librarian (currently vacant)
- Eliminating outreach position
- Cutting items that need to be fixed at both libraries, particularly Kilton
- Reducing book budget by $25K
- Cut back on the inter-library loan service hours
- Cutting libraries hours (i.e., library clerks hours). Libraries will close on Saturdays and maybe some evening hour around Lebanon Library
- No new furniture replacement
- Will take $10K out of the computer replacement budget
- Eliminating the port-a-potty outside the Kilton Library
- Cutting back on program presenters (all ages)
- Eliminating mobile beacon hot spots that people can borrow

Director Fleming stressed the Lebanon Libraries would not be the same institution we have right now if these cuts take place. People come into the libraries to use their materials (i.e., computers, the books, etc.) and if you do not have good staff to help guide people, the libraries are not accomplishing its mission – being educational.

Deputy Library Director Amy Lappin spoke about and explained the impacts if they were to cut their Outreach Budget. We have programs with Waypoint, where story programs are being done; Upper Valley Music Programs would be at risk; coordination with the HOP would be affected. She stressed that anyone could attend these programs for free. The libraries are one of the last places on earth where everybody is welcome. She also explained the impact of losing their Systems Librarian and tech help, which is a resource for those who do not have and cannot afford to have a phone/computers. For example, some folks do not know how to use email or a computer or mouse, and we can show them how to use these for free. We also have people who come in weekly who ask us for help in writing a resume and who need help with job applications (most applications today are only done online and there are no longer paper job applications) and applying for unemployment benefits. We really have people with some great needs in Lebanon and we are very fortunate that we have people in libraries who can help these people with their needs.

Deputy Director Lappin also spoke about the people who are experiencing homelessness, etc., noting that sometimes the only safe, clean, warm/cool place they can be are the libraries. Without the libraries, they will have no place to go. She also spoke about the libraries gardens and how they are a resource to the community and a resource to supplement food to those who need it.

Councilor Wilkie praised the libraries and spoke about his reasons for defending the institution of the Lebanon Libraries. He also spoke about the tremendous increase in book bans across the country and felt Lebanon needs a robust library to give students a place to go, and the need to keep the portable toilet outside of Kilton Library. The portable toilet is a need that some folks may not consider essential, but some parts of our community consider it absolutely essential.

The Council discussed the need to get the budget cut packets out to the general public. City Manager Mulholland noted these would be made available to the public via webpage link at the Council meeting on December 4, 2024. He noted these are proposed budget reductions and are not budget cuts. To be clear, these are targeted options.

Councilor Liot Hill spoke about an email the Council received today which gave lots of different ideas of how we could cut the budget. She felt it would be incumbent for the City to respond to this email, and all emails concerning the budget.

Councilor Whittlesey also proposed doing a cost/benefit analysis for the roads (i.e., what are the costs are proposed timeframe for repair, and the present value of each). City Manager Mulholland will have Director of Public Works Jay Cairelli work on this and the results will be available to the Public on December 18, 2024.

**The meeting was adjourned at 7:10 PM.**

Respectfully submitted,
Dona E. Gibson
Recording Secretary

**DRAFT**

**LEBANON CITY COUNCIL**
**BUDGET WORK SESSION MINUTES**
**Tuesday, November 19, 2024, 5:30 p.m.**
**Council Chambers**
**Remote Via Microsoft Teams:** LebanonNH.gov/Live

| | |
|---|---|
| **MEMBERS PRESENT:** | Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Douglas Whittlesey |
| **MEMBERS ABSENT:** | Christian Simon, Karen Liot Hill, Devin Wilkie, George Sykes, Karen Zook |
| **STAFF PRESENT:** | City Manager Shaun Mulholland, Deputy City Manager David Brooks, Human Resources Director Samantha Lauzon, Chief of Police Phillip Roberts, Deputy Chief of Police Alan Lowe, Finance Director Vicki Lee, Director of Planning & Development Nathan Reichert, Deputy Finance Director Alesia Williams, Airport Manager Carl Gross |

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**1. CALL TO ORDER:** Mayor McNamara called the meeting to order at 5:30 p.m.
**City Manager Mulholland reviewed the City's meeting in-person and REMOTE attendance policies and procedures and the criteria for this meeting.**

**2. Review of 2025 City Budget - Question & Answer Sessions**
**City of Lebanon 2025 Proposed Operating Budget available at LebanonNH.gov/Budget**

- **Human Resources**

Included in the agenda packet: **(All supportive documents and information can be found on pages 2-8, Council agenda packet)**

**HR Director Samantha Lauzon and Deputy HR Director Angela Vivian** came forth to review the Human Resources budget for 2025.

**Council/Saff discussions:**
City Manager Mulholland noted the City has experienced the highest increase in health insurance costs (18.6%) since 2006. He said the City will look into other more affordable options:
- Health Trust
- New Hampshire Interlocal Trust
- SchoolCare
- Buying directly from insurance carriers

He said many other communities have experienced much higher increases in cost than Lebanon. City Manager Mulholland described an employee development program that they are planning to use to help grow the City's workforce and offer valuable leadership training.

City Manager Mulholland said that $2,000 had been earmarked for newspaper "want ad" advertising in years past but they no longer buy ads of this kind because virtually all open positions are listed online. He said the $2,000 has been added to the training budget.

City Manage Mulholland said the City is looking into developing an onboarding program using existing resources (similar to what is being done in Biddeford, ME).

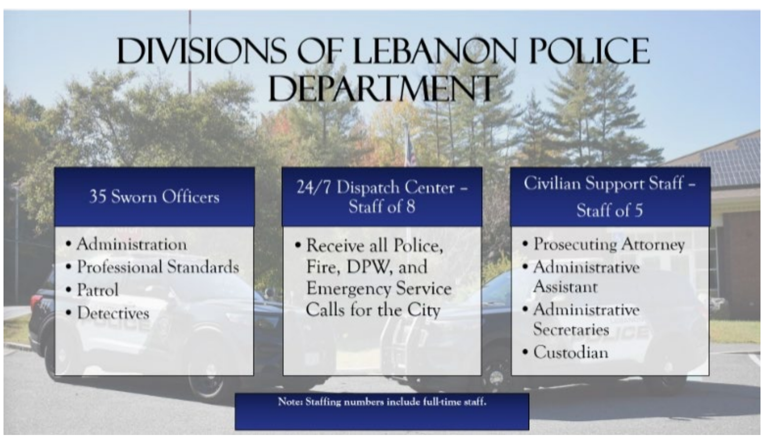
Assistant Mayor Below asked if the City has considered staff reductions in order to achieve a lower tax rate. The group discussed the costs to the City and residents if City employees are not offered training and support. City Manager Mulholland said other towns have many open positions and (as a result) overworked, under-supported staff and are not providing the quality of services that the City wants to offer its residents.

Mr. Below asked if many other communities have wage classification study targets to achieve some percentile of the market comparable rates. (Lebanon's is 60%). City Manager Mulholland said some of the larger cities may (Hanover's is 70%) but smaller towns may not.

- **Police**

Included in the agenda packet: **(All supportive documents and information can be found on pages 9-33, Council agenda packet)**

**Deputy Chief Alan Lowe, Chief Phil Roberts, and Captain Adam Leland** came forth to review the Lebanon Police budget for 2025 as highlighted below. Please refer to the detailed budget line items on pages 31-33, Council agenda packet for further information.

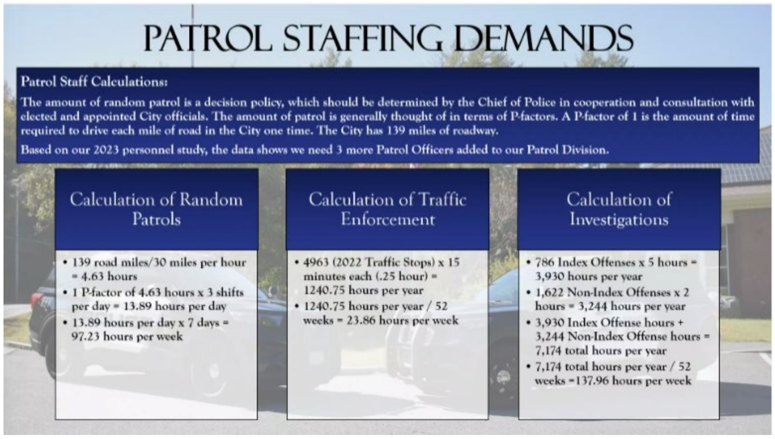



**Council/Staff Discussions:**
Deputy Chief Lowe said there are two people on during the busy hours. He said they found it is not necessary to have two people on based on call volume in the mornings and overnight hours.

He said many employees are on on-call and many police officers are cross-trained to work as dispatchers.

He explained staffing models used by the FBI Bartell Formula to calculate how many officers are needed for the number of residents in the city.

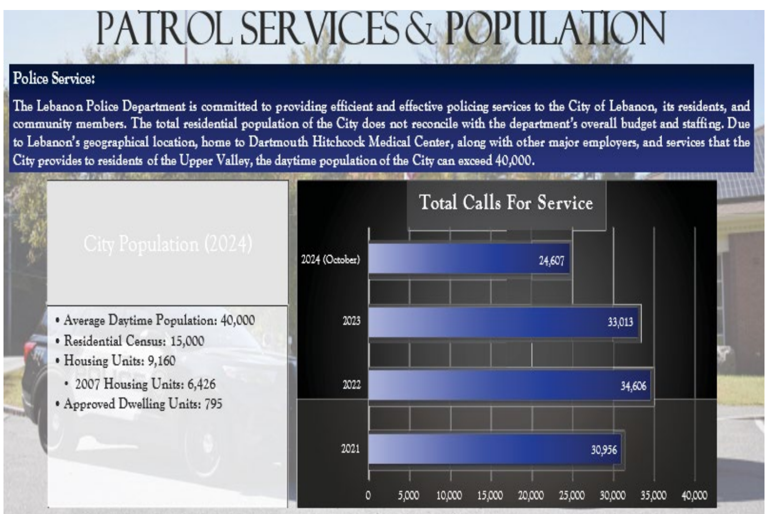
- UCR (Uniform Crime Reporting) data




He said, per the formulas, they would need to add two additional officers to meet the minimum needs of the department. He said the police department is not currently advocating adding more officers. He said the department is down four employees (slightly more than 11%) of the staff of 35 employees. He said other communities are down a lot more.

Mayor McNamara confirmed that all the funded positions in the department are currently filled.

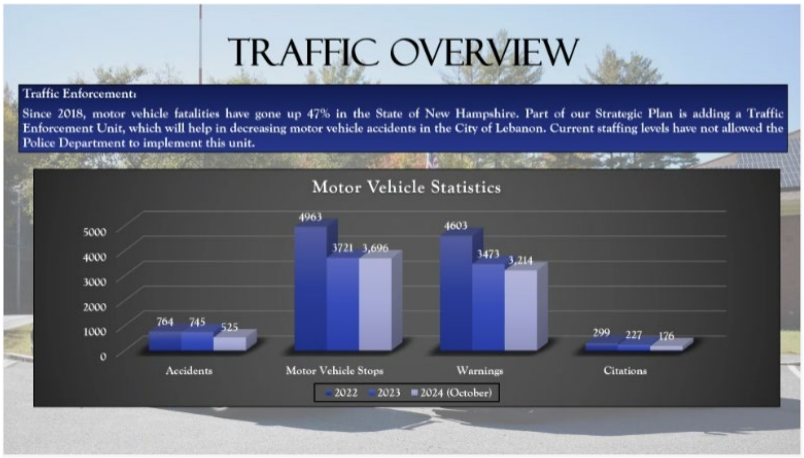
Assistant Mayor Below asked about the number of cases that go to Lebanon District Court as opposed to the Superior Court in Haverhill, NH. Deputy Chief Lowe said more cases are held in Lebanon District Court (so less time spent driving to and from court). He said some training is held in Concord, NH.




Mayor McNamara asked about the 795 approved dwelling units noted in the presentation. City Manager Mulholland said those are units that have been approved but not yet built. He said that approved development represents future growth in population that the police department may not have the staff needed to provide appropriate levels of service.

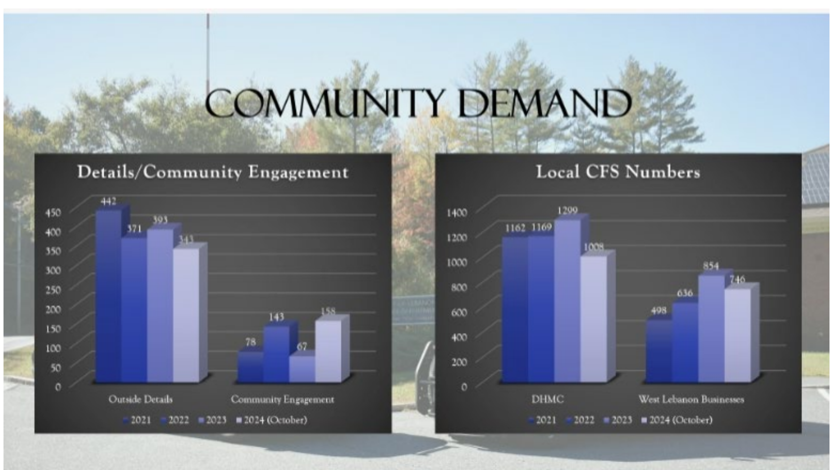
Deputy Chief Lowe explained the department takes a proactive approach to adjusting police presence levels according to crime rate trends. He said (for example) a year ago (around the holidays), the number of patrol officers on Route 12A was increased because of an uptick in shoplifting incidents.

Deputy Chief Lowe said it is in the police department’s strategic plan to have a full-time traffic unit. He said, currently, staffing doesn’t allow them to establish a unit.



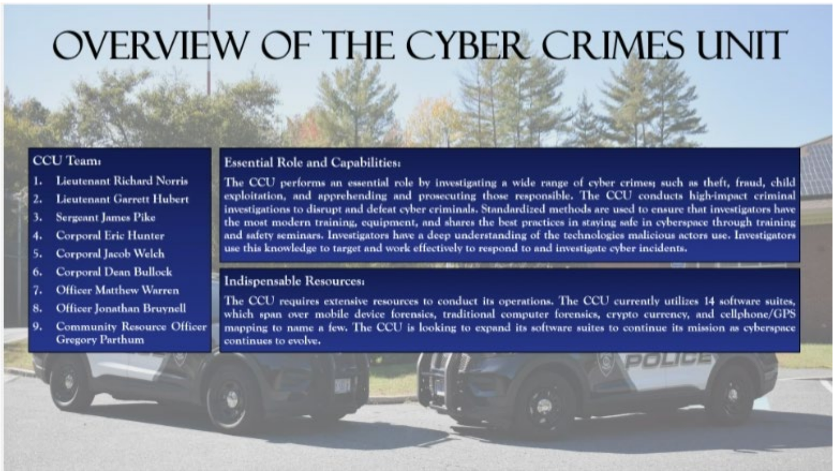

He explained that motor vehicle enforcement does decrease the incidence of other crimes (shoplifting, negligent drivers, etc)

He said Lebanon Officers handle about 75% of the incidents that occur on Interstate 89 (as opposed to having State Police presence) because State Police staffing is down about 18% right now. He said it often takes state police officers an hour to reach the Lebanon portion of Interstate 89 so it is easier and quicker for Lebanon officers to handle situations.




Chief Roberts noted the department continues to take part in the NH Highway Safety Program. He said the department received a grant for $22,000 to provide for overtime shifts for officers.

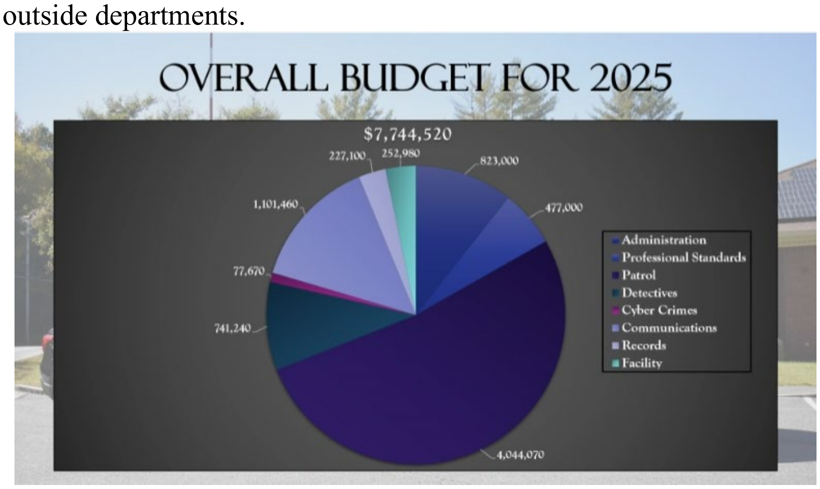
City Manager Mulholland said it is important to pay attention to the “downshifting” issue – where services normally provided by state departments are shifted over to cities and towns because of lack of funding and/or staffing. He said this may happen again with the passing of the 2025 NH State Budget (if it happens).




He confirmed that red light cameras are not allowed in NH.

The group discussed the Call For Service (CFS) numbers and how many calls are specifically related to incidents at Dartmouth Hitchcock Medical Center. Deputy Chief Lowe said the City is on track to meet or exceed the CFS numbers of 2022.

Deputy Chief Lowe gave an overview of the activities of the Cyber Crimes Unit. He said there are other agencies in the area that have a small capability of what this department can do. He said the department gets requests from other towns for lab services. He said the state lab can take up to 2-3 years to extract cell phone data where Lebanon's department can get that same data in 2-3 hours. Chief Roberts said the City does not charge outside agencies when these services are requested. He said the unit had recently become overwhelmed by the number of requests, so he began reviewing and approving each request from outside departments.




City Manager Mulholland said if other communities are interested in providing funding for Lebanon's CCU to provide these services, the City would consider it.

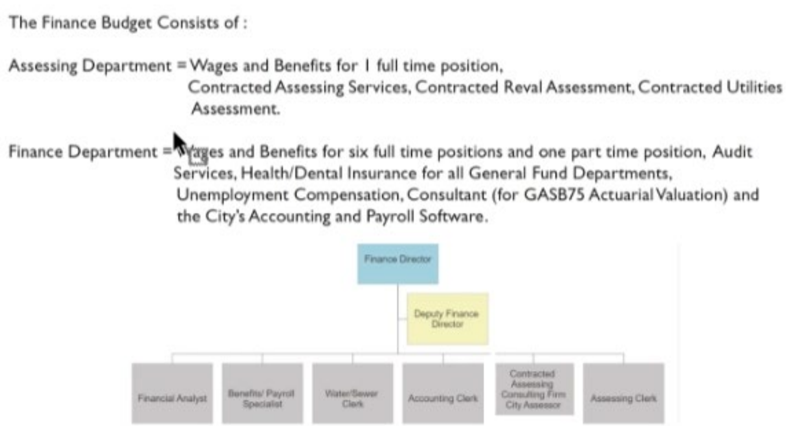
Deputy Chief Lowe said the increases in this budget are mostly due to proposed increases in patrol services (parking enforcement) and for vest replacement. He said some new software licenses need to be purchased, and upgrades in recording software.

Chief Roberts explained that the consultant fee (line item) is for former LPD Tim Cohen, who provides training consulting services. He said that line item also includes funding for an intern in the prosecutor's office.

Mayor McNamara asked about the status of a previous idea to provide regional dispatch services to the community. Chief Roberts said discussions with other communities have stalled because of lack of interest on their part. He said Lebanon's dispatch services just Lebanon right now.

Deputy Chief Lowe said the 2025 budget has an approximate 4.7% increase from last year. Assistant Mayor Below asked about the reductions that would be necessary as part of overall budget cuts if the City is trying to reduce to the 7% tax rate increase. Deputy Chief Lowe said in order to reduce to the 7% tax rate increase, the department would have to cut one patrol officer position. He said they would have to cut two positions in order to achieve a 3% tax rate increase.

He explained that one of the positions that may be considered to be cut is the parking enforcement officer, who also provides fingerprinting services, which is currently free to Lebanon residents. He said those services are offered 24/7 for childcare workers. He said if that position was cut, the fingerprinting services may no longer be free to Lebanon residents and businesses or may only be available in Concord. Chief Roberts said this position also does lab runs (which can take half a day due to travel) so other officers do not have to lose this time on patrol.




- **Finance / Assessing**

Included in the agenda packet: **(All supportive documents and information can be found on pages 34-40, Council agenda packet)**

**Finance Director Vicki Lee and Deputy Finance Director Alesia Williams** came forth to review the Finance / Assessing budget for 2025 as highlighted below.

Please refer to the detailed budget line items on pages 39-40, Council agenda packet for further information.

## ASSESSING:

| 2024: | | 2023: | |
|---|---|---|---|
| Property Sales | 329 | Property Sales | 373 |
| Property Inspections as of 10/31/2024 | 982 | Property Inspections | 895 |

**Council/Staff Discussions:**
Mayor McNamara asked about the 45% increase in the Assessing portion of the budget for "official and administrative services." Director Lee said that is related to the revaluation that is anticipated in 2025.

## FINANCE:

Accounts Payable processes approximately 800 invoices a month, credit card invoices approximately 360/month

150 1099's processed for 2023

Payroll processes approximately 200 paychecks weekly except summer/election months

when it increases significantly.

315 W2's processed for 2023

Utility Billing processes approximately 3,500 bills every quarter,

300 landfill bills monthly, also processes late notices and handles shut offs every quarter

City Manager Mulholland said the valuation for the City is at 73% right now and should be between 90-110%.

He noted that another property tax increase and the revaluation will both occur in 2025 and both will increase taxes.


- **Revenues, Interfund Transfers, Debt Service**

Included in the agenda packet: **(All supportive documents and information can be found on pages 41-50 Council agenda packet)**

**Finance Director Lee** came forth to review the Revenues, Interfund Transfers, Debt Service budget for 2025 as highlighted below.

Director Lee said the only increases in the general fund are for DHMC. City Manager Mulholland said if a state budget does pass, more of the funding that is usually provided by the state may not be available and the City will have to absorb that which will increase the tax rate even more.

Deputy Director Williams said they changed the calculation they used for enterprise funds and moved costs for several services to individual offices. City Manager Mulholland said several fees are paid for by communities that use services (such as the airport and the landfill).

## General Fund Line-Item Budget
## REVENUES

| GL Number | Description | Amended Budget | Activity | Recommended | Requested Amt Change | Requested % Change |
|---|---|---|---|---|---|---|
| NON-DEPARTMENTAL REVENUES | | | | | | |
| Estimated Revenues | | | | | | |
| TAXES | | | | | | |
| 1100-3185-0010-9030-0000 | YIELD TAXES | 13,355.00 | 13,354.81 | 5,000.00 | (8,355.00) | -63% |
| Total Department TAXES: | | 13,355.00 | 13,354.81 | 5,000.00 | (8,355.00) | -63% |
| PAYMENT IN LIEU OF TAXES | | | | | | |
| 1100-3186-0010-9040-0000 | LEBANON HOUSING AUTHORITY | 31,273.00 | 0.00 | 40,000.00 | 8,727.00 | 28% |
| 1100-3186-0010-9040-0010 | MASCOMA HYDRO | 7,411.00 | 7,411.00 | 7,410.00 | (1.00) | 0% |
| 1100-3186-0010-9040-0020 | RIVERMILL HYDRO | 2,213.00 | 2,212.50 | 2,210.00 | (3.00) | 0% |
| 1100-3186-0010-9040-0030 | DHMC | 2,031,437.00 | 2,031,437.00 | 2,079,300.00 | 47,863.00 | 2% |
| 1100-3186-0010-9040-0040 | PARKHURST | 10,000.00 | 0.00 | 10,000.00 | 0.00 | 0% |
| 1100-3186-0010-9040-0050 | SKYHIGH LLC SOLAR | 5,152.00 | 5,152.11 | 5,410.00 | 258.00 | 5% |
| 1100-3186-0010-9040-0060 | APD | 306,475.00 | 306,475.00 | 314,140.00 | 7,665.00 | 3% |
| Total Department PAYMENT IN LIEU OF TAXES: | | 2,393,961.00 | 2,352,687.61 | 2,458,470.00 | 64,509.00 | 3% |
| EXCAVATION TAX | | | | | | |
| 1100-3187-0010-9050-0000 | EXCAVATION TAX | 5,000.00 | 6,293.50 | 6,000.00 | 1,000.00 | 20% |
| Total Department EXCAVATION TAX: | | 5,000.00 | 6,293.50 | 6,000.00 | 1,000.00 | 20% |
| INT & PEN ON DELINQUENT TAXES | | | | | | |
| 1100-3190-0010-9070-0000 | LATE TAX PAYMENTS | 90,000.00 | 104,498.03 | 95,000.00 | 5,000.00 | 6% |
| 1100-3190-0010-9070-0010 | TAX DEEDED PENALTY | 0.00 | 139.05 | 0.00 | 0.00 | 0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Department INT & PEN ON DELINQUENT TAXES: | | 90,000.00 | 104,637.08 | 95,000.00 | 5,000.00 | 6% |
| OTHER LICENSES PERMITS & FEES | | | | | | |
| 1100-3290-0010-9110-0000 | PERMITS | 500.00 | 1,383.00 | 1,000.00 | 500.00 | 100% |
| Total Department OTHER LICENSES PERMITS & FEES: | | 500.00 | 1,383.00 | 1,000.00 | 500.00 | 100% |
| MEALS & ROOMS TAX DISTRIBUTION | | | | | | |
| 1100-3352-0010-9310-0010 | MEALS & ROOMS TAX | 1,509,476.00 | 0.00 | 1,509,480.00 | 4.00 | 0% |
| Total Department MEALS & ROOMS TAX DISTRIBUTION: | | 1,509,476.00 | 0.00 | 1,509,480.00 | 4.00 | 0% |
| WATER POLLUTION GRANTS | | | | | | |
| 1100-3354-0010-9330-0030 | #C-844 CSO WSTWTR/SAG | 13,620.00 | 13,621.60 | 13,260.00 | (360.00) | -3% |
| 1100-3354-0010-9330-0050 | #C-903 CSO DANA&CRAFT AVE/SAG | 16,110.00 | 16,110.00 | 15,890.00 | (220.00) | -1% |
| 1100-3354-0010-9330-0060 | #C-924 CSO11-PHASE 1/SAG | 13,770.00 | 0.00 | 13,510.00 | (260.00) | -2% |
| Total Department WATER POLLUTION GRANTS: | | 43,500.00 | 29,731.60 | 42,660.00 | (840.00) | -2% |
| OTHER STATE GRANTS & REIMBURSEMENTS | | | | | | |
| 1100-3359-0010-9370-0010 | RAILROAD TAX | 2,772.00 | 2,772.26 | 3,000.00 | 228.00 | 8% |
| Total Department OTHER STATE GRANTS & REIMBURSEMENTS: | | 2,772.00 | 2,772.26 | 3,000.00 | 228.00 | 8% |
| INCOME FROM DEPARTMENTS | | | | | | |
| 1100-3401-0010-9390-0350 | COMMUNITY NURSE: DARTMOUTH MIH | 75,000.00 | 0.00 | 80,000.00 | 5,000.00 | 7% |
| Total Department INCOME FROM DEPARTMENTS: | | 75,000.00 | 0.00 | 80,000.00 | 5,000.00 | 7% |
| OTHER CHARGES | | | | | | |
| 1100-3409-0010-9450-0010 | COMPUTER SERVICES | 121,720.00 | 121,720.00 | 20,600.00 | (101,120.00) | -83% |
| 1100-3409-0010-9450-0020 | ADMINISTRATIVE OVERHEAD | 1,246,890.00 | 1,246,890.00 | 1,818,880.00 | 571,990.00 | 46% |
| Total Department OTHER CHARGES: | | 1,368,610.00 | 1,368,610.00 | 1,839,480.00 | 470,870.00 | 34% |
| SPECIAL ASSESSMENTS | | | | | | |
| 1100-3500-0010-9500-0000 | MT SUPPORT RD SPECIAL ASSESSMENT | 46,280.00 | 23,180.27 | 46,280.00 | 0.00 | 0% |
| Total Department SPECIAL ASSESSMENTS: | | 46,280.00 | 23,180.27 | 46,280.00 | 0.00 | 0% |
| SALE OF MUNICIPAL PROPERTY | | | | | | |
| 1100-3501-0010-9510-0010 | SALE OF CITY OWNED PROPERTY | 4,000.00 | 17,487.00 | 0.00 | (4,000.00) | -100% |
| Total Department SALE OF MUNICIPAL PROPERTY: | | 4,000.00 | 17,487.00 | 0.00 | (4,000.00) | -100% |
| INTEREST ON INVESTMENTS | | | | | | |
| 1100-3502-0010-9520-0010 | INVESTMENT INCOME/INTEREST | 500,000.00 | 575,387.60 | 700,000.00 | 200,000.00 | 40% |
| Total Department INTEREST ON INVESTMENTS: | | 500,000.00 | 575,387.60 | 700,000.00 | 200,000.00 | 40% |
| RENTS OF PROPERTY | | | | | | |
| 1100-3503-0010-9530-0010 | MASCOMA HYDRO | 15,000.00 | 15,000.00 | 15,000.00 | 0.00 | 0% |
| 1100-3503-0010-9530-0100 | 226 MASCOMA STREET | 0.00 | 7,200.00 | 0.00 | 0.00 | 100% |
| 1100-3503-0010-9530-0130 | LEBANON OPERA HOUSE | 1,000.00 | 0.00 | 1,000.00 | 0.00 | 0% |
| Total Department RENTS OF PROPERTY: | | 16,000.00 | 22,200.00 | 16,000.00 | 0.00 | 0% |
| OTHER MISC REVENUE | | | | | | |
| 1100-3509-0010-9570-0010 | CABLE TV FRANCHISE FEE | 150,000.00 | 69,918.18 | 150,000.00 | 0.00 | 0% |
| 1100-3509-0010-9570-0020 | MISCELLANEOUS REVENUE | 20,000.00 | 31,090.56 | 15,000.00 | (5,000.00) | -25% |
| 1100-3509-0010-9570-0025 | MISCELLANEOUS COPY CHARGES | 0.00 | 3.00 | 0.00 | 0.00 | 0% |
| 1100-3509-0010-9570-0040 | LANDFILL FUND HOST COMMUNITY FEE | 550,000.00 | 453,741.04 | 550,000.00 | 0.00 | 0% |
| 1100-3509-0010-9570-0050 | TRNS FROM SEWER FUND | 3,230.00 | 3,230.00 | 3,110.00 | (120.00) | -4% |
| 1100-3509-0010-9570-0290 | DOWNTOWN TIFD FUND | 270,980.00 | 270,980.00 | 262,310.00 | (8,670.00) | -3% |
| Total Department OTHER MISC REVENUE: | | 994,210.00 | 828,962.78 | 980,420.00 | (13,790.00) | -1% |
| TRANSFERS FROM IMPACT FEES | | | | | | |
| 1100-3912-1215-2025-7211 | RECREATION VEHICLE REPLACEMENT | 0.00 | 0.00 | 40,000.00 | 40,000.00 | 100% |
| Total Department TRANSFERS FROM IMPACT FEES: | | 0.00 | 0.00 | 40,000.00 | 40,000.00 | 100% |
| TRANSFERS FROM CAPITAL RESERVE-RAP | | | | | | |
| 1100-3915-4520-9570-0300 | TRANSFER FROM CAPITAL RESERVE | 0.00 | 0.00 | 50,000.00 | 50,000.00 | 100% |
| Total Department TRANSFERS FROM CAPITAL RESERVE-RAP: | | 0.00 | 0.00 | 50,000.00 | 50,000.00 | 100% |
| **Total Revenues** | | **7,062,664.00** | **5,346,687.51** | **7,872,790.00** | **810,126.00** | **11%** |

Director Lee said the Revolving Fund was established in February to purchase the Main Street and Mascoma Street properties that are owned by the City.

General Fund Line-Item Budget

**REVOLVING FUND PROPERTIES**

| GL Number | Description | 2024 Amended Budget | 2024 Activity | 2025 Recommended | 2025 Requested Amy Change | 2025 Requested Change |
|---|---|---|---|---|---|---|
| PROPERTY | | | | | | |
| Account Category: Estimated Revenues | | | | | | |
| 3502-0010 | | | | | | |
| 2147-3502-0010-9520-0010 | INVESTMENT INCOME/INTEREST | 0.00 | 66.47 | 0.00 | 0.00 | 0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total 3502-0010: | | 0.00 | 66.47 | 0.00 | 0.00 | 0% |
| 3503-0010 | | | | | | |
| 2147-3503-0010-9530-0100 | 226 MASCOMA STREET | 18,000.00 | 0.00 | 9,600.00 | (8,400.00) | -47% |
| 2147-3503-0010-9530-0120 | 14 28 30 MAIN STREET | 84,000.00 | 35,416.65 | 0.00 | (84,000.00) | -100% |
| Total 3503-0010: | | 102,000.00 | 35,416.65 | 9,600.00 | (92,400.00) | -91% |
| 3911-1100 | | | | | | |
| 2147-3911-1100-9600-0028 | GENERAL FUND | 16,020.00 | 16,020.00 | 13,500.00 | (2,520.00) | -16% |
| Total 3911-1100: | | 16,020.00 | 16,020.00 | 13,500.00 | (2,520.00) | -16% |
| **Total Revenues** | | **118,020.00** | **51,503.12** | **23,100.00** | (94,920.00) | **-80%** |
| Account Category: Appropriations | | | | | | |
| 4194-0040 | | | | | | |
| 2147-4194-0040-3000-0000 | LEGAL SERVICES | 3,000.00 | 0.00 | 1,300.00 | (1,700.00) | -57% |
| 2147-4194-0040-4110-0000 | WATER | 2,700.00 | 1,212.95 | 300.00 | (2,400.00) | -89% |
| 2147-4194-0040-4120-0000 | SEWER | 3,900.00 | 1,757.63 | 200.00 | (3,700.00) | -95% |
| 2147-4194-0040-4300-0000 | REPAIR/MAINTENANCE SERVICES | 12,500.00 | 8,477.44 | 2,000.00 | (10,500.00) | -84% |
| 2147-4194-0040-5000-0000 | OTHER PURCHASED SERVICES | 9,500.00 | 0.00 | 2,000.00 | (7,500.00) | -79% |
| 2147-4194-0040-6100-0000 | GENERAL SUPPLIES | 19,500.00 | 17.98 | 4,000.00 | (15,500.00) | -79% |
| 2147-4194-0040-6220-0000 | ELECTRICITY | 21,520.00 | 6,203.12 | 2,400.00 | (19,120.00) | -89% |
| 2147-4194-0040-6230-0000 | BOTTLED GAS | 5,900.00 | 2,749.00 | 0.00 | (5,900.00) | -100% |
| 2147-4194-0040-6240-0000 | FUEL OIL | 8,700.00 | 4,649.80 | 2,300.00 | (6,400.00) | -74% |
| 2147-4194-0040-8000-0050 | PROPERTY TAXES | 30,800.00 | 12,007.00 | 8,600.00 | (22,200.00) | -72% |
| Total 4194-0040: | | 118,020.00 | 37,074.92 | 23,100.00 | (94,920.00) | -80% |
| **Total Appropriations** | | **118,020.00** | **37,074.92** | **23,100.00** | (94,920.00) | **-80%** |

# General Fund Line-Item Budget
# INTERFUND TRANSFERS

BUDGET REPORT FOR CITY OF LEBANON
Calculations As Of 10/14/2024

| GL Number | Description | 2024 Amended Budget | 2024 Activity | 2025 Recommended | 2025 Requested Amt Change | 2025 Requested % Change |
|---|---|---|---|---|---|---|
| INTERFUND TRANSFER | | | | | | |
| Appropriations | | | | | | |
| TRANSFERS TO SPECIAL REVENUE FUNDS | | | | | | |
| 1100-4912-0000-9100-0003 | HERITAGE FUND | 400.00 | 400.00 | 400.00 | 0.00 | 0% |
| 1100-4912-0000-9100-0005 | EMERGENCY MANAGEMENT FUND-EQUIPMENT | 25,000.00 | 25,000.00 | 25,000.00 | 0.00 | 0% |
| 1100-4912-0000-9100-0018 | PUBLIC ASSISTANCE REVOLVING FUND | 125,000.00 | 125,000.00 | 0.00 | (125,000.00) | -100% |
| 1100-4912-0000-9100-0019 | ENTERPRISE PROPERTIES REVOLVING FUND | 16,020.00 | 16,020.00 | 13,500.00 | (2,520.00) | -16% |
| Total Department TRANSFERS TO SPECIAL REVENUE FUNDS: | | 166,420.00 | 166,420.00 | 38,900.00 | (127,520.00) | -77% |
| TRANSFERS TO CAPITAL PROJECT FUNDS | | | | | | |
| 1100-4913-0000-9300-0048 | LAHAYE DRIVE PED & BIKE IMPROVEMENTS | 48,000.00 | 48,000.00 | 0.00 | (48,000.00) | -100% |
| Total Department TRANSFERS TO CAPITAL PROJECT FUNDS: | | 48,000.00 | 48,000.00 | 0.00 | (48,000.00) | -100% |
| TRANSFERS TO PROPRIETARY FUNDS-WATER | | | | | | |
| 1100-4914-0050-9100-0001 | FIRE PROTECTION: HYDRANTS | 284,800.00 | 284,800.00 | 293,300.00 | 8,500.00 | 3% |
| Total Department TRANSFERS TO PROPRIETARY FUNDS-WATER: | | 284,800.00 | 284,800.00 | 293,300.00 | 8,500.00 | 3% |
| TRANSFERS TO CAPITAL RESERVE FUNDS | | | | | | |
| 1100-4915-0000-9600-0001 | FIRE EQUIPMENT | 200,000.00 | 200,000.00 | 300,000.00 | 100,000.00 | 50% |
| 1100-4915-0000-9600-0002 | DPW VEHICLES/EQUIPMENT | 0.00 | 0.00 | 905,000.00 | 905,000.00 | 100% |
| 1100-4915-0000-9600-0003 | RECREATION EQUIPMENT/VEHICLES | 0.00 | 0.00 | 25,000.00 | 25,000.00 | 100% |
| 1100-4915-0000-9600-0007 | ACCRUED BENEFITS LIABILITY | 50,000.00 | 50,000.00 | 64,150.00 | 14,150.00 | 28% |
| Total Department TRANSFERS TO CAPITAL RESERVE FUNDS: | | 250,000.00 | 250,000.00 | 1,294,150.00 | 1,044,150.00 | 418% |
| TRANSFERS TO EXPENDABLE TRUSTS | | | | | | |
| 1100-4916-0000-9600-0029 | URBAN FORESTRY | 107,000.00 | 107,000.00 | 0.00 | (107,000.00) | -100% |
| Total Department TRANSFERS TO EXPENDABLE TRUSTS: | | 107,000.00 | 107,000.00 | 0.00 | (107,000.00) | -100% |
| **Total Appropriations** | | **856,220.00** | **856,220.00** | **1,626,350.00** | **770,130.00** | **90%** |

# General Fund Line-Item Budget
# DEBT SERVICE

| GL Number | Description | 2024 Amended Budget | 2024 Activity | 2025 Recommended | 2025 Requested Amt Change | 2025 Requested % Change |
|---|---|---|---|---|---|---|
| DEBT SERVICE | | | | | | |
| Appropriations | | | | | | |
| PRINCIPAL-LONG TERM BONDS/NOTES | | | | | | |
| 1100-4711-0000-9820-0000 | NHMBB04B | 172,150.00 | 172,143.00 | 0.00 | (172,150.00) | -100% |
| 1100-4711-0000-9821-0000 | NHMBB05B | 225,000.00 | 225,000.00 | 225,000.00 | 0.00 | 0% |
| 1100-4711-0000-9822-0000 | NHMBB06A | 220,000.00 | 220,000.00 | 220,000.00 | 0.00 | 0% |
| 1100-4711-0000-9823-0000 | NHMBB07B | 298,600.00 | 298,600.00 | 298,600.00 | 0.00 | 0% |
| 1100-4711-0000-9824-0000 | NHMBB08A | 69,530.00 | 69,525.05 | 69,530.00 | 0.00 | 0% |
| 1100-4711-0000-9825-0000 | NHMBB09C | 121,000.00 | 121,000.00 | 121,000.00 | 0.00 | 0% |
| 1100-4711-0000-9826-0000 | NHMBB10B | 197,370.00 | 197,370.00 | 197,370.00 | 0.00 | 0% |
| 1100-4711-0000-9827-0000 | NHMBB11B | 170,000.00 | 170,000.00 | 170,000.00 | 0.00 | 0% |
| 1100-4711-0000-9828-0000 | NHMBB12B | 20,360.00 | 20,360.00 | 20,360.00 | 0.00 | 0% |
| 1100-4711-0000-9829-0001 | NHMBB14A | 65,000.00 | 65,000.00 | 0.00 | (65,000.00) | -100% |
| 1100-4711-0000-9830-0000 | NHMBB16B | 90,000.00 | 90,000.00 | 90,000.00 | 0.00 | 0% |
| 1100-4711-0000-9831-0000 | NHMBB17B | 110,000.00 | 110,000.00 | 110,000.00 | 0.00 | 0% |
| 1100-4711-0000-9832-0000 | NHMBB18B | 164,000.00 | 164,000.00 | 164,000.00 | 0.00 | 0% |
| 1100-4711-0000-9833-0000 | NHMBB20B | 409,120.00 | 409,115.79 | 404,120.00 | (5,000.00) | -1% |
| 1100-4711-0000-9834-0000 | NHMBB20A | 375,000.00 | 375,000.00 | 375,000.00 | 0.00 | 0% |
| 1100-4711-0000-9835-0000 | NHMBB21C | 67,000.00 | 67,000.00 | 67,000.00 | 0.00 | 0% |
| 1100-4711-0000-9836-0000 | NHMBB22C | 96,720.00 | 96,711.63 | 96,720.00 | 0.00 | 0% |
| 1100-4711-0000-9837-0000 | NHMBB23B | 19,020.00 | 19,014.00 | 19,020.00 | 0.00 | 0% |
| 1100-4711-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 884,870.00 | 884,870.00 | 100% |
| Total Department PRINCIPAL-LONG TERM BONDS/NOTES: | | 2,889,870.00 | 2,889,839.47 | 3,532,590.00 | 642,720.00 | 22% |
| PRINCIPAL-STATE REVOLVING FUND NOTES | | | | | | |
| 1100-4711-0010-9801-0010 | CS-333092-05 CSO | 74,040.00 | 74,035.36 | 74,040.00 | 0.00 | 0% |
| 1100-4711-0010-9802-0010 | CS-333092-07 CSO | 55,750.00 | 55,747.07 | 55,750.00 | 0.00 | 0% |
| 1100-4711-0010-9803-0010 | CS-333092-08 CSO | 56,000.00 | 56,000.00 | 56,000.00 | 0.00 | 0% |
| 1100-4711-0010-9804-0010 | CS-330092-10 CSO | 32,780.00 | 0.00 | 32,780.00 | 0.00 | 0% |
| 1100-4711-0010-9805-0010 | 1321010-02 CSO | 35,600.00 | 35,596.86 | 35,600.00 | 0.00 | 0% |
| 1100-4711-0010-9806-0010 | CS-330092-11 CSO | 202,040.00 | 202,036.08 | 202,040.00 | 0.00 | 0% |
| 1100-4711-0010-9807-0010 | CS-330092-12 CSO | 62,210.00 | 62,206.47 | 62,210.00 | 0.00 | 0% |
| 1100-4711-0010-9808-0010 | DWGT-17 | 2,860.00 | 2,859.00 | 2,930.00 | 70.00 | 2% |
| 1100-4711-0010-9809-0010 | CS-330092-14 CSO | 31,550.00 | 0.00 | 31,550.00 | 0.00 | 0% |
| Total Department PRINCIPAL-STATE REVOLVING FUND NOTES: | | 552,830.00 | 488,480.84 | 552,900.00 | 70.00 | 0% |
| INTEREST-LONG TERM BONDS/NOTES | | | | | | |
| 1100-4721-0000-9820-0000 | NHMBB04B | 4,080.00 | 4,075.15 | 0.00 | (4,080.00) | -100% |
| 1100-4721-0000-9821-0000 | NHMBB05B | 14,970.00 | 14,968.75 | 7,540.00 | (7,430.00) | -50% |
| 1100-4721-0000-9822-0000 | NHMBB06A | 9,240.00 | 9,240.00 | 5,900.00 | (3,340.00) | -36% |
| 1100-4721-0000-9823-0000 | NHMBB07B | 16,740.00 | 16,734.00 | 12,560.00 | (4,180.00) | -25% |
| 1100-4721-0000-9824-0000 | NHMBB08A | 10,210.00 | 10,205.91 | 7,260.00 | (2,950.00) | -29% |
| 1100-4721-0000-9825-0000 | NHMBB09C | 25,270.00 | 25,261.72 | 19,190.00 | (6,080.00) | -24% |
| 1100-4721-0000-9826-0000 | NHMBB10B | 54,020.00 | 54,019.62 | 44,160.00 | (9,860.00) | -18% |
| 1100-4721-0000-9827-0000 | NHMBB11B | 54,400.00 | 49,157.42 | 42,360.00 | (12,040.00) | -22% |
| 1100-4721-0000-9828-0000 | NHMBB12B | 6,500.00 | 3,949.01 | 3,940.00 | (2,560.00) | -39% |
| 1100-4721-0000-9829-0001 | NHMBB14A | 3,320.00 | 3,315.00 | 0.00 | (3,320.00) | -100% |
| 1100-4721-0000-9830-0000 | NHMBB16B | 39,050.00 | 39,046.50 | 35,430.00 | (3,620.00) | -9% |
| 1100-4721-0000-9831-0000 | NHMBB17B | 49,920.00 | 49,915.00 | 44,310.00 | (5,610.00) | -11% |
| 1100-4721-0000-9832-0000 | NHMBB18B | 87,170.00 | 87,170.00 | 78,810.00 | (8,360.00) | -10% |
| 1100-4721-0000-9833-0000 | NHMBB20B | 216,880.00 | 216,879.36 | 196,010.00 | (20,870.00) | -10% |
| 1100-4721-0000-9834-0000 | NHMBB20A | 217,680.00 | 217,672.52 | 198,550.00 | (19,130.00) | -9% |
| 1100-4721-0000-9835-0000 | NHMBB21C | 44,120.00 | 44,118.00 | 40,700.00 | (3,420.00) | -8% |
| 1100-4721-0000-9836-0000 | NHMBB22C | 88,750.00 | 88,748.48 | 83,820.00 | (4,930.00) | -6% |
| 1100-4721-0000-9837-0000 | NHMBB23B | 4,930.00 | 4,929.33 | 3,880.00 | (1,050.00) | -21% |
| 1100-4721-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 904,450.00 | 904,450.00 | 100% |
| Total Department INTEREST-LONG TERM BONDS/NOTES: | | 947,250.00 | 939,405.77 | 1,728,870.00 | 781,620.00 | 83% |
| INTEREST-STATE REVOLVING FUND NOTES | | | | | | |
| 1100-4721-0010-9801-0010 | CS-333092-05 CSO | 25,130.00 | 25,113.30 | 22,610.00 | (2,520.00) | -10% |
| 1100-4721-0010-9802-0010 | CS-333092-07 CSO | 14,550.00 | 14,494.23 | 13,380.00 | (1,170.00) | -8% |
| 1100-4721-0010-9803-0010 | CS-333092-08 CSO | 14,560.00 | 14,560.00 | 13,440.00 | (1,120.00) | -8% |
| 1100-4721-0010-9804-0010 | CS-330092-10 CSO | 12,420.00 | 0.00 | 11,530.00 | (890.00) | -7% |
| 1100-4721-0010-9805-0010 | 1321010-02 CSO | 9,710.00 | 9,705.13 | 9,100.00 | (610.00) | -6% |
| 1100-4721-0010-9806-0010 | CS-330092-11 CSO | 68,700.00 | 68,692.07 | 64,660.00 | (4,040.00) | -6% |
| 1100-4721-0010-9807-0010 | CS-330092-12 CSO | 21,150.00 | 21,150.20 | 19,910.00 | (1,240.00) | -6% |
| 1100-4721-0010-9808-0010 | DWGT-17 | 1,440.00 | 1,436.80 | 1,370.00 | (70.00) | -5% |
| 1100-4721-0010-9809-0010 | CS-330092-14 CSO | 11,360.00 | 0.00 | 0.00 | (11,360.00) | -100% |

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|---|---|---|---|---|---|---|
| Total Department INTEREST-STATE REVOLVING FUND NOTES: | | 179,020.00 | 155,151.73 | 156,000.00 | (23,020.00) | -13% |

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|---|---|---|---|---|---|---|
| PRINCIPAL-LONG TERM BONDS/NOTES | | | | | | |
| 2108-4711-0000-9828-0000 | NHMBB12B | 295,000.00 | 295,000.00 | 0.00 | (295,000.00) | -100% |
| 2108-4711-0000-9837-0000 | NHMBB23B | 83,360.00 | 82,356.00 | 82,360.00 | (1,000.00) | -1% |
| 2108-4711-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 16,150.00 | 16,150.00 | 100% |
| Total Department PRINCIPAL-LONG TERM BONDS/NOTES: | | 378,360.00 | 377,356.00 | 98,510.00 | (279,850.00) | -74% |
| INTEREST-LONG TERM BONDS/NOTES | | | | | | |
| 2108-4721-0000-9828-0000 | NHMBB12B | 1,800.00 | 1,800.00 | 0.00 | (1,800.00) | -100% |
| 2108-4721-0000-9837-0000 | NHMBB23B | 82,060.00 | 82,053.60 | 76,510.00 | (5,550.00) | -7% |
| 2108-4721-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 16,470.00 | 16,470.00 | 100% |
| Total Department INTEREST-LONG TERM BONDS/NOTES: | | 83,860.00 | 83,853.60 | 92,980.00 | 9,120.00 | 11% |
| PRINCIPAL-LONG TERM BONDS/NOTES | | | | | | |
| 2110-4711-0000-9821-0000 | NHMBB05B | 30,000.00 | 30,000.00 | 30,000.00 | 0.00 | 0% |
| 2110-4711-0000-9822-0000 | NHMBB06A | 30,000.00 | 30,000.00 | 30,000.00 | 0.00 | 0% |
| 2110-4711-0000-9823-0000 | NHMBB07B | 77,370.00 | 77,361.05 | 77,370.00 | 0.00 | 0% |
| 2110-4711-0000-9824-0000 | NHMBB08A | 39,000.00 | 39,000.00 | 39,000.00 | 0.00 | 0% |
| 2110-4711-0000-9825-0000 | NHMBB09C | 34,500.00 | 34,500.00 | 34,500.00 | 0.00 | 0% |
| 2110-4711-0000-9826-0000 | NHMBB10B | 49,110.00 | 49,110.00 | 49,110.00 | 0.00 | 0% |
| 2110-4711-0000-9827-0000 | NHMBB11B | 135,000.00 | 135,000.00 | 135,000.00 | 0.00 | 0% |
| 2110-4711-0000-9828-0000 | NHMBB12B | 10,500.00 | 10,500.00 | 10,500.00 | 0.00 | 0% |
| 2110-4711-0000-9832-0000 | NHMBB18B | 40,500.00 | 40,500.00 | 40,500.00 | 0.00 | 0% |
| 2110-4711-0000-9833-0000 | NHMBB20B | 103,320.00 | 103,231.58 | 103,320.00 | 0.00 | 0% |
| 2110-4711-0000-9835-0000 | NHMBB21C | 39,000.00 | 39,000.00 | 39,000.00 | 0.00 | 0% |
| 2110-4711-0000-9836-0000 | NHMBB22C | 21,600.00 | 21,600.00 | 21,600.00 | 0.00 | 0% |
| 2110-4711-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 223,100.00 | 223,100.00 | 100% |
| Total Department PRINCIPAL-LONG TERM BONDS/NOTES: | | 609,900.00 | 609,802.63 | 833,000.00 | 223,100.00 | 37% |
| PRINCIPAL-STATE REVOLVING FUND NOTES | | | | | | |
| 2110-4711-0010-9801-0010 | CS-333092-05 CSO | 55,530.00 | 55,526.52 | 55,530.00 | 0.00 | 0% |
| 2110-4711-0010-9802-0010 | CS-333092-07 CSO | 41,820.00 | 41,810.30 | 41,820.00 | 0.00 | 0% |
| 2110-4711-0010-9802-0020 | 1321010 ARRA WATER METER CONVERSION | 35,610.00 | 35,604.00 | 36,630.00 | 1,020.00 | 3% |
| 2110-4711-0010-9803-0010 | CS-333092-08 CSO | 42,000.00 | 42,000.00 | 42,000.00 | 0.00 | 0% |
| 2110-4711-0010-9804-0010 | CS-330092-10 CSO | 24,580.00 | 0.00 | 24,580.00 | 0.00 | 0% |
| 2110-4711-0010-9805-0010 | 1321010-02 CSO | 26,700.00 | 26,697.65 | 26,700.00 | 0.00 | 0% |
| 2110-4711-0010-9805-0015 | 1321010-01 WATER MAIN | 9,450.00 | 9,448.00 | 9,640.00 | 190.00 | 2% |
| 2110-4711-0010-9806-0010 | CS-330092-11 CSO | 151,530.00 | 151,527.06 | 151,530.00 | 0.00 | 0% |
| 2110-4711-0010-9807-0010 | CS-330092-12 CSO | 46,660.00 | 46,654.85 | 46,660.00 | 0.00 | 0% |
| 2110-4711-0010-9808-0010 | DWGT-17 | 2,150.00 | 2,144.24 | 2,200.00 | 50.00 | 2% |
| 2110-4711-0010-9809-0010 | CS-330092-14 CSO | 23,670.00 | 0.00 | 23,660.00 | (10.00) | 0% |
| 2110-4711-0010-9810-0020 | DWGT-23 | 103,540.00 | 103,532.62 | 107,040.00 | 3,500.00 | 3% |
| Total Department PRINCIPAL-STATE REVOLVING FUND NOTES: | | 563,240.00 | 514,945.24 | 567,990.00 | 4,750.00 | 1% |
| INTEREST-LONG TERM BONDS/NOTES | | | | | | |
| 2110-4721-0000-9821-0000 | NHMBB05B | 2,670.00 | 2,662.50 | 1,350.00 | (1,320.00) | -49% |
| 2110-4721-0000-9822-0000 | NHMBB06A | 4,260.00 | 4,260.00 | 2,850.00 | (1,410.00) | -33% |
| 2110-4721-0000-9823-0000 | NHMBB07B | 14,700.00 | 14,698.60 | 11,030.00 | (3,670.00) | -25% |
| 2110-4721-0000-9824-0000 | NHMBB08A | 5,790.00 | 5,780.72 | 4,130.00 | (1,660.00) | -29% |
| 2110-4721-0000-9825-0000 | NHMBB09C | 7,110.00 | 7,102.52 | 5,380.00 | (1,730.00) | -24% |
| 2110-4721-0000-9826-0000 | NHMBB10B | 13,680.00 | 13,672.56 | 11,220.00 | (2,460.00) | -18% |
| 2110-4721-0000-9827-0000 | NHMBB11B | 43,200.00 | 39,388.05 | 33,980.00 | (9,220.00) | -21% |
| 2110-4721-0000-9828-0000 | NHMBB12B | 3,330.00 | 2,174.04 | 1,760.00 | (1,570.00) | -47% |
| 2110-4721-0000-9832-0000 | NHMBB18B | 24,960.00 | 24,958.13 | 22,900.00 | (2,060.00) | -8% |
| 2110-4721-0000-9833-0000 | NHMBB20B | 61,580.00 | 61,578.72 | 56,310.00 | (5,270.00) | -9% |
| 2110-4721-0000-9835-0000 | NHMBB21C | 27,490.00 | 27,486.00 | 25,500.00 | (1,990.00) | -7% |
| 2110-4721-0000-9836-0000 | NHMBB22C | 19,840.00 | 19,839.66 | 18,740.00 | (1,100.00) | -6% |
| 2110-4721-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 228,050.00 | 228,050.00 | 100% |
| Total Department INTEREST-LONG TERM BONDS/NOTES: | | 228,610.00 | 223,601.50 | 423,200.00 | 194,590.00 | 85% |
| INTEREST-STATE REVOLVING FUND NOTES | | | | | | |
| 2110-4721-0010-9801-0010 | CS-333092-05 CSO | 18,840.00 | 18,834.34 | 16,690.00 | (2,150.00) | -11% |
| 2110-4721-0010-9802-0010 | CS-333092-07 CSO | 10,880.00 | 10,870.68 | 10,040.00 | (840.00) | -8% |
| 2110-4721-0010-9802-0020 | 1321010 ARRA WATER METER CONVERSION | 9,030.00 | 9,023.98 | 8,010.00 | (1,020.00) | -11% |
| 2110-4721-0010-9803-0010 | CS-333092-08 CSO | 10,920.00 | 10,920.00 | 10,080.00 | (840.00) | -8% |
| 2110-4721-0010-9804-0010 | CS-330092-10 CSO | 9,310.00 | 0.00 | 8,640.00 | (670.00) | -7% |
| 2110-4721-0010-9805-0010 | 1321010-02 CSO | 7,280.00 | 7,278.85 | 6,820.00 | (460.00) | -6% |
| 2110-4721-0010-9805-0015 | 1321010-01 WATER MAIN | 2,740.00 | 2,736.18 | 2,560.00 | (180.00) | -7% |
| 2110-4721-0010-9806-0010 | CS-330092-11 CSO | 51,520.00 | 51,519.30 | 48,490.00 | (3,030.00) | -6% |
| 2110-4721-0010-9807-0010 | CS-330092-12 CSO | 15,870.00 | 15,862.65 | 14,930.00 | (940.00) | -6% |
| 2110-4721-0010-9808-0010 | DWGT-17 | 1,080.00 | 1,077.59 | 1,030.00 | (50.00) | -5% |
| 2110-4721-0010-9809-0010 | CS-330092-14 CSO | 8,520.00 | 0.00 | 8,050.00 | (470.00) | -6% |
| 2110-4721-0010-9810-0020 | DWGT-23 | 85,220.00 | 85,220.58 | 81,730.00 | (3,490.00) | -4% |
| Total Department INTEREST-STATE REVOLVING FUND NOTES: | | 231,210.00 | 213,344.15 | 217,070.00 | (14,140.00) | -6% |

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|---|---|---|---|---|---|---|
| PRINCIPAL-LONG TERM BONDS/NOTES | | | | | | |
| 2115-4711-0000-9820-0000 | NHMBB04B | 27,860.00 | 27,857.00 | 0.00 | (27,860.00) | -100% |
| 2115-4711-0000-9821-0000 | NHMBB05B | 30,000.00 | 30,000.00 | 30,000.00 | 0.00 | 0% |
| 2115-4711-0000-9822-0000 | NHMBB06A | 30,000.00 | 30,000.00 | 30,000.00 | 0.00 | 0% |
| 2115-4711-0000-9823-0000 | NHMBB07B | 37,460.00 | 37,460.00 | 37,460.00 | 0.00 | 0% |
| 2115-4711-0000-9824-0000 | NHMBB08A | 66,480.00 | 66,474.95 | 66,480.00 | 0.00 | 0% |
| 2115-4711-0000-9825-0000 | NHMBB09C | 34,500.00 | 34,500.00 | 34,500.00 | 0.00 | 0% |
| 2115-4711-0000-9826-0000 | NHMBB10B | 108,520.00 | 108,520.00 | 108,520.00 | 0.00 | 0% |
| 2115-4711-0000-9827-0000 | NHMBB11B | 100,000.00 | 100,000.00 | 100,000.00 | 0.00 | 0% |
| 2115-4711-0000-9828-0000 | NHMBB12B | 24,140.00 | 24,140.00 | 24,140.00 | 0.00 | 0% |
| 2115-4711-0000-9829-0000 | NHMBB13C | 110,000.00 | 110,000.00 | 110,000.00 | 0.00 | 0% |
| 2115-4711-0000-9832-0000 | NHMBB18B | 40,500.00 | 40,500.00 | 40,500.00 | 0.00 | 0% |
| 2115-4711-0000-9833-0000 | NHMBB20B | 47,660.00 | 47,652.63 | 47,660.00 | 0.00 | 0% |
| 2115-4711-0000-9835-0000 | NHMBB21C | 84,000.00 | 84,000.00 | 79,000.00 | (5,000.00) | -6% |
| 2115-4711-0000-9836-0000 | NHMBB22C | 21,600.00 | 21,600.00 | 21,600.00 | 0.00 | 0% |
| 2115-4711-0000-9837-0000 | NHMBB23B | 65,690.00 | 65,680.00 | 65,680.00 | (10.00) | 0% |
| 2115-4711-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 7,550.00 | 7,550.00 | 100% |
| Total Department PRINCIPAL-LONG TERM BONDS/NOTES: | | 828,410.00 | 828,384.58 | 803,090.00 | (25,320.00) | -3% |
| PRINCIPAL-STATE REVOLVING FUND NOTES | | | | | | |
| 2115-4711-0010-9801-0010 | CS-333092-05 CSO | 55,530.00 | 55,526.52 | 55,530.00 | 0.00 | 0% |
| 2115-4711-0010-9801-0020 | WWTF CS-330092-03 | 78,830.00 | 78,820.81 | 78,830.00 | 0.00 | 0% |
| 2115-4711-0010-9802-0010 | CS-333092-07 CSO | 41,820.00 | 41,810.30 | 41,820.00 | 0.00 | 0% |
| 2115-4711-0010-9803-0010 | CS-333092-08 CSO | 42,000.00 | 42,000.00 | 42,000.00 | 0.00 | 0% |
| 2115-4711-0010-9803-0020 | CS-333092-04 WWTF PHASE II | 577,080.00 | 577,078.19 | 577,080.00 | 0.00 | 0% |
| 2115-4711-0010-9804-0010 | CS-330092-10 CSO | 24,580.00 | 0.00 | 24,580.00 | 0.00 | 0% |
| 2115-4711-0010-9805-0010 | 1321010-02 CSO | 26,700.00 | 26,697.64 | 26,700.00 | 0.00 | 0% |
| 2115-4711-0010-9806-0010 | CS-330092-11 CSO | 183,280.00 | 183,277.05 | 183,280.00 | 0.00 | 0% |
| 2115-4711-0010-9806-0020 | CS-333092-06 CSO | 76,560.00 | 76,550.71 | 76,560.00 | 0.00 | 0% |
| 2115-4711-0010-9807-0010 | CS-330092-12 CSO | 46,660.00 | 46,654.85 | 46,660.00 | 0.00 | 0% |
| 2115-4711-0010-9807-0020 | CS-333092-09 CSO | 233,610.00 | 233,604.49 | 233,610.00 | 0.00 | 0% |
| 2115-4711-0010-9808-0010 | DWGT-17 | 2,150.00 | 2,144.24 | 2,200.00 | 50.00 | 2% |
| 2115-4711-0010-9809-0010 | CS-330092-14 CSO | 23,670.00 | 0.00 | 23,660.00 | (10.00) | 0% |
| Total Department PRINCIPAL-STATE REVOLVING FUND NOTES: | | 1,412,470.00 | 1,364,164.80 | 1,412,510.00 | 40.00 | 0% |
| INTEREST-LONG TERM BONDS/NOTES | | | | | | |
| 2115-4721-0000-9820-0000 | NHMBB04B | 1,400.00 | 1,392.85 | 0.00 | (1,400.00) | -100% |
| 2115-4721-0000-9821-0000 | NHMBB05B | 2,670.00 | 2,662.51 | 1,350.00 | (1,320.00) | -49% |
| 2115-4721-0000-9822-0000 | NHMBB06A | 4,260.00 | 4,260.00 | 2,850.00 | (1,410.00) | -33% |
| 2115-4721-0000-9823-0000 | NHMBB07B | 7,120.00 | 7,117.40 | 5,340.00 | (1,780.00) | -25% |
| 2115-4721-0000-9824-0000 | NHMBB08A | 9,790.00 | 9,789.37 | 6,970.00 | (2,820.00) | -29% |
| 2115-4721-0000-9825-0000 | NHMBB09C | 7,110.00 | 7,102.52 | 5,380.00 | (1,730.00) | -24% |
| 2115-4721-0000-9826-0000 | NHMBB10B | 30,200.00 | 30,197.82 | 24,780.00 | (5,420.00) | -18% |
| 2115-4721-0000-9827-0000 | NHMBB11B | 32,000.00 | 29,172.53 | 25,180.00 | (6,820.00) | -21% |
| 2115-4721-0000-9828-0000 | NHMBB12B | 7,650.00 | 4,998.21 | 4,040.00 | (3,610.00) | -47% |
| 2115-4721-0000-9829-0000 | NHMBB13C | 52,630.00 | 52,625.00 | 41,850.00 | (10,780.00) | -20% |
| 2115-4721-0000-9832-0000 | NHMBB18B | 24,960.00 | 24,958.13 | 22,900.00 | (2,060.00) | -8% |
| 2115-4721-0000-9833-0000 | NHMBB20B | 27,950.00 | 27,946.92 | 25,520.00 | (2,430.00) | -9% |
| 2115-4721-0000-9835-0000 | NHMBB21C | 56,060.00 | 56,061.00 | 51,780.00 | (4,280.00) | -8% |
| 2115-4721-0000-9836-0000 | NHMBB22C | 19,840.00 | 19,839.66 | 18,740.00 | (1,100.00) | -6% |
| 2115-4721-0000-9837-0000 | NHMBB23B | 55,920.00 | 55,916.50 | 51,650.00 | (4,270.00) | -8% |
| 2115-4721-0000-9839-0000 | NHMBB24C | 0.00 | 0.00 | 7,720.00 | 7,720.00 | 100% |
| Total Department INTEREST-LONG TERM BONDS/NOTES: | | 339,560.00 | 334,040.42 | 296,050.00 | (43,510.00) | -13% |
| INTEREST-STATE REVOLVING FUND NOTES | | | | | | |
| 2115-4721-0010-9801-0010 | CS-333092-05 CSO | 18,840.00 | 18,834.34 | 16,960.00 | (1,880.00) | -10% |
| 2115-4721-0010-9801-0020 | CS-330092-03 WWTF | 13,220.00 | 13,210.37 | 10,570.00 | (2,650.00) | -20% |
| 2115-4721-0010-9802-0010 | CS-333092-07 CSO | 10,880.00 | 10,870.68 | 10,040.00 | (840.00) | -8% |
| 2115-4721-0010-9803-0010 | CS-333092-08 CSO | 10,920.00 | 10,920.00 | 10,080.00 | (840.00) | -8% |
| 2115-4721-0010-9803-0020 | CS-333092-04 WWTF PHASE II | 150,050.00 | 150,040.33 | 138,500.00 | (11,550.00) | -8% |
| 2115-4721-0010-9804-0010 | CS-330092-10 CSO | 9,310.00 | 0.00 | 8,640.00 | (670.00) | -7% |
| 2115-4721-0010-9805-0010 | 1321010-02 CSO | 7,280.00 | 7,278.84 | 6,820.00 | (460.00) | -6% |
| 2115-4721-0010-9806-0010 | CS-330092-11 CSO | 62,320.00 | 62,314.30 | 58,680.00 | (3,640.00) | -6% |
| 2115-4721-0010-9806-0020 | CS-333092-06 CSO | 19,910.00 | 19,903.18 | 18,380.00 | (1,530.00) | -8% |
| 2115-4721-0010-9807-0010 | CS-330092-12 CSO | 15,860.00 | 15,862.65 | 14,930.00 | (930.00) | -6% |
| 2115-4721-0010-9807-0020 | CS-333092-09 CSO | 79,280.00 | 79,276.02 | 73,620.00 | (5,660.00) | -7% |
| 2115-4721-0010-9808-0010 | DWGT-17 | 1,080.00 | 1,077.59 | 1,030.00 | (50.00) | -5% |
| 2115-4721-0010-9809-0010 | CS-330092-14 CSO | 8,520.00 | 0.00 | 8,050.00 | (470.00) | -6% |
| Total Department INTEREST-STATE REVOLVING FUND NOTES: | | 407,470.00 | 389,588.30 | 376,300.00 | (31,170.00) | -8% |
| PRINCIPAL-LONG TERM BONDS/NOTES | | | | | | |
| 2120-4711-0000-9822-0000 | NHMBB06A | 45,000.00 | 45,000.00 | 40,000.00 | (5,000.00) | -11% |
| 2120-4711-0000-9823-0000 | NHMBB07B | 26,580.00 | 26,578.95 | 26,580.00 | 0.00 | 0% |
| 2120-4711-0000-9836-0000 | NHMBB22C | 66,290.00 | 66,288.37 | 66,290.00 | 0.00 | 0% |
| Total Department PRINCIPAL-LONG TERM BONDS/NOTES: | | 137,870.00 | 137,867.32 | 132,870.00 | (5,000.00) | -4% |
| INTEREST-LONG TERM BONDS/NOTES | | | | | | |
| 2120-4721-0000-9822-0000 | NHMBB06A | 5,920.00 | 5,915.00 | 3,800.00 | (2,120.00) | -36% |
| 2120-4721-0000-9823-0000 | NHMBB07B | 5,050.00 | 5,050.00 | 3,790.00 | (1,260.00) | -25% |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2120-4721-0000-9836-0000 | NHMBB22C | 60,890.00 | 60,888.00 | 57,510.00 | (3,380.00) | -6% |
| Total Department INTEREST-LONG TERM BONDS/NOTES: | | 71,860.00 | 71,853.00 | 65,100.00 | (6,760.00) | -9% |
| **Total Appropriations** | **9,861,790.00** | | **9,621,679.35** | **11,289,030.00** | **1,427,240.00** | **14%** |

The group discussed the City's debt obligation and how it affects interest on long-term bonds and notes.

Director Lee said they are not currently looking into using AI to speed up reconciliation work the department does.

**General Q & A from All Previous Sessions:**
None

City Manager Mulholland said there will be opportunities for public feedback on the proposed 2025 budget at the December 4, 2024 City Council meeting. He said there will be a public hearing on the City budget on December 18, 2024 during which the public can give feedback as well.

Councilor Whittlesey asked if there's a way to categorize the discretionary costs versus nondiscretionary costs. He said he is often asked by residents why certain cost categories can't be held to lower growth (for example, salaries). He said there may be a misconception about the extent to which the Council controls these costs.

City Manager Mulholland said he has worked in towns where turnover of town employees is constant, and he said the level of service provided is significantly lower than what Lebanon provides its residents because the City is able to maintain its workforce development. He said the City is not required to have police or fire, or public works departments so he said there is a lot of discretion in the levels of service that the City chooses to provide.

**3. Adjournment:**

**The meeting was adjourned at 7:29pm.**

Respectfully submitted,
Paula Roux
Recording Secretary

# AGENDA
# LEBANON CITY COUNCIL
# DECEMBER 04, 2024

## 9. New Business:

**9.A – Presentation of Second Reading for**

**Amendments to Ordinance #18, Salary Plan, to**

**Include Implementation of a 3% General Wage Increase, and to**

**Retitle, Reclassify, and Add Positions to the Existing Salary Plan**

### Background

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

**1. General Wage Increase (GWI) – 2025**

Implement a 3% General Wage Increase for 2025, for all Non-Affiliated positions, and all positions within the following Bargaining Units:

- Lebanon Professional, Administrative, and Salaried Employees (LPASE)
- American Federation of State, County and Municipal Employees, Local #1348/Council 93 AFL-CIO (AFSCME)
- Lebanon Permanent Firefighters' Association, Local 3197/International Association of Fire Fighters (LPFFA/IAFF)
- Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA)

The City Manager is responsible for maintaining the City's Compensation and Classification Plan. Within Ordinance No. 18, compensation for exempt (salaried) and non-exempt (hourly) Non-Affiliated employees is expressed as a minimum and maximum grade range, via hourly rates for non-exempt employees, and weekly rates for exempt (salaried) employees. Movement within ranges is achieved through annual General Wage Increases, and merit or step adjustments, applicable for employees who are not already at the top of their wage range. To be useful, it is imperative that compensation and classification systems be kept current. This is achieved primarily by revising compensation ranges through regular general wage adjustments and by systematically reviewing all positions on a regular basis. This is achieved by meaningful sampling of the labor market and internally relative to other positions.

For general wage adjustments, the City's practice is to use the percentage change in the Northeast Region CPI for June, from 12 months prior, with a minimum adjustment of 1% (floor), and a maximum adjustment of 3% (ceiling). This is true for Non-Affiliated (non-union) employees, as well as those that belong to our Collective Bargaining Units.

The increase in the Northeast Region CPI, for the period of June 2023-June 2024, was 3.8%. As a result, the City Council is asked to take action to implement a 3% General Wage Increase for all employees, as part of the 2025 City Budget. This change would be effective as of the first pay period of 2025.

**2. Amend Article II, Non-Affiliated and LPASE Employees**

**A. Regular Full-Time and Part-Time Benefit Eligible Positions**

I. Remove the Position of Library Assistant (listed in the table as a Grade 4).

II. Add the non-exempt position of Youth Services Library Assistant as Grade 4.

III. Add the non-exempt position of Technical Services Library Assistant as Grade 4.

IV. Transfer the Police Communications Supervisor from LPASE to Non-Affiliated position. Position will remain a Grade 10.

V. Add the exempt position of Director of Public Engagement and Communications, within the City Manager Department, as Grade 11. This proposed position will serve as the primary spokesperson and media liaison for the City. This role will develop and implement communication strategies to effectively convey public information, and the successful representation of the City's interests via social media and traditional news outlets. The position will work closely with all City departments to ensure timely, accurate, and consistent dissemination of information.

VI. Retitle the Assistant Fire Chief to Deputy Fire Chief and reclassify the position to a Grade 15 to be consistent with other executive officer positions within the City.

**B. Seasonal/Temporary & Stipend Employees**

I. Implement a wage range to the following positions, within the Library Department:

a. Library Clerk I
b. Library Custodian Substitutes
c. Library Clerk II

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2025.

**REGULAR FULL-TIME/REGULAR PART-TIME NON-AFFILIATED & LPASE EMPLOYEES**
**2025 SALARY & GRADES TO INCLUDE 3% GWI**

| Grade | Position Title | Hourly | | Weekly | |
|---|---|---|---|---|---|
| | | Minimum | Maximum | Minimum | Maximum |
| 1 | General Intern | *$18.73* | *$27.37* | - | - |
| 2 | Custodian | *$21.04* | *$28.41* | - | - |
| | Department Secretary | - | - | - | - |
| 3 | Airport Maintenance Worker | *$22.32* | *$30.12* | - | - |
| | Custodian I | - | - | - | - |
| | Accounting Clerk | - | - | - | - |
| 4 | ~~**Library Assistant**~~ | *$23.64* | *$31.91* | - | - |
| | **Youth Services Library Assistant (New)** | | | | |
| | **Technical Services Library Assistant (New)** | | | | |
| | Custodial Supervisor | - | - | - | - |
| | Facilities Maintenance Specialist | - | - | - | - |
| 5 | | *$25.05* | *$33.84* | - | - |
| 6 | | *$26.54* | *$36.24* | - | - |
| 7 | Administrative Secretary | *$28.16* | *$39.83* | - | - |
| | Assessing Clerk | - | - | - | - |
| | Assistant City Clerk | - | - | - | - |
| | Assistant Human Services Director | - | - | - | - |
| | Communications Specialist | - | - | - | - |
| | Library Administrative/Technical Assistant | - | - | | - |
| | ~~**Public Works Crew Leader****~~ | | | | |
| 8 | Accounting Clerk III | *$30.97* | *$41.80* | - | - |
| | Administrative Assistant | - | - | - | - |
| | Benefits Specialist | - | - | - | - |
| | Payroll Specialist | - | - | - | - |
| | **Police Communications Assistant Supervisor** (New)** | | | | |
| | Deputy City Clerk | - | - | - | - |
| | Deputy Tax Collector | - | - | - | - |
| | Deputy City Clerk/Deputy Tax Collector | - | - | - | - |
| | Field Inspector** | - | - | - | - |
| | Electrical Inspector** | - | - | - | - |
| | Utility Billing Clerk | - | - | - | - |
| | Outreach Librarian | - | - | *$1,238.72* | *$1,672.21* |
| | Children's Librarian | - | - | - | - |
| 9 | Code Health Inspector** | *$34.06* | *$45.99* | - | - |
| | Executive Assistant | - | - | - | - |
| | Public Relations Coordinator | - | - | - | - |
| | Digital Media Officer | - | - | - | - |
| | Deputy Assessor | - | - | - | - |
| | Cyber Services Technical Specialist | - | - | - | - |
| | Real Estate Appraiser II** | - | - | - | - |
| | Solid Waste Supervisor** | | | | |
| | Cemetery Supervisor** | - | - | - | - |
| | Associate Planner** | - | - | *$1,362.57* | *$1,839.73* |
| 10 | Asset Manager** | *$37.51* | *$50.63* | | - |

| | | | | | |
|---|---|---|---|---|---|
| | Assistant City Engineer** | | | - | - |
| | Financial Analyst | - | - | - | - |
| | Community Nurse | - | - | - | - |
| | **Police Communications Supervisor**** | - | - | - | - |
| | Recreation Program Coordinator** | - | - | *$1,500.59* | *$2,025.37* |
| | Youth Services Librarian | - | - | - | - |
| 11 | Technical Advisor I | *$39.76* | *$53.66* | - | - |
| | Cemetery Sexton** | - | - | - | - |
| | Fleet Maintenance Supervisor** | - | - | - | - |
| | Maintenance Superintendent** | - | - | - | - |
| | Utilities Maintenance Superintendent** | - | - | - | - |
| | System Administrator | - | - | - | - |
| | Airport Operations Supervisor** | - | - | *$1,590.36* | *$2,146.43* |
| | Assistant Recreation Director** | - | - | - | - |
| | Code Enforcement Director** | - | - | - | - |
| | **Director of Public Engagement and Communications (New)** | | | | |
| | Fire Marshall** | - | - | - | - |
| | Planner/GIS Coordinator** | - | - | - | - |
| | Senior Planner** | - | - | - | - |
| | Systems Librarian | - | - | - | - |
| | Information Technology Librarian | - | - | - | - |
| 12 | Wastewater Treatment Superintendent** | *$42.14* | *$56.89* | - | - |
| | Water Treatment Superintendent** | - | - | - | - |
| | Administrative Services Manager** | - | - | *$1,685.43* | *$2,275.29* |
| | City Assessor** | - | - | - | - |
| | City Engineer** | - | - | - | - |
| | City Planner** | - | - | - | - |
| | Deputy Library Director | - | - | - | - |
| | Energy & Facilities Manager** | - | - | - | - |
| | Police Lieutenant** | - | - | - | - |
| | Prosecuting Attorney | - | - | - | - |
| | Solid Waste Manager | - | - | - | - |
| 13 | Chief Innovation and AI Officer | - | - | *$1,786.57* | *$2,411.88* |
| | City Clerk/Tax Collector | | | | |
| | Cyber Security Analyst | - | - | - | - |
| | Deputy Finance Director | - | - | - | - |
| | Deputy Human Resources Director | - | - | - | - |
| | ~~**Deputy Fire Chief****~~ | - | - | - | - |
| | Human Services Director | | | | |
| | Information Systems Manager** | - | - | - | - |
| | Maintenance Manager | - | - | - | - |
| | Police Captain** | - | - | - | - |
| | Deputy Planning and Development Director | - | - | - | - |
| | Systems and Operations Administrator | - | - | - | - |
| | Chief Building Official & Health Officer | | | | |
| 14 | Human Resources Specialist | *$47.35* | *$63.92* | - | - |
| | Airport Manager | - | - | *$1,893.86* | *$2,556.51* |
| | Assistant Director/Public Works | - | - | - | - |
| | ~~**Assistant Fire Chief**~~ | - | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| | Chief Assessor | - | - | - | - |
| | Human Resources Director | - | - | - | - |
| | Library Director | - | - | - | - |
| | Lead Network Infrastructure Engineer | - | - | - | - |
| | Recreation, Arts & Parks Director | - | - | - | - |
| 15 | Deputy Police Chief | - | - | *$2,127.64* | *$2,709.73* |
| | **Deputy Fire Chief** | | | | |
| 16 | Technical Advisor II | *$58.27* | *$73.74* | - | - |
| | Chief of Police | - | - | *$2,330.59* | *$2,949.55* |
| | Planning and Development Director | - | - | - | - |
| | Public Works Director | - | - | - | - |
| | Finance Director | - | - | - | - |
| | Fire Chief | - | - | - | - |
| | Cyber Services Director | - | - | - | - |
| | Deputy City Manager | - | - | - | - |

**Denotes LPASE Employees for which the January 1, 2025, GWI shall be based on the Northeast Region CPI for June 2023 – June 2024, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

## B. Seasonal/Temporary & Stipend Employees

| POSITION TITLE | HOURLY | |
|---|---|---|
| **ELECTION POSITIONS (HOURLY)** | | |
| Ballot Clerk | - | *$20.60* |
| Election Assistant | - | *$16.10* |
| Moderator | - | *$30.90* |
| Ward Clerk | - | *$27.81* |
| Chair Supervisor of the Checklist | - | *$27.81* |
| Supervisor of the Checklist | - | *$25.75* |
| **FIRE DEPARTMENT POSITIONS** | | |
| Call Firefighter | *$12.94* | *$32.81* |
| **RECREATION, ARTS & PARKS POSITIONS** | | |
| Front Desk Attendants – Pool | *$11.66* | *$17.53* |
| Lifeguards | *$11.66* | *$20.12* |
| Head/Lead Counselors | *$15.18* | *$18.66* |
| Head & WSI Lifeguards | *$14.00* | *$20.98* |
| Head Front Desk Attendant - Pool | *$14.00* | *$17.51* |
| Outdoor Adventurer - Educator | *$15.45* | *$20.60* |
| Day Camp Counselors | *$11.66* | *$17.53* |
| Arts & Craft Director | *$15.18* | *$19.54* |
| Farmers Market Coordinator | *$16.34* | *$21.00* |
| Market Assistant | *$14.00* | *$17.51* |
| Tennis Instructor | *$17.51* | *$22.17* |
| Stomp & Romp | *$17.51* | *$22.17* |
| Pool Operations Manager | *$17.51* | *$24.13* |
| Asst. Pool Director | *$17.51* | *$24.13* |
| Assistant Camp Director | *$17.51* | *$24.13* |
| Pool Director | *$18.66* | *$27.58* |
| Camp Director | *$18.66* | *$27.58* |

| | | |
|---|---|---|
| **RECREATION, ARTS & PARKS STIPEND POSITIONS:** Sport Coaches – Seasonally (Lacrosse, Track, Youth – Basketball, Field Hockey, Football, Cheerleader Coach etc. – may vary due to Programs) | *$235.60* | *$821.74* |
| Softball Coordinator - Stipend | *$2,040.43* | *$2,612.90* |
| **LIBRARY POSITIONS** | | |
| Library Clerk I | ***$18.73*** | ***$27.37*** |
| Library Custodian Substitutes | ***$21.04*** | ***$28.41*** |
| Library Clerk II | ***$22.32*** | ***$30.12*** |
| **PUBLIC WORKS POSITIONS** | | |
| Engineering Clerk | *$12.84* | *$16.34* |
| GIS Clerk – (or Intern) | *$17.51* | *$19.84* |
| Seasonal Laborers – Summer & Fall DPW, Parks & Rec.& Airport | *$18.66* | *$23.59* |
| Tree Warden | *$23.69* | *$26.78* |
| CDL Seasonal Drivers | *$26.21* | *$57.46* |
| **PLANNING POSITIONS** | | |
| Park Ranger | *$17.51* | *$19.84* |
| **POLICE DEPARTMENT POSITIONS** | | |
| Crossing Guard | - | *$19.00* |
| *Communications Specialist | *$28.16* | *$39.83* |
| Police Administrative Aide | *$23.34* | *$26.83* |
| Parking Control Officer | *$23.34* | *$26.83* |
| Police Officers | *$30.22* | *$39.94* |
| **CITY CLERK POSITIONS** | | |
| *Assistant City Clerks (Part-Time/Temp. <20) | *$28.16* | *$39.83* |
| Lead Recording Secretary | *$26.22* | *$31.91* |
| Recording Secretary | *$25.08* | *$27.41* |
| Recording Secretary Coordinator | *$26.22* | *$28.01* |
| **SHARED POSITION** | | |
| General Intern I | *$15.18* | *$19.25* |

3. **Collective Bargaining Units**

The City Council is not directly responsible for the negotiation of Collective Bargaining Agreements; it is the City policy making body and the legislative body with authority to raise and appropriate tax revenues to fund Labor Agreements. Under the City Manager form of government, the City Manager is responsible for administering the affairs of the City, including the appointment of employees and the negotiation of Labor Agreements. The City Manager's statutory obligation is to bargain in "good faith." In the collective bargaining context, "good faith" negotiation "…involves meeting at reasonable times and places to reach agreement on the terms of employment, and to cooperate in mediation and fact-finding required by this chapter [RSA 273], but the obligation to negotiate in good faith shall not compel either party to agree to a proposal or to make a concession." Failure to bargain in good faith constitutes an unfair labor practice.

State law requires that only cost items be submitted to the City Council for approval. Cost item means any benefit acquired through collective bargaining, whose implementation requires an appropriation by the legislative body of the public employer (City of Lebanon), with which negotiations are being conducted. Cost items shall be submitted within 30 days to the City Council for approval. Within 30 days of the receipt of the submission, the City Council shall vote to accept or reject the cost items. If the City Council rejects any part of the submission, or while accepting the submission takes any action which would result in a modification of the terms of the cost items submitted to it, either party may reopen negotiations on all or part of the entire agreement.

Legislative bodies may only raise and appropriate funds for the current fiscal year. Many Collective Bargaining Agreements cover several fiscal years. The New Hampshire Supreme Court held (Appeal of Sanborn Regional School Board) that a public employer was not bound by a Collective Bargaining Agreement where the legislative body, when approving and funding the cost items in the current year of the Labor Agreement, were not warned of the cost of the successive years. With known cost factors being disclosed for the life of the contract, collective bargaining agreements are considered "Sanbornized".

**ARTICLE II, LPASE**

The City and Lebanon Professional, Administrative, and Salaried Employees (LPASE) have reached a tentative three-year (January 1, 2025 – December 31, 2027) Labor Agreement.

According to the tentative three-year Labor Agreement, annual General Wage Increases (GWI's) for the life of the Contract will be based on the percent change in the Northeast Region CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 3.8% increase in the CPI as of June 2024, the GWI for 2025 will be 3%. Members will also be eligible for merit increases. The estimated wage and statutory benefit costs for 2025 is $198,890.00.

In 2026, the second year of the Labor Agreement, LPASE members will be eligible for merit increases and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2024 – June 2025.

In 2027, the third year of the Labor Agreement, LPASE members will be eligible for merit increases and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2025 – June 2026.

Corresponding wage schedules for the subsequent two years are not provided, as the GWI for 2026 and 2027 will not be known until July of those years.

In addition to the GWI, the City Manager is proposing the following amendments to the LPASE Wage and Classification Scale:

I. Remove the Public Works Crew Leader position (currently listed as a Grade 7). Position is being transferred to the AFSCME Bargaining Unit.

II. Add the non-exempt position of Police Communications Assistant Supervisor as a Grade 8. This position has been created to assist the Police Communications Supervisor with the training of the on-shift personnel and will be in charge of the shift operations, in the absence of the Police Communications Supervisor.

III. Remove the Grade 13 Deputy Fire Chief position in its entirety. The position is currently a LPASE position but has been replaced by the non-affiliated, Grade 15 Deputy Fire Chief position.

**ARTICLE III, SECTION A, AFSCME Local 1348/Council 93 AFL-CIO**

The City and the American Federal State, County and Municipal (AFSCME) have reached a tentative three-year (January 1, 2025 – December 31, 2027) Labor Agreement.

According to the tentative three-year Labor Agreement, annual General Wage Increases (GWI's) for the life of the Contract will be based on the percent change in the Northeast Region CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 3.8% increase in the CPI as of June 2024, the GWI for 2025 will be 3%. The estimated wage and statutory benefit costs for 2025 is $289,050.00.

In 2026, the second year of the Labor Agreement, AFSCME members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2024 – June 2025.

In 2027, the third year of the Labor Agreement, AFSCME members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2025 – June 2026.

Corresponding wage schedules for the subsequent two years are not provided, as the GWI for 2026 and 2027 will not be known until July of those years.

In addition to the GWI, the City Manager is proposing the following amendment to the AFSCME Wage and Classification Scale:

I. Add the Public Works Crew Leader (formerly a LPASE position) as a Grade 7.

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2025.

**A. AFSCME LOCAL #1348/COUNCIL 93 AFL-CIO**

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City and AFSCME (American Federation of State, County and Municipal Employees) Local #1348/Council 93 AFL-CIO, (effective January 1, 2025 to December 31, 2027) shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2025, through the last pay period of 2025, as provided in that Agreement, and as placed on file in the office of the City Clerk.

| **AFSCME POSITIONS** | |
|---|---|
| **GRADE** | **POSITION(s)** |
| **1** | Laborer |
| **2** | Utility Operator Trainee |
| **3** | Operator; Recycling Attendant; Construction Utility Operator I; Meter/Backflow Technician; Scale Technician |
| **4** | Light Equipment Operator; Airport Maintenance Technician; |
| **5** | Heavy Equipment Operator; Utilities Operator I; Airport Maintenance Specialist; Maintainer (Cemetery Crew Leader); Utilities Operator I; |
| **6** | Mechanic; Water Treatment Plant Operator; Wastewater Treatment Plant Operator; |

| | |
|---|---|
| **7** | Laboratory Technician/ Utilities Plant Operator; Airport Maintenance Supervisor; Utilities Maintenance Mechanic; Engineering Technician; **Public Works Crew Leader** |
| **8** | Supervisor; Parks & Grounds Crew Supervisor |
| **9** | Chief of Quality Assurance, Electrician |

The January 1, 2025, GWI shall be based on the Northeast Region CPI, for June 2023 – June 2024, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

| **AFSCME LOCAL 1348 - 2025 SALARY GRADES** | | | | | | | **3% GWI** |
|---|---|---|---|---|---|---|---|
| **Minimum** | **Maximum** | | | | | | |
| Grade | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 |
| 1 | $20.56 | $21.14 | $21.75 | $22.37 | $22.94 | $23.65 | $24.38 |
| 2 | $22.18 | $22.82 | $23.48 | $24.12 | $24.76 | $25.52 | $26.32 |
| 3 | $23.95 | $24.67 | $25.39 | $26.07 | $26.82 | $27.66 | $28.51 |
| 4 | $25.86 | $26.67 | $27.43 | $28.22 | $29.05 | $29.94 | $30.88 |
| 5 | $28.03 | $28.87 | $29.73 | $30.58 | $31.48 | $32.46 | $33.46 |
| 6 | $30.34 | $31.25 | $32.26 | $33.25 | $34.26 | $35.28 | $36.24 |
| 7 | $32.88 | $33.91 | $34.98 | $36.05 | $37.13 | $38.24 | $39.27 |
| 8 | $34.53 | $35.62 | $36.75 | $37.88 | $39.10 | $40.29 | $41.86 |
| 9 | $37.49 | $38.67 | $39.93 | $41.18 | $42.45 | $43.71 | $45.51 |

**ARTICLE III, SECTION B, Lebanon Permanent Firefighters/IAFF**

The City and the Lebanon Permanent Firefighters/IAFF have reached a tentative three-year (January 1, 2025 – December 31, 2027) Labor Agreement.

According to the tentative three-year Labor Agreement, annual General Wage Increases (GWI's) for the life of the Contract will be based on the percent change in the Northeast Region CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 3.8% increase in the CPI as of June 2024, the GWI for 2025 will be 3%. Members will also receive step increases. The estimated wage and statutory benefit costs for 2025 is $ 261,040.00.

In 2026, the second year of the Labor Agreement, IAFF members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2024 – June 2025.

In 2027, the third year of the Labor Agreement, IAFF members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2025 – June 2026.

Corresponding wage schedules for the subsequent two years are not provided, as the GWI for 2026 and 2027 will not be known until July of those years.

In addition to the GWI, the City Manager is proposing the following amendment to the LPFF/IAFF Wage and Classification Scale:

I. Escalate the pay grades to the 60th percentile of the Wage and Salary Study, conducted in October 2024, by implementing additional wage adjustments beyond the GWI, to the following positions:

   a. Lieutenant
   b. Lieutenant - Paramedic
   c. Captain – Paramedic

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2025.

**A. LEBANON PERMANENT FIREFIGHTERS' ASSOCIATION LOCAL 3197 / INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS (IAFF)**

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City and Lebanon Permanent Firefighters' Association Local 3197/International Association of Fire Fighters (IAFF), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2025, through the last pay period of 2025, as provided in that Agreement, and as placed on file in the office of the City Clerk.

| **LEBANON PERMANENT FIREFIGHTERS/IAFF - 2025 SALARY GRADES** | | | | | | | **3% GWI** |
|---|---|---|---|---|---|---|---|
| **Minimum Maximum** | | | | | | | |
| **Position Title** | **Step 1** | **Step 2** | **Step 3** | **Step 4** | **Step 5** | **Step 6** | **Step 7** |
| Firefighter - EMT | $26.58 | $27.44 | $28.28 | $29.17 | $30.00 | $30.86 | $31.81 |
| Firefighter - Paramedic | $30.11 | $31.01 | $31.97 | $32.85 | $33.74 | $34.67 | $35.63 |
| Fire Alarm Technician | $37.02 | $37.79 | $38.56 | $39.29 | $40.07 | $40.80 | $41.54 |
| Lieutenant | $35.79 | $36.28 | $36.79 | $37.31 | $37.81 | $38.30 | $38.81 |
| Fire Inspector | $37.31 | $37.90 | $38.55 | $39.15 | $39.79 | $40.40 | $41.07 |
| Lieutenant - Paramedic | $38.87 | $39.39 | $39.89 | $40.40 | $40.94 | $41.42 | $41.95 |
| Captain | $43.51 | $43.95 | $44.47 | $44.93 | $45.40 | $45.90 | $46.36 |
| Inspector - Paramedic | $38.65 | $39.24 | $39.83 | $40.45 | $41.04 | $41.62 | $42.29 |
| Captain - Paramedic | $44.63 | $45.10 | $45.55 | $46.02 | $46.50 | $46.95 | $47.48 |

The January 1, 2025, GWI shall be based on the Northeast Region CPI, for June 2023 – June 2024, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

**ARTICLE III, SECTION C, LPBA/NEPBA**

The City and the Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA) have reached a tentative three-year (January 1, 2025 – December 31, 2027) Labor Agreement.

According to the tentative three-year Labor Agreement, annual General Wage Increases (GWI's) for the life of the Contract will be based on the percent change in the Northeast Region CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 3.8% increase in the CPI as of June 2024, the GWI for 2025 will be 3%. Members will also receive a step increase. The estimated wage and statutory benefit costs for 2025 is $ 228,260.00.

In 2026, the second year of the Labor Agreement, NEPBA members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2024 – June 2025.

In 2027, the third year of the Labor Agreement, NEPBA members will receive step increases, and will receive a minimum of 1% General Wage Increase (GWI), and no greater than 3% GWI, based on the Northeast Region CPI, for June 2025 – June 2026.

Corresponding wage schedules for the subsequent two years are not provided, as the GWI for 2026 and 2027 will not be known until July of those years.

No additional amendments are proposed.

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2025.

## A. LEBANON POLICE BENEVOLENT ASSOCIATION (LPBA)/NEW ENGLAND POLICE BENEVOLENT ASSOCIATION (NEPBA)

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City of Lebanon and the Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2025, through the last pay period of 2025, as provided in that Agreement, and as placed on file in the office of the City Clerk.

| **LEBANON POLICE BENEVOLENT ASSOCIATION – 2025 SALARY GRADES 3% GWI Minimum Maximum** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Position Title** | **Step 1** | **Step 2** | **Step 3** | **Step 4** | **Step 5** | **Step 6** | **Step 7** |
| Patrol Officer | $30.22 | $31.98 | $33.08 | $34.72 | $36.46 | $38.31 | $39.94 |
| Corporal | $41.10 | | | | | | |
| Sergeant | $41.10 | $41.96 | $43.03 | $44.14 | $45.21 | $46.29 | $47.42 |

The January 1, 2025, GWI shall be based on the Northeast Region CPI, for June 2023 – June 2024, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

### Amendment Process

Samantha Lauzon, Human Resources Director, will be present to discuss all proposed amendments and answer any questions the City Council may have.

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 November 20, 2024. The Council is now asked to recognize the second of three presentations. The third presentation will occur on December 18, 2024, along with a public hearing to adopt the amendments as proposed.

## Action

The City Council is asked to recognize the second of three presentations and to schedule a public hearing as follows:

### 1. ACKNOWLEDGE SECOND PRESENTATION:

***MOVED, that the Lebanon City Council acknowledges the second of three presentations to amend Ordinance #18, Salary Plan, as fully described and contained in the November 20, 2024, City Council Agenda Packet***

# Agenda
# Lebanon City Council
# December 04, 2024

## 10. New Business:

### 10.A – Request from Lebanon Opera House for Exemption of City Code Chapter 14, Alcoholic Beverages to Permit the Serving of Alcoholic Beverages on City Property

### Background

Lebanon Opera House (LOH) is requesting the City Council grant an alcohol exemption to provide them with the ability to serve alcoholic beverages on certain City property and within City Hall during LOH events and performances. City property outside of City Hall to be included in this request are the alley between City Hall and the neighboring building located at 55 North Park Street (Dutille's Jewelry building), the back parking lot behind City Hall, the sidewalk in front of City Hall, and all other areas immediately surrounding the building. The request is from January 1, 2025, through December 31, 2025.

Please see attached email and maps from Lebanon Opera House Operations Manager, Brian Cook.

City Administration has no objection to any of the above.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption states that, "Any person, publicly 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." Due to the nature of the business and the desire to continue to serve alcohol on City-owned property, Council approval is required pursuant to §14-5 above.

### Action

If the Council decides to grant the exemption to Lebanon Opera House, the following motion is offered for consideration:

***MOVED, that the Lebanon City Council hereby grants an exemption pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to Lebanon Opera House to serve alcoholic beverages during LOH events and performances in areas as described in the December 4, 2024 City Council Agenda Packet. Exemption shall be valid beginning January 1, 2025 and shall expire on December 31, 2025.***

Included in this Section:

1. November 20, 2024 email and maps from Operations Manager Brian Cook, Lebanon Opera House

**From:** Brian Cook
**To:** Beth Beraldi
**Subject:** [EXTERNAL] Lebanon Opera House proposal and requests
**Date:** Wednesday, November 20, 2024 3:19:10 PM
**Attachments:** LOH Concessions Planning Map2 (1).pdf

---

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

Dear Shaun,

Lebanon Opera House is grateful for the City's support the past three years in transforming the alley between City Hall and the neighboring building located at 55 North Park Street into a seasonal gathering place. We ask for the City's support in repeating this plan in 2025. Lebanon Opera House again requests a one-year Use of Space License for the alley, specifically the area designated in the attached diagram, beginning March 24 and ending November 10, 2025. During this time, LOH would have the option to sell beverages, food, and other concessions during LOH events and performances while offering bistro-style tables and limited seating. When not in use during LOH events and performances, the public will have access to the space.

LOH would again need the City's approval to deny alleyway access to vehicular traffic during the months of our proposed seasonal use. This would be done via the placement of barricades which would continue to allow year-round pedestrian traffic. We thank the City for installing planters to serve as these barricades the past two years and would be grateful for their use again in 2025.

Furthermore, Lebanon Opera House again requests the City's permission to sell and serve alcohol on the premises including in the following spaces: inside the building, the alleyway, the sidewalk in front of the building, and all other areas immediately surrounding the building (see attached diagram).

We ask that these requests please be added to the City Council's agenda when it meets on December 4, 2024. If you have any questions, please contact me at (603) 448-0400.

Thank you for your consideration.

Sincerely,

Brian Cook
Operations Manager

--

Brian Cook (He/Him)
Operations Manager

Lebanon Opera House
51 North Park Street • P.O. Box 384
Lebanon, New Hampshire 03766

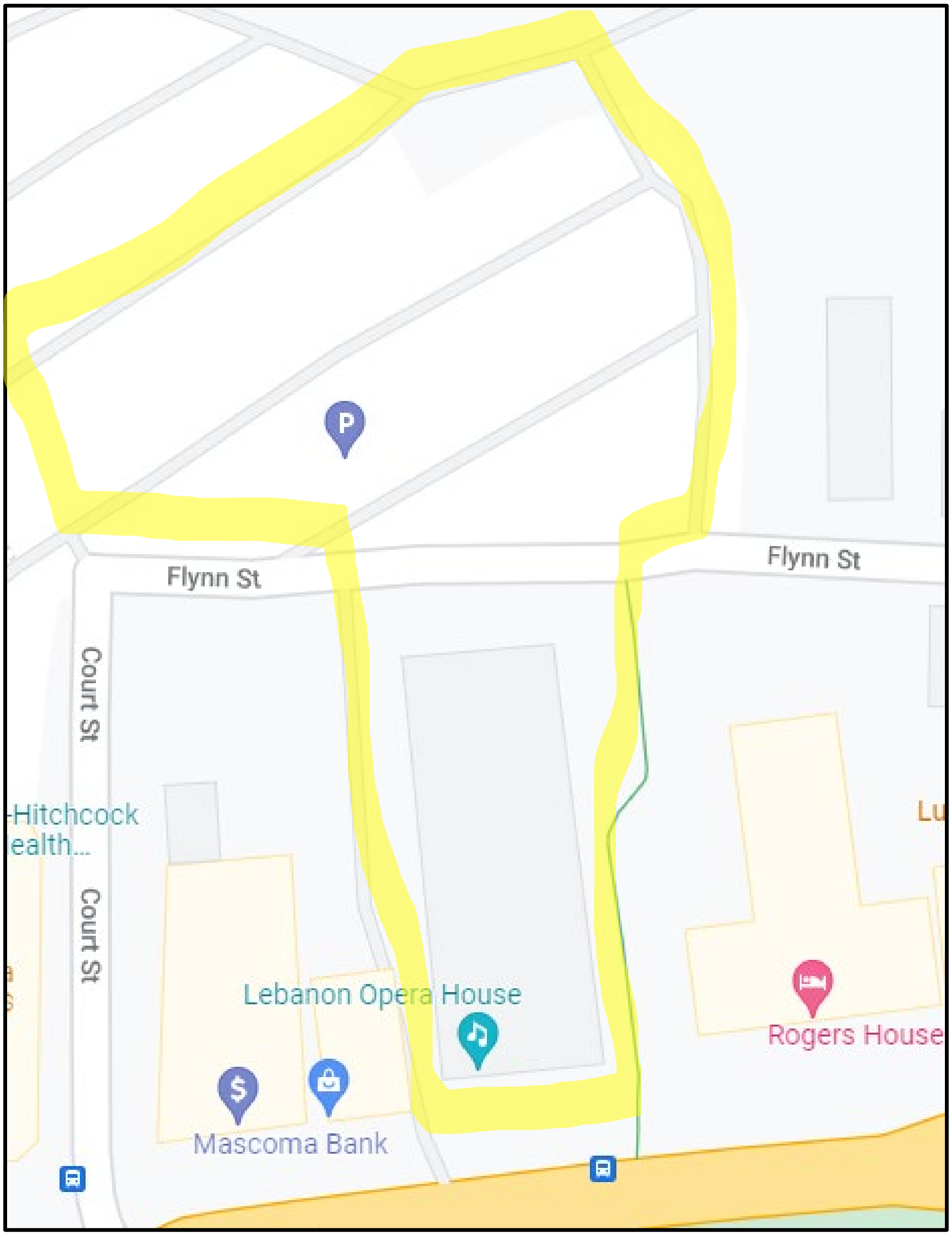
603.448.0400 x189
www.LebanonOperaHouse.org

## Lebanon Opera House Concessions in Adjoining Alleyway

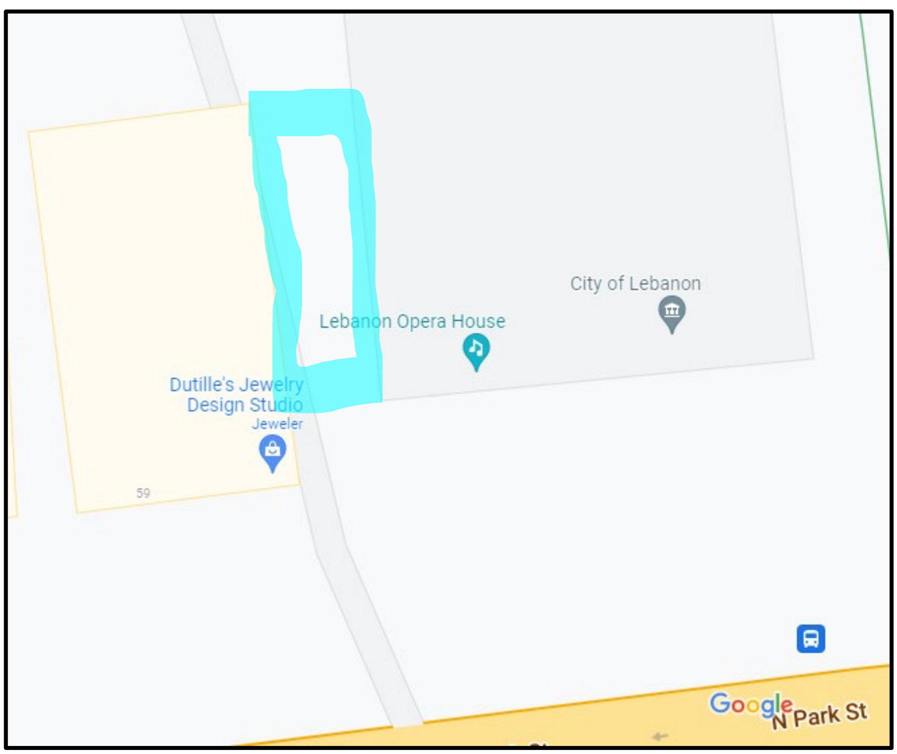
With support from the Lebanon City Manager's office, LOH is exploring the creation of an outdoor social space in the adjoining alleyway between City Hall and 55 N Park Street, home to Dutille's Jewelry Design Studio and Mascoma Bank.

From April to October, LOH would establish a seasonal presence in the alleyway, enjoyed by pedestrians and especially available to LOH patrons on event evenings, at which time beverages, concessions, and light entertainment would also be accessible.

**Highlighted Area = LOH Alcohol Consumption Perimeter**



**Highlighted Area = LOH seasonal occupancy in the alleyway**

# Agenda
# Lebanon City Council
# December 4, 2024

## 10. New Business:

### 10.B – Request from Lebanon Outing Club for Exemption of City Code Chapter 14, Alcoholic Beverages, To Permit the Serving of Alcoholic Beverages on City Property

### Background

Lebanon Outing Club (LOC) is requesting an exemption to serve alcohol on city-owned property at Storrs Hill Ski Lodge and immediate surrounding areas. Please see the attached email from Lebanon Outing Club President Cory Grant. City Administration has no objection to the request.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption, states that, “Any person, publicly 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 the alcohol exemption/permit to cover a one-year period, Council approval is required pursuant to §14-5 above.

### ACTION

If the Council decides to grant the exemption to Lebanon Opera House, the following motion is offered for consideration:

***MOVED, that the Lebanon City Council hereby grants an exemption to Lebanon Outing Club (LOC) pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to serve alcoholic beverages on city-owned property at Storrs Hill Ski Lodge and immediate surrounding areas. The exemption shall be valid beginning January 1, 2025 and shall expire on December 31, 2025.***

Included in this Section:

1. November 21, 2024 email from Lebanon Outing Club, Cory Grant
2. Map of requested areas

**From:** Cory Grant
**To:** Beth Beraldi
**Subject:** [EXTERNAL] Re: Liquor Exemption
**Date:** Thursday, November 21, 2024 10:57:55 AM

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

To whom it may concern..

“We respectfully request that the City of Lebanon issue a license to serve alcohol in our designated areas (city property).

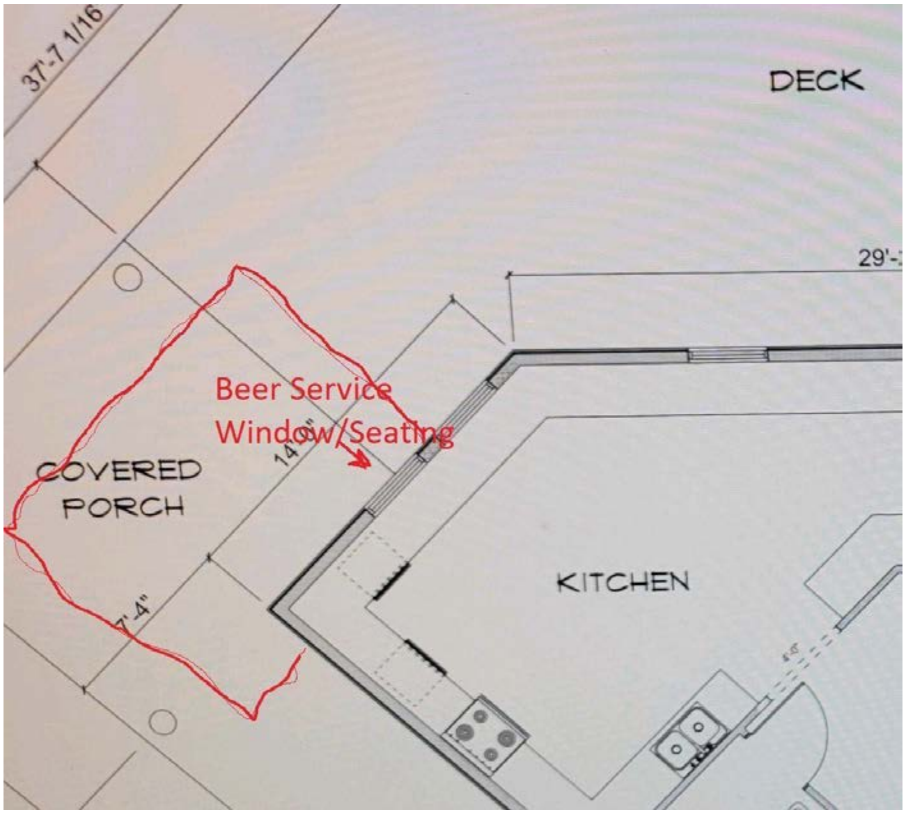
Additionally, we request the alcohol exemption/permit for the entire year period, January through December.”

Please let me know if you have any questions.

Thanks,

Cory Grant

President LOC


37'-7 1/16
DECK
29'-
Beer Service
Window/Seating
14"
COVERED
PORCH
7'-4"
KITCHEN

# Agenda
# Lebanon City Council
# December 4, 2024

## 10. New Business:

### 10.C – Presentation of 2023 Financial Audit

### Background

Kyle Gingras and Justin Larsh of Plodzik & Sanderson will be present to discuss the 2023 Financial Audit and to answer any questions.

### Action

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

Included In This Section:

1. DRAFT City of Lebanon Annual Financial Report – Fiscal Year Ending December 31, 2023

**CITY OF LEBANON,**
**NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED**
**DECEMBER 31, 2023**

# *CITY OF LEBANON, NEW HAMPSHIRE*

## *ANNUAL FINANCIAL REPORT*

## *AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023*

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# CITY OF LEBANON, NEW HAMPSHIRE

## ANNUAL FINANCIAL REPORT

## AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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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 financial statements of the governmental activities, business-type activities, each major governmental and proprietary fund, and the aggregate remaining fund information of the City of Lebanon, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major governmental and proprietary fund, and the aggregate remaining fund information of the City of Lebanon, as of December 31, 2023, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the major 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 (GAAS) 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.

#### *Emphasis of Matter – Change in Accounting Principle*

As discussed in Note 2-C to the financial statements, in the year ending December 31, 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

The City of Lebanon's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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

GAAS 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 GAAS, 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.

***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 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 is the responsibility of management and, 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 and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are 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 was derived from and relates 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 ____________, 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, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of 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.

PLODZIK & SANDERSON
Professional Association

________________, 2024
Concord, New Hampshire

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, 2023. 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 $156,557,144.
- Governmental funds reported combined ending fund balances of $19,050,721, a decrease of $2,667,399.
- General fund unassigned fund balance was $11,515,662, an increase of $600,372.
- Bonds/notes payable (governmental and business-type activities combined) were $84,342,154, a decrease of $4,558,582
- Annual requirements (governmental and business-type activities combined) to amortize all bonds/notes payable (principal and interest) were $97,876,733, a decrease of $4,275,971.
- Authorized and unissued debt was $42,763,749, an increase of $20,618,720.

## 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 $156,557,144, an increase of $9,959,480 in comparison to the prior year.

The largest portion of net position $152,936,461 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 $4,345,935 represents resources that are subject to external restrictions on how they may be used; the remaining balance ($725,252) 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 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and Other Assets | $40,027,587 | $42,751,647 | $28,903,084 | $35,432,833 | $68,930,671 | $78,184,480 |
| Capital Assets | $119,788,257 | $115,852,519 | $125,193,078 | $115,494,048 | $244,981,335 | $231,346,567 |
| Total Assets | $159,815,844 | $158,604,166 | $154,096,162 | $150,926,881 | $313,912,006 | $309,531,047 |
| Deferred Outflows of Resources | $4,533,201 | $5,097,195 | $623,774 | $537,961 | $5,156,975 | $5,635,156 |
| Long-term Liabilities Outstanding | $68,034,439 | $73,778,729 | $63,652,526 | $63,908,195 | $131,686,965 | $137,686,924 |
| Other Liabilities | $19,750,174 | $19,301,591 | $1,866,184 | $1,963,423 | $21,616,358 | $21,265,014 |
| Total Liabilities | $87,784,613 | $93,080,320 | $65,518,710 | $65,871,618 | $153,303,323 | $158,951,938 |
| Deferred Inflows of Resources | $3,416,599 | $3,897,309 | $5,657,756 | $5,719,292 | $9,074,355 | $9,616,601 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | $82,681,565 | $75,131,876 | $70,254,896 | $67,313,955 | $152,936,461 | $142,445,831 |
| Restricted | $3,472,096 | $2,740,384 | $634,637 | $1,723,717 | $4,106,733 | $4,464,101 |
| Unrestricted | ($13,005,828) | ($11,148,528) | $12,653,937 | $10,836,260 | ($351,891) | ($312,268) |
| Total Net Position | $73,147,833 | $66,723,732 | $83,543,470 | $79,873,932 | $156,691,303 | $146,597,664 |

**CHANGES IN NET POSITION**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program Revenues – | | | | | | |
| Charges for Services | $2,160,046 | $2,163,541 | $16,898,818 | $16,302,427 | $19,058,864 | $18,465,968 |
| Operating Grants and Contributions | $749,767 | $1,832,319 | $1,374,087 | $2,838,854 | $2,123,854 | $4,671,173 |
| Capital Grants and Contributions | $610,799 | $766,894 | $0 | $0 | $610,799 | $766,894 |
| General Revenues – | | | | | | |
| Property and Other Taxes | $26,736,349 | $25,959,114 | $0 | $0 | $26,736,349 | $25,959,114 |
| Licenses & Permits | $4,574,934 | $3,871,376 | $0 | $0 | $4,574,934 | $3,871,376 |
| Grants and Contributions Not Restricted to Specific Programs | $1,477,658 | $1,487,249 | $0 | $0 | $1,477,658 | $1,487,249 |
| Other General Revenues | $1,911,087 | $357,106 | $2,322,170 | $679,806 | $4,233,257 | $1,036,912 |
| Total Revenues | $38,220,640 | $36,437,599 | $20,595,075 | $19,821,087 | $58,815,715 | $56,258,686 |
| Contributions to Permanent Funds | $675 | $5,350 | $0 | $0 | $675 | $5,350 |
| Transfers | $2,062,698 | $1,996,272 | ($2,062,698) | ($1,996,272) | $0 | $0 |
| Total Revenues Including Transfers | $40,284,013 | $38,439,221 | $18,532,377 | $17,824,815 | $58,816,390 | $56,264,036 |
| Expenses: | | | | | | |
| General Government | $10,945,734 | $10,380,202 | $0 | $0 | $10,945,734 | $10,380,202 |
| Public Safety | $11,889,108 | $13,128,482 | $0 | $0 | $11,889,108 | $13,128,482 |
| Highway and Streets | $5,561,867 | $6,908,497 | $0 | $0 | $5,561,867 | $6,908,497 |
| Sewage Collection and Disposal | $0 | $0 | $6,197,598 | $5,823,398 | $6,197,598 | $5,823,398 |
| Solid Waste Disposal | $0 | $0 | $3,025,678 | $3,960,224 | $3,025,678 | $3,960,224 |
| Water Distribution and Treatment | $51,946 | $0 | $3,278,631 | $2,913,319 | $3,330,577 | $2,913,319 |
| Welfare (Human Services) | $691,013 | $636,606 | $0 | $0 | $691,013 | $636,606 |
| Municipal Airport | $0 | $0 | $2,332,610 | $2,492,350 | $2,332,610 | $2,492,350 |
| Culture and Recreation | $3,167,251 | $3,421,677 | $0 | $0 | $3,167,251 | $3,421,677 |
| Conservation | $674,494 | $66,753 | $0 | $0 | $674,494 | $66,753 |
| Interest on Long-term Debt | $878,499 | $1,163,263 | $0 | $0 | $878,499 | $1,163,263 |
| Total Expenses | $33,859,912 | $35,705,480 | $14,834,517 | $15,189,291 | $48,694,429 | $50,894,771 |
| Change in Net Position | $6,424,101 | $2,733,741 | $3,697,860 | $2,635,524 | $10,121,961 | $5,369,265 |
| Net Position Beginning 1/1 | $66,723,732 | $62,585,838 | $79,845,510 | $78,690,532 | $146,569,242 | $141,276,370 |
| Net effect of prior year restatements | $0 | $1,404,153 | $0 | ($1,452,124) | $0 | ($47,971) |
| Net Position Ending 12/31 | $73,147,833 | $66,723,732 | $83,543,370 | $79,873,932 | $156,691,203 | $146,597,664 |

**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 $6,424,101.

| | Amount |
|---|---|
| Net change in General Fund fund balance | $230,275 |
| Net change in Capital Improvements Fund fund balance | ($3,424,324) |
| Net change in other governmental funds fund balance | $447,571 |
| Capital outlays exceed depreciation expense and asset disposals | $3,935,738 |
| Revenue that does not provide current financial resources | ($306,882) |
| Offset the effect of providing/using resources through the issuance/repayment of long-term principal debt | $3,746,171 |
| Change in accrued interest expense, compensated absences payable, pension liability and postemployment benefits payable | $1,795,552 |
| Total | $6,424,101 |

| | Amount |
|---|---|
| Solid waste disposal operations | $614,968 |
| Water treatment and distribution operations | $1,181,958 |
| Sewage collection and disposal operations | $1,351,495 |
| Municipal Airport operations | $386,958 |
| Total | $3,535,379 |

Program revenues of $3,520,612 covered 10.4% of program expenses. The remaining 89.6% 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 ($26,736,349) consisting of property taxes and other taxes. Property taxes comprise about 66.4% of total program revenues, general revenues and contributions and transfers.

The General Government function makes up 32.3% of the total governmental activities' expenses followed by Public Safety, 35.1%, Highway and Streets, 16.4%, Water Distribution and Treatment, .2%, Welfare, 2.0%, Culture and Recreation, 9.4%, Conservation, 2.0% and Interest on Long-Term Debt 2.6%.

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Governmental Activities:** | | | | |
| General Government | $10,945,734 | 32.3% | ($10,854,058) | 35.8% |
| Public Safety | $11,889,108 | 35.1% | ($9,967,044) | 32.9% |
| Highway and Streets | $5,561,867 | 16.4% | ($4,950,778) | 16.3% |
| Water Distribution and Treatment | $51,946 | 0.2% | ($51,946) | 0.2% |
| Welfare (Human Services) | $691,013 | 2.0% | ($691,013) | 2.3% |
| Culture and Recreation | $3,167,251 | 9.4% | ($2,746,748) | 9.1% |
| Conservation | $674,494 | 2.0% | ($474,604) | 1.6% |
| Interest on Long-Term Debt | $878,499 | 2.6% | ($865,272) | 2.9% |
| Capital Outlay | $0 | 0.0% | $262,163 | -0.9% |
| Total | $33,859,912 | 100.0% | ($30,339,300) | 100.0% |

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Business Type Activities:** | | | | |
| Sewage Collection and Disposal | $6,197,598 | 40.5% | $1,716,104 | 53.5% |
| Solid Waste Disposal | $3,465,772 | 22.7% | $529,949 | 16.5% |
| Water Treatment and Distribution | $3,278,631 | 21.4% | $1,093,017 | 34.0% |
| Municipal Airport | $2,351,910 | 15.4% | ($128,692) | -4.0% |
| Total | $15,293,911 | 100.0% | $3,210,378 | 100.0% |

**Business-type Activities.** Business-type activities for the year resulted in a change in net position of $3,210,378.

## D. FINANCIAL ANALYSIS OF CITY OF LEBANON FUNDS

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 $19,050,721, a decrease of $2,746,478.

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 revenues and transfers in in excess of expenditures and transfers out | $230,275 |
| Capital Improvements Fund expenditures and transfers out in excess of revenues, transfers in, and bond/note proceeds | ($3,424,324) |
| Other governmental funds revenues and transfers in excess of expenditures and transfers out | $447,571 |
| Net Change in Fund Balances | ($2,746,478) |
| Other Governmental Funds: | |
| Library Fund revenues exceed expenditures | $19,483 |
| Public Safety Revolving Fund (Police) revenues exceed expenditures | $42,901 |
| Lebanon Open Space Fund expenditures exceed revenues | ($412,545) |
| Public Safety Revolving Fund (Fire) revenues exceed expenditures | $6,072 |
| Farmers Market Fund revenues exceed expenditures | $1,760 |
| Recreation Revolving Fund revenues exceed expenditures | $5,102 |
| Impact Fees revenues | $106,029 |
| Cemetery Maintenance revenues | $18,194 |
| Public Assistance Revolving Fund expenditures | ($65,452) |
| Enterprise Property Revolving revenues exceed expenditures | $13,798 |
| Downtown TIF District revenues exceed transfers out | $504,110 |
| Airport/Tech Park TIF District revenues | $13 |
| Permanent Fund (cemetery perpetual care) revenues exceed expenditures and transfers out | $208,106 |
| Net Change in Fund Balances | $447,571 |

**UNASSIGNED FUND BALANCE, DECEMBER 31, 2023**

| | |
|---|---|
| **Non-GAAP Budgetary Basis:** | |
| **Unassigned Fund Balance 1/1** | **$11,542,445** |
| **Percentage of total general fund current year budgeted expenditures** | **30.0%** |
| Changes: | |
| Unassigned fund balance used to reduce 2023 tax rate | ($2,390,001) |
| Unassigned fund balance voted from surplus | $0 |
| Revenue surplus | $1,263,491 |
| Unexpended balance of appropriations | $686,904 |
| Decrease in nonspendable fund balance | $343,093 |
| Increase in assigned fund balance (non-encumbrance) | $421,049 |
| **Unassigned fund balance 12/31 Non-GAAP budgetary basis** | **$11,866,981** |
| **Percentage of total general fund current year budgeted expenditures** | **30.9%** |
| Reconciliation of Non-GAAP Basis to GAAP Basis: | |
| Deferral of property taxes not collected within 60 days of year-end | ($501,319) |
| Elimination of the allowance for uncollectible taxes | $150,000 |
| **Unassigned fund balance 12/31 GAAP basis** | **$11,515,662** |

It is the objective of the City to maintain an Unassigned Fund Balance of 15.0% to 19.0% of gross current General Fund budgeted expenditures.

- The City considers a balance of less than 15.0% 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 19.0% as excessive.

- In the event Unassigned Fund Balance is less than 15.0%, restorative steps shall be taken in the immediate subsequent fiscal years. In the event Unassigned Fund Balance is more than 19.0% steps should be taken to reduce the excess balance in the immediate subsequent fiscal years, or a plan for doing so over a reasonable period should be prepared, including an explanation of how the excess fund balance will be reduced to an acceptable level. An amount more than 19% 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.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the GAAP-basis unassigned fund balance of the general fund was $11,515,662. The governmental funds ending fund balances totaled $19,050,721.

The total fund balance of the general fund changed by $600,372 during the current fiscal year. Key elements of this change are as follows:

| | |
|---|---|
| Revenues in excess of budget | $1,263,491 |
| Expenditures less than budget | $ 686,904 |
| Use of fund balance as a funding source | ($2,390,001) |
| Decrease in nonspendable fund balance | $ 343,093 |
| Increase in assigned fund balance (non-encumbrance) | $ 421,049 |

In terms of budget versus actual variances, most departments were within the range of a few percentage points from expected expenses. There were some positive departments expense variances mainly due to labor as well. Given market conditions, all departments have found a dearth of candidates for open positions in the fiscal year. This has meant a few positions remained opened. In cases where employee departures occurred, their positions were often filled with more junior personnel, resulting in lower cost health insurance plans and it also decreased the other labor associated costs. The result was approximately $529,000 lower than planned health insurance outlay for the year in the Finance budget. The City Clerk's budget was under approximately 18% due to staff changes and a project that was budgeted but not accomplished in 2023. City Manager's budget as also 18% underspend due to legal coming in lower than budgeted.

**General Fund Budgetary Highlights**

The City's Charter section 419:45 Transfer of Appropriations states that: After the budget has been adopted, no money shall be drawn from the treasury of the city, nor shall any obligation for the expenditure of money be incurred, except pursuant to a budget appropriation unless there shall be a specific additional appropriation therefor. The head of any department with the written approval of the manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his department to another fund or agency within his department. The manager, with the approval of the council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another.

**Transfers:**

April 19, 2023, the City Council authorized the City Manager to transfer unencumbered appropriated FY2023 funds in the amount of $55,000 from the Finance Department to the Planning & Development Department to facilitate the development of in-house grant writing and administration capability.

June 21, 2023, the City Council authorized the City Manager to transfer funds from the Miracle Mile Water Main Replacement Project to the South Main Street Water Main Improvements Project in the amount of $500,000 for relocation of twelve (12) residential water services and repaving of approximately 935 linear feet of South Main Street.

**Supplemental Appropriations:**

March 15, 2023, The City Council authorized the City Manager to complete an environmental assessment and the funding to purchase the properties located at 14, 28, and 30 Main Street, West Lebanon in the amount of $1,800,000.

June 21, 2023, the City Council voted, pursuant to its authority under NH RSA 47:5, to authorize the purchase of property located at 160 Mechanic Street, Lebanon (Tax Map 105, Lot 27) for a purchase price of $400,000 (Four Hundred Thousand Dollars). As part of its motion, the Council designated and authorized the City Manager to act on behalf of the City Council to undertake all actions and execute all documents as
may be required to enter into a Purchase & Sale Agreement (P&S) for the acquisition of the properties and to perform all obligations of the City under the P&S. It is estimated that Phase 1 and Phase 2 Environmental Site Assessments may cost approximately $20,000 and that legal costs for the title research and closing may cost approximately $5,000, bringing the total cost of acquiring the property to $425,000. On July 19, 2023, the City Council voted to authorize the purchase of property located at 160 Mechanic Street including assessments and legal costs bringing the total cost of acquiring the property to $425,000 and authorized the appropriation for expenditure.

July 5, 2023, the City Council authorized an appropriation in the amount of $116,350 for operation and maintenance of 14, 28, 30 Main Street, West Lebanon for the remainder of fiscal year 2023.

## E. CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** Total investment in capital assets for both Governmental and Business-type activities at year end was $237,278,615 (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.

**2023 CAPITAL ASSETS**

| | | Amount | | | Amount |
|---|---|---|---|---|---|
| **Governmental Activities** | | | **Business-type Activities:** | | |
| Not being depreciated: | | | Not being depreciated: | | |
| Land | | $8,694,454 | Land | | $809,968 |
| Intangible assets | | $605,020 | Intangible assets | | $635,054 |
| Construction in progress | | $7,184,728 | Construction in progress | | $10,387,105 |
| | Total | $16,484,202 | | Total | $11,832,127 |
| Net of depreciation: | | | Net of depreciation: | | |
| Land Improvements | | $2,974,314 | Land Improvements | | $10,176,192 |
| Building and Building Improvements | | $22,972,246 | Building and Building Improvements | | $29,662,816 |
| Machinery and Equipment | | $7,661,337 | Machinery and Equipment | | $5,998,771 |
| Infrastructure | | $69,696,158 | Infrastructure | | $59,820,452 |
| | Total | $103,304,055 | | Total | $105,658,231 |
| Net BV value governmental activities capital assets | | $119,788,257 | Net BV business-type activities capital assets | | $117,490,358 |
| BV = Book Value | | | Net BV all capital assets | | $237,278,615 |

**2023 CAPITAL BUDGET**

| **Purpose:** | **Amount** | **Source of Financing:** | **Amount** |
|---|---|---|---|
| Building Improvements | $1,840,000 | Intergovernmental (Grants) | $19,210,870 |
| Vehicles and Equipment | $3,105,000 | Other | $4,768,360 |
| Airport Infrastructure | $8,340,000 | Debt Proceeds | $14,789,610 |
| Other | $27,770,540 | Interfund Transfers | $2,286,700 |
| | $41,055,540 | Applied Fund Balance | $0 |
| Total | | Total | $41,055,540 |
| Other Includes: | | | |
| Trues Brook Road Bridge Replacement #066-059 | $920,000 | South Main Street Bridge Replacement #062-117 | $10,828,840 |
| Landfill Phase 3-4 Design and Permitting | $500,000 | Kimball St and Forest Ave Reconstruction | $2,600,000 |
| Landfill Gas Collection & Control System | $144,700 | Sewer Improvements-So. Main St. Bridge | $5,000 |
| Bakers Crossing Sewer Forcemain Replacement | $890,000 | Mechanic/High/Mascoma Intersection | $336,000 |
| Mount Support Road/Lahaye Drive Intersection | $4,350,000 | Water System Improvements-Miracle Mile | $2,300,000 |
| Estabrook Circle and Maple St Stormwater Improv | $155,000 | New Water Source Supply Study | $175,000 |
| Hanover Water Interconnection | $720,000 | West Lebanon Main St Streetscrape Improvements | $3,646,000 |
| Water System Improvements-So. Main St Bridge | $200,000 | | |
| | | Total | $27,770,540 |

## Long-Term Debt

At the close of the current fiscal year, bonds/notes payable (governmental and business-type activities combined) was $84,342,154, a decrease of $4,558,582; annual requirements (governmental and business-type activities combined) to amortize all bonds/notes payable (principal and interest) were $97,876,733, a decrease of $4,275,971; authorized and unissued debt was $42,763,749, an increase of $20,618,720. All outstanding debt is debt backed by the full faith and credit.

The annual requirements to amortize all general obligation bonds/notes outstanding as of December 31, 2023, including interest payments, are as follows:

**Governmental activities:**

| Fiscal Year Ending December 31, | Bonds - Direct Placements Principal | Bonds - Direct Placements Interest | Bonds - Direct Placements Total | Notes/Loans - Direct Borrowings Principal | Notes/Loans - Direct Borrowings Interest | Notes/Loans - Direct Borrowings Total |
|---|---|---|---|---|---|---|
| 2024 | $ 2,889,840 | $ 1,038,506 | $ 3,928,346 | $ 552,805 | $ 178,917 | $ 731,722 |
| 2025 | 2,647,696 | 898,720 | 3,546,416 | 552,875 | 166,692 | 719,567 |
| 2026 | 2,382,696 | 771,229 | 3,153,925 | 552,946 | 154,466 | 707,412 |
| 2027 | 2,155,596 | 655,819 | 2,811,415 | 553,018 | 142,239 | 695,257 |
| 2028 | 1,856,995 | 556,594 | 2,413,589 | 553,093 | 130,010 | 683,103 |
| 2029-2033 | 7,048,817 | 1,653,555 | 8,702,372 | 2,766,647 | 466,544 | 3,233,191 |
| 2034-2038 | 5,186,224 | 629,408 | 5,815,632 | 2,142,355 | 187,868 | 2,330,223 |
| 2039-2043 | 1,793,908 | 81,431 | 1,875,339 | 667,027 | 20,551 | 687,578 |
| Totals | $ 25,961,772 | $ 6,285,262 | $ 32,247,034 | $ 8,340,766 | $ 1,447,287 | $ 9,788,053 |

**Business-type activities:**

| Fiscal Year Ending December 31, | Bonds - Direct Placements Principal | Bonds - Direct Placements Interest | Bonds - Direct Placements Total | Notes/Loans - Direct Borrowings Principal | Notes/Loans - Direct Borrowings Interest | Notes/Loans - Direct Borrowings Total |
|---|---|---|---|---|---|---|
| 2024 | $ 1,953,411 | $ 748,225 | $ 2,701,636 | $ 2,034,735 | $ 642,235 | $ 2,676,970 |
| 2025 | 1,620,553 | 655,840 | 2,276,393 | 2,040,737 | 595,988 | 2,636,725 |
| 2026 | 1,560,552 | 580,779 | 2,141,331 | 2,046,917 | 549,564 | 2,596,481 |
| 2027 | 1,457,552 | 506,632 | 1,964,184 | 1,990,488 | 502,957 | 2,493,445 |
| 2028 | 1,316,152 | 441,613 | 1,757,765 | 1,995,773 | 457,417 | 2,453,190 |
| 2029-2033 | 4,786,843 | 1,402,110 | 6,188,953 | 9,579,598 | 1,625,795 | 11,205,393 |
| 2034-2038 | 2,923,817 | 610,067 | 3,533,884 | 7,076,187 | 605,700 | 7,681,887 |
| 2039-2043 | 1,709,641 | 148,416 | 1,858,057 | 1,605,227 | 70,125 | 1,675,352 |
| Totals | $ 17,328,521 | $ 5,093,682 | $ 22,422,203 | $ 28,369,662 | $ 5,049,781 | $ 33,419,443 |

**LONG-TERM LIABILITIES, DECEMBER 31, 2023**

**Governmental activities:**

| | Balance 1/1 | Additions | Reductions | Balance 12/31 |
|---|---|---|---|---|
| Bonds/notes Payable | $37,708,356 | $95,069 | ($3,500,887) | $34,302,538 |
| Unamortized Bond Premium | $3,012,287 | $8,770 | ($216,903) | $2,804,154 |
| Total Bonds/notes Payable | $40,720,643 | $103,839 | ($3,717,790) | $37,106,692 |
| Compensated Absences Payable | $4,276,026 | $0 | ($1,925,691) | $2,350,335 |
| Net Other Postemployment Benefits | $2,681,448 | $99,141 | ($139,227) | $2,641,362 |
| Net Pension Liability | $26,100,612 | $0 | ($164,562) | $25,936,050 |
| Total | $73,778,729 | $202,980 | ($5,947,270) | $68,034,439 |

**Business-type activities:**

| | Balance 1/1 | Additions | Reductions | Balance 12/31 |
|---|---|---|---|---|
| Bonds/notes Payable | $46,785,258 | $2,761,424 | ($3,848,499) | $45,698,183 |
| Unamortized Bond Premium | $1,394,835 | $254,737 | ($112,293) | $1,537,279 |
| Total Bonds/notes Payable | $48,180,093 | $3,016,161 | ($3,960,792) | $47,235,462 |
| Compensated Absences Payable | $390,345 | $0 | ($197,183) | $193,162 |
| Accrued Landfill Closure and Postclosure Care Costs | $12,288,089 | $440,094 | $0 | $12,728,183 |
| Net Other Postemployment Benefits | $357,365 | $41,243 | ($63,535) | $335,073 |
| Net Pension Liability | $2,692,303 | $908,437 | $0 | $3,600,740 |
| Total | $63,908,195 | $4,405,935 | ($4,221,510) | $64,092,620 |

## 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 2023 was $78.80/ton.

- *Water and Sewer Service Fees:* The 2023 City Budget provided an increase of 8.0% to water service rates (base user rate and minimum charge) approved by the City Council (December 7, 2022) effective January 1, 2023. Water 0-1200 rate is $4.07 per 100CF, > 1200, the rate is $8.14 per 100CF for water. There are also fixed charges for the size of the meter.

The 2023 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 7, 2022) effective January 1, 2023. Sewer rate is $11.98 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 (2024 – 2029). 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 2023 City Budget had 198.63 active full-time equivalent (FTE) positions (190 full-time; 8.63 regular part-time positions excluding seasonal and occasional employees and call firefighters). 125.00 positions, or 62.9%, 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 | | 2023 Budget |
|---|---|---|
| General | $ | 38,460,840 |
| Solid Waste Disposal | $ | 4,916,230 |
| Water Treatment & Distribution | $ | 4,436,960 |
| Sewage Collection and Disposal | $ | 7,862,020 |
| Municipal Airport | $ | 2,035,470 |
| Emergency Management | $ | 25,000 |
| Capital Improvements | $ | 41,480,540 |
| Heritage Fund | $ | 400 |
| Downtown TIFD | $ | 623,770 |
| Airport TIFD | $ | 10 |
| Total | $ | 99,841,240 |

| Expenditures by Function | | 2023 Budget |
|---|---|---|
| Capital Improvements | $ | 41,480,540 |
| Community Development & Preservation | $ | 731,180 |
| Community Services | $ | 2,878,750 |
| Debt Service | $ | 9,944,900 |
| General Government | $ | 10,949,300 |
| Human Services | $ | 610,730 |
| Interfund Transfers | $ | 5,602,470 |
| Municipal Services | $ | 4,752,040 |
| Public Safety | $ | 12,234,210 |
| Sanitation | $ | 6,416,780 |
| Transportation | $ | 2,077,820 |
| Water Resources | $ | 2,162,520 |
| Total | $ | 99,841,240 |

- The General Fund is 38.52% of the 2023 City Budget; Solid Waste Disposal Fund 4.92%; Water Treatment and Distribution Fund 4.44%; Sewage Collection and Disposal Fund 7.87%; Municipal Airport Fund 2.04%; Emergency Management Fund 0.03%, Capital Improvements Fund 41.55%; and Downtown TIFD .62%.

- The operations and maintenance budget (excluding capital improvements, debt service, and interfund transfers) is 42.9% of the City Budget or $47,813,330.

- The 2023 Capital Budget of $41,480,540 is comprised of twenty (20) projects and four sources of financing. Projects include Infrastructure ($29,175,840), Vehicles and Equipment ($3,145,000), Airport Infrastructure ($8,340,000) and Other ($819,700). Others consist of the New Source Water Supply Study ($175,000), Landfill Phase 3-4 Design and Permitting ($500,000) and Landfill Gas Collection & Control System ($144,700)

- The 2023 City Budget provided revenues of $93,206,390 an increase of $25,519,421 from 2022. The General Fund makes up 37.4% of total revenues; Capital Improvements Fund 42.1%; Sewage Collection and Disposal Fund 8.4%; Solid Waste Disposal Fund 4.6%; Water Treatment and Distribution Fund 4.8%; Municipal Airport Fund 1.9%; Emergency Management Fund .0%; and TIFD .7%.

- 2023 Budget surplus is $1,950,395, a decrease of $578,066 from 2022.

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.

*EXHIBIT A*
***CITY OF LEBANON, NEW HAMPSHIRE***
***Statement of Net Position***
***December 31, 2023***

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 32,952,062 | $ 17,743,672 | $ 50,695,734 |
| Investments | 3,996,558 | 11,159,412 | 15,155,970 |
| Taxes receivables (net) | 1,981,228 | - | 1,981,228 |
| Account receivables (net) | 531,679 | 809,080 | 1,340,759 |
| Intergovernmental receivable | 517,578 | 5,466,068 | 5,983,646 |
| Leases receivable | - | 1,598,034 | 1,598,034 |
| Prepaid items | 48,482 | 57,929 | 106,411 |
| Capital assets: | | | |
| Land and construction in progress | 16,484,202 | 11,832,127 | 28,316,329 |
| Other capital assets, net of depreciation | 103,304,055 | 105,658,231 | 208,962,286 |
| Total assets | 159,815,844 | 154,324,553 | 314,140,397 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Amounts related to pensions | 4,258,768 | 591,251 | 4,850,019 |
| Amounts related to other postemployment benefits | 274,433 | 32,523 | 306,956 |
| Total deferred outflows of resources | 4,533,201 | 623,774 | 5,156,975 |
| **LIABILITIES** | | | |
| Accounts payable | 928,062 | 298,502 | 1,226,564 |
| Accrued salaries and benefits | 17,144 | - | 17,144 |
| Retainage payable | 166,339 | 65,083 | 231,422 |
| Contracts payable | 318,726 | 289,490 | 608,216 |
| Accrued interest payable | 656,468 | 656,613 | 1,313,081 |
| Intergovernmental payable | 17,599,087 | 330,554 | 17,929,641 |
| Escrow and performance deposits | 64,348 | 225,943 | 290,291 |
| Long-term liabilities: | | | |
| Due within one year | 3,868,009 | 4,286,391 | 8,154,400 |
| Due in more than one year | 64,166,430 | 59,806,229 | 123,972,659 |
| Total liabilities | 87,784,613 | 65,958,805 | 153,743,418 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable revenue - Grants received in advance | 1,054,095 | - | 1,054,095 |
| Debt forgiveness | 1,665,318 | 3,341,230 | 5,006,548 |
| Deferred revenue | - | 557,091 | 557,091 |
| Amounts related to leases | - | 1,598,389 | 1,598,389 |
| Amounts related to pensions | 242,184 | 33,622 | 275,806 |
| Amounts related to other postemployment benefits | 455,002 | 49,879 | 504,881 |
| Total deferred inflows of resources | 3,416,599 | 5,580,211 | 8,996,810 |
| **NET POSITION** | | | |
| Net investment in capital assets | 82,681,565 | 70,254,896 | 152,936,461 |
| Restricted | 3,472,096 | 873,839 | 4,345,935 |
| Unrestricted | (13,005,828) | 12,280,576 | (725,252) |
| Total net position | $ 73,147,833 | $ 83,409,311 | $ 156,557,144 |

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, 2023*

| | | 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 | $ 10,945,734 | $ 72,635 | $ 19,041 | $ - | $ (10,854,058) | $ - | $ (10,854,058) |
| Public safety | 11,889,108 | 1,710,913 | 211,151 | - | (9,967,044) | - | (9,967,044) |
| Highways and streets | 5,561,867 | - | 2,484 | 608,605 | (4,950,778) | - | (4,950,778) |
| Water distribution and treatment | 51,946 | - | - | - | (51,946) | - | (51,946) |
| Welfare | 691,013 | - | - | - | (691,013) | - | (691,013) |
| Culture and recreation | 3,167,251 | 376,498 | 44,005 | - | (2,746,748) | - | (2,746,748) |
| Conservation | 674,494 | - | 199,890 | - | (474,604) | - | (474,604) |
| Interest on long-term debt | 878,499 | - | 13,227 | - | (865,272) | - | (865,272) |
| Capital outlay | - | - | 259,969 | 2,194 | 262,163 | - | 262,163 |
| Total governmental activities | 33,859,912 | 2,160,046 | 749,767 | 610,799 | (30,339,300) | - | (30,339,300) |
| **Business-type activities:** | | | | | | | |
| Sewage collection and disposal | 6,197,598 | 7,820,949 | 92,753 | - | - | 1,716,104 | 1,716,104 |
| Solid waste disposal | 3,465,772 | 3,995,721 | - | - | - | 529,949 | 529,949 |
| Water treatment and distribution | 3,278,631 | 4,343,705 | 27,943 | - | - | 1,093,017 | 1,093,017 |
| Municipal airport | 2,351,910 | 738,443 | 1,484,775 | - | - | (128,692) | (128,692) |
| Total business-type activities | 15,293,911 | 16,898,818 | 1,605,471 | - | - | 3,210,378 | 3,210,378 |
| Total | $ 49,153,823 | $ 19,058,864 | $ 2,355,238 | $ 610,799 | (30,339,300) | 3,210,378 | (27,128,922) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property | | | | | 24,295,419 | - | 24,295,419 |
| Other | | | | | 2,440,930 | - | 2,440,930 |
| Motor vehicle permit fees | | | | | 2,903,709 | - | 2,903,709 |
| Licenses and other fees | | | | | 1,671,225 | - | 1,671,225 |
| Grants and contributions not restricted to specific programs | | | | | 1,477,658 | - | 1,477,658 |
| Unrestricted investment earnings | | | | | 668,287 | 399,541 | 1,067,828 |
| Miscellaneous | | | | | 1,242,800 | 1,988,058 | 3,230,858 |
| Total general revenues | | | | | 34,700,028 | 2,387,599 | 37,087,627 |
| Contributions to permanent funds | | | | | 675 | - | 675 |
| Gain on sale of property | | | | | - | 100 | 100 |
| Transfers | | | | | 2,062,698 | (2,062,698) | - |
| Total general revenues, contributions, and transfers | | | | | 36,763,401 | 325,001 | 37,088,402 |
| Change in net position | | | | | 6,424,101 | 3,535,379 | 9,959,480 |
| Net position, beginning, as restated (see Note 22) | | | | | 66,723,732 | 79,873,932 | 146,597,664 |
| Net position, ending | | | | | $ 73,147,833 | $ 83,409,311 | $ 156,557,144 |

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, 2023***

| | General | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 27,058,724 | $ - | $ 3,842,287 | $ 30,901,011 |
| Investments | 1,828 | - | 1,838,383 | 1,840,211 |
| Receivables, net of allowance for uncollectible: | | | | |
| Taxes | 2,114,978 | - | 16,250 | 2,131,228 |
| Accounts | 371,849 | 5,779 | 24,527 | 402,155 |
| Intergovernmental | 39,832 | - | - | 39,832 |
| Interfund receivable | 2,914,192 | - | 7,016 | 2,921,208 |
| Voluntary tax liens | 9,804 | - | - | 9,804 |
| Voluntary tax liens reserved until collected | (9,804) | - | - | (9,804) |
| Prepaid items | 46,364 | - | 2,118 | 48,482 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 2,051,051 | - | - | 2,051,051 |
| Investments | 2,156,347 | - | - | 2,156,347 |
| Accounts receivable | 129,524 | - | - | 129,524 |
| Total assets | $ 36,884,689 | $ 5,779 | $ 5,730,581 | $ 42,621,049 |
| **LIABILITIES** | | | | |
| Accounts payable | $ 916,487 | $ - | $ 11,575 | $ 928,062 |
| Accrued salaries and benefits | 17,144 | - | - | 17,144 |
| Retainage payable | - | 166,339 | - | 166,339 |
| Contracts payable | - | 318,726 | - | 318,726 |
| Intergovernmental payable | 17,599,087 | - | - | 17,599,087 |
| Interfund payable | 75 | 2,879,414 | 41,719 | 2,921,208 |
| Escrow and performance deposits | 64,348 | - | - | 64,348 |
| Total liabilities | 18,597,141 | 3,364,479 | 53,294 | 22,014,914 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue - Property taxes | 501,319 | - | - | 501,319 |
| Unavailable revenue - Grants received in advance | 1,054,095 | - | - | 1,054,095 |
| Total deferred inflows of resources | 1,555,414 | - | - | 1,555,414 |
| **FUND BALANCES (DEFICIT)** | | | | |
| Nonspendable | 46,364 | - | 1,789,795 | 1,836,159 |
| Restricted | 25,000 | - | 1,657,301 | 1,682,301 |
| Committed | 2,483,494 | - | 2,228,431 | 4,711,925 |
| Assigned | 2,661,614 | - | 1,760 | 2,663,374 |
| Unassigned (deficit) | 11,515,662 | (3,358,700) | - | 8,156,962 |
| Total fund balances (deficit) | 16,732,134 | (3,358,700) | 5,677,287 | 19,050,721 |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | $ 36,884,689 | $ 5,779 | $ 5,730,581 | $ 42,621,049 |

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, 2023***

| | | |
|---|---|---|
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Total fund balances of governmental funds (Exhibit C-1) | | $ 19,050,721 |
| Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds. | | |
| Cost | $ 171,117,926 | |
| Less accumulated depreciation | (51,329,669) | |
| | | 119,788,257 |
| 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 | $ 4,258,768 | |
| Deferred inflows of resources related to pensions | (242,184) | |
| Deferred outflows of resources related to OPEB | 274,433 | |
| Deferred inflows of resources related to OPEB | (455,002) | |
| | | 3,836,015 |
| Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position. | | |
| Receivables | $ (2,921,208) | |
| Payables | 2,921,208 | |
| | | - |
| Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds. | | 501,319 |
| 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. | | 477,746 |
| Interest on long-term debt is not accrued in governmental funds. | | |
| Accrued interest payable | | (656,468) |
| Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds. | | |
| Bonds | $ 25,961,772 | |
| Notes | 8,340,766 | |
| Unamortized bond premium/debt forgiveness | 4,469,472 | |
| Compensated absences | 2,350,335 | |
| Net pension liability | 25,936,050 | |
| Other postemployment benefits | 2,641,362 | |
| | | (69,699,757) |
| Net position of governmental activities (Exhibit A) | | $ 73,147,833 |

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, 2023***

| | General | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 26,212,421 | $ - | $ 799,764 | $ 27,012,185 |
| Licenses and permits | 4,574,934 | - | - | 4,574,934 |
| Intergovernmental | 2,558,436 | 140,416 | - | 2,698,852 |
| Charges for services | 1,724,908 | - | 435,138 | 2,160,046 |
| Miscellaneous | 1,436,160 | 119,553 | 526,467 | 2,082,180 |
| Unrealized loss on investments | - | - | - | - |
| Total revenues | 36,506,859 | 259,969 | 1,761,369 | 38,528,197 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 11,257,092 | - | 50,477 | 11,307,569 |
| Public safety | 11,980,893 | - | 207,935 | 12,188,828 |
| Highways and streets | 5,547,336 | - | - | 5,547,336 |
| Water distribution and treatment | 51,946 | - | - | 51,946 |
| Welfare | 682,563 | - | 65,452 | 748,015 |
| Culture and recreation | 2,835,619 | - | 210,337 | 3,045,956 |
| Conservation | 155,300 | - | 500,000 | 655,300 |
| Debt service: | | | | |
| Principal | 3,483,911 | - | - | 3,483,911 |
| Interest | 1,264,568 | - | - | 1,264,568 |
| Capital outlay | - | 5,147,783 | - | 5,147,783 |
| Total expenditures | 37,259,228 | 5,147,783 | 1,034,201 | 43,441,212 |
| Excess (deficiency) of revenues over (under) expenditures | (752,369) | (4,887,814) | 727,168 | (4,913,015) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 2,229,144 | 1,359,651 | 6,941 | 3,595,736 |
| Transfers out | (1,246,500) | - | (286,538) | (1,533,038) |
| Bond/note proceeds | - | 103,839 | - | 103,839 |
| Total other financing sources (uses) | 982,644 | 1,463,490 | (279,597) | 2,166,537 |
| Net change in fund balances | 230,275 | (3,424,324) | 447,571 | (2,746,478) |
| Fund balances, beginning, as restated (see Note 22) | 16,501,859 | 65,624 | 5,229,716 | 21,797,199 |
| Fund balances, ending | $ 16,732,134 | $ (3,358,700) | $ 5,677,287 | $ 19,050,721 |

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, 2023***

| | | |
|---|---|---|
| Net change in fund balances of governmental funds (Exhibit C-3) | | $ (2,746,478) |
| 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 | $ 7,679,524 | |
| Disposal of capital assets | (174,323) | |
| Depreciation expense | (3,569,463) | |
| | | 3,935,738 |
| Transfers in and out between governmental funds are eliminated on the Statement of Activities. | | |
| Transfers in | $ (1,533,038) | |
| Transfers out | 1,533,038 | |
| | | - |
| 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 | $ (275,836) | |
| Decrease in deferred aid revenue | (31,046) | |
| | | (306,882) |
| 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 | $ (95,069) | |
| Bond premium on new issuance | (8,770) | |
| Recognition of principal forgiveness | 132,220 | |
| Repayment of bond principal | 2,931,175 | |
| Repayment of note/loan principal | 569,712 | |
| Amortization of bond premium | 216,903 | |
| | | 3,746,171 |
| 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. | | |
| Decrease in accrued interest expense | $ 36,943 | |
| Decrease in compensated absences | 1,925,691 | |
| Net change in net pension liability and deferred outflows and inflows of resources related to pensions | (192,261) | |
| Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits | 25,179 | |
| | | 1,795,552 |
| Changes in net position of governmental activities (Exhibit B) | | $ 6,424,101 |

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, 2023**

| | Budgeted Amounts | | | Variance |
|---|---|---|---|---|
| | Original | Final | Actual | Positive (Negative) |
| **REVENUES** | | | | |
| Taxes | $ 26,131,820 | $ 26,131,820 | $ 25,936,585 | $ (195,235) |
| Licenses and permits | 3,745,900 | 3,745,900 | 4,574,934 | 829,034 |
| Intergovernmental | 1,917,881 | 1,917,881 | 1,916,228 | (1,653) |
| Charges for services | 1,554,480 | 1,554,480 | 1,724,908 | 170,428 |
| Miscellaneous | 401,608 | 401,608 | 862,531 | 460,923 |
| Total revenues | 33,751,689 | 33,751,689 | 35,015,186 | 1,263,497 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 11,611,600 | 11,551,600 | 11,215,524 | 336,076 |
| Public safety | 12,695,360 | 12,695,360 | 12,099,823 | 595,537 |
| Highways and streets | 4,752,040 | 4,752,040 | 5,090,092 | (338,052) |
| Welfare | 610,730 | 670,730 | 682,563 | (11,833) |
| Culture and recreation | 2,878,750 | 2,878,750 | 2,828,444 | 50,306 |
| Conservation | 12,110 | 12,110 | 12,111 | (1) |
| Debt service: | | | | |
| Principal | 3,528,980 | 3,528,980 | 3,483,911 | 45,069 |
| Interest | 1,274,370 | 1,274,370 | 1,264,568 | 9,802 |
| Total expenditures | 37,363,940 | 37,363,940 | 36,677,036 | 686,904 |
| Excess (deficiency) of revenues over (under) expenditures | (3,612,251) | (3,612,251) | (1,661,850) | 1,950,401 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 2,319,150 | 2,319,150 | 2,319,144 | (6) |
| Transfers out | (1,096,900) | (1,096,900) | (1,096,900) | - |
| Total other financing sources (uses) | 1,222,250 | 1,222,250 | 1,222,244 | (6) |
| Net change in fund balances | $ (2,390,001) | $ (2,390,001) | (439,606) | $ 1,950,395 |
| Decrease in nonspendable fund balance | | | 343,093 | |
| Decrease in assigned fund balance (non-encumbrance) | | | 421,049 | |
| Unassigned fund balance, beginning | | | 11,542,445 | |
| Unassigned fund balance, ending | | | $ 11,866,981 | |

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, 2023***

| | Business-type Activities | | | | |
|---|---|---|---|---|---|
| | Enterprise Funds | | | | |
| | Sewage Collection and Disposal | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport | Total |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 7,434,608 | $ 5,026,150 | $ 4,372,587 | $ 910,327 | $ 17,743,672 |
| Investments | 1,107,306 | 8,823,891 | 1,199,419 | 28,796 | 11,159,412 |
| Receivables: | | | | | |
| Accounts | 110,364 | 622,479 | 19,058 | 57,179 | 809,080 |
| Intergovernmental | 4,344,636 | - | 358,309 | 763,123 | 5,466,068 |
| Leases | - | - | - | 1,598,034 | 1,598,034 |
| Prepaid items | - | - | 750 | 57,179 | 57,929 |
| Capital assets: | | | | | |
| Land and construction in progress | 1,634,117 | 5,114,309 | 3,410,918 | 1,672,783 | 11,832,127 |
| Other capital assets, net of depreciation | 56,179,704 | 9,176,572 | 29,437,449 | 10,864,506 | 105,658,231 |
| Total assets | 70,810,735 | 28,763,401 | 38,798,490 | 15,951,927 | 154,324,553 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Amounts related to pensions | 279,218 | 128,058 | 112,595 | 71,380 | 591,251 |
| Amounts related to other postemployment benefits | 12,404 | 8,257 | 7,260 | 4,602 | 32,523 |
| Total deferred outflows of resources | 291,622 | 136,315 | 119,855 | 75,982 | 623,774 |
| **LIABILITIES** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 113,870 | 74,439 | 65,100 | 45,093 | 298,502 |
| Retainage payable | 32,451 | 9,245 | 6,430 | 16,957 | 65,083 |
| Contract payable | 26,452 | 213,788 | 49,250 | - | 289,490 |
| Accrued interest payable | 321,086 | 47,727 | 262,271 | 25,529 | 656,613 |
| Intergovernmental payable | 330,554 | - | - | - | 330,554 |
| Escrow and performance deposits | 212,305 | - | - | 13,638 | 225,943 |
| Long-term liabilities: | | | | | |
| Due within one year | 2,302,086 | 635,290 | 1,210,049 | 138,966 | 4,286,391 |
| Due in more than one year | 27,391,902 | 15,387,269 | 15,141,327 | 1,885,731 | 59,806,229 |
| Total liabilities | 30,730,706 | 16,367,758 | 16,734,427 | 2,125,914 | 65,958,805 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Debt forgiveness | 1,473,046 | - | 1,868,184 | - | 3,341,230 |
| Deferred revenue | - | 4,035 | - | 553,056 | 557,091 |
| Amounts related to leases | - | - | - | 1,598,389 | 1,598,389 |
| Amounts related to pensions | 15,878 | 7,282 | 6,403 | 4,059 | 33,622 |
| Amounts related to other postemployment benefits | 16,516 | 13,692 | 12,039 | 7,632 | 49,879 |
| Total deferred inflows of resources | 1,505,440 | 25,009 | 1,886,626 | 2,163,136 | 5,580,211 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 30,030,345 | 11,913,540 | 17,267,580 | 11,043,431 | 70,254,896 |
| Restricted | - | - | 634,637 | 239,202 | 873,839 |
| Unrestricted | 8,835,866 | 593,409 | 2,395,075 | 456,226 | 12,280,576 |
| Total net position | $ 38,866,211 | $ 12,506,949 | $ 20,297,292 | $ 11,738,859 | $ 83,409,311 |

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, 2023***

| | Business-type Activities | | | | |
|---|---|---|---|---|---|
| | Enterprise Funds | | | | |
| | Sewage Collection and Disposal | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport | Total |
| Operating revenues: | | | | | |
| User charges | $ 7,820,949 | $ 3,995,721 | $ 4,338,183 | $ 738,443 | $ 16,893,296 |
| Other sales | - | 462,825 | - | - | 462,825 |
| Fees and interest | - | 5,522 | - | - | 5,522 |
| Intergovernmental revenues | 92,753 | - | 27,943 | 1,484,775 | 1,605,471 |
| Miscellaneous | 176,485 | 479,024 | 286,185 | 583,539 | 1,525,233 |
| Total operating revenues | 8,090,187 | 4,943,092 | 4,652,311 | 2,806,757 | 20,492,347 |
| Operating expenses: | | | | | |
| Salaries and wages | 1,156,194 | 1,012,601 | 976,112 | 641,698 | 3,786,605 |
| Operation and maintenance | 2,163,921 | 790,677 | 337,028 | 528,269 | 3,819,895 |
| Contractual services | 58,493 | 475,702 | 68,065 | 60,217 | 662,477 |
| Materials and supplies | 779,868 | 412,345 | 716,752 | 353,312 | 2,262,277 |
| Depreciation and amortization | 1,485,436 | 753,928 | 868,919 | 687,012 | 3,795,295 |
| Total operating expenses | 5,643,912 | 3,445,253 | 2,966,876 | 2,270,508 | 14,326,549 |
| Operating gain | 2,446,275 | 1,497,839 | 1,685,435 | 536,249 | 6,165,798 |
| Nonoperating revenue (expense): | | | | | |
| Interest income | 164,512 | 67,298 | 147,393 | 20,338 | 399,541 |
| Gain on sale of property | - | 100 | - | - | 100 |
| Interest expense | (551,611) | - | (309,156) | (81,348) | (942,115) |
| Investment fees | (2,075) | (20,519) | (2,599) | (54) | (25,247) |
| Total nonoperating revenue (expense) | (389,174) | 46,879 | (164,362) | (61,064) | (567,721) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | 301,330 | - | 301,330 |
| Transfers out | (705,606) | (929,750) | (640,445) | (88,227) | (2,364,028) |
| Total other financing sources (uses) | (705,606) | (929,750) | (339,115) | (88,227) | (2,062,698) |
| Change in net position | 1,351,495 | 614,968 | 1,181,958 | 386,958 | 3,535,379 |
| Net position, beginning, as restated (see Note 22) | 37,514,716 | 11,891,981 | 19,115,334 | 11,351,901 | 79,873,932 |
| Net position, ending | $ 38,866,211 | $ 12,506,949 | $ 20,297,292 | $ 11,738,859 | $ 83,409,311 |

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, 2023***

| | 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 | $ 8,339,337 | $ 4,706,471 | $ 4,737,985 | $ 1,579,492 | $ 19,363,285 |
| Intergovernmental revenues | 161,370 | - | 51,228 | 2,711,065 | 2,923,663 |
| Payments to employees | (345,905) | (944,011) | (1,041,782) | (977,330) | (3,309,028) |
| Payments to suppliers | (2,993,270) | (1,233,381) | (1,111,243) | (903,824) | (6,241,718) |
| Net cash provided by operating activities | 5,161,532 | 2,529,079 | 2,636,188 | 2,409,403 | 12,736,202 |
| Cash flows from capital and related financing activities: | | | | | |
| Bond and bond premium proceeds | 1,217,107 | 1,799,054 | - | - | 3,016,161 |
| Principal paid on bonds and notes | (2,194,391) | (352,967) | (1,168,274) | (132,867) | (3,848,499) |
| Acquisition and construction of fixed assets | (1,732,065) | (1,252,534) | (1,971,575) | (963,000) | (5,919,174) |
| Interest paid | (754,694) | (20,077) | (496,009) | (84,052) | (1,354,832) |
| Sale of town owned property | - | 100 | - | - | 100 |
| Net cash used for capital and related financing activities | (3,464,043) | 173,576 | (3,635,858) | (1,179,919) | (8,106,244) |
| Cash flows from non-capital financing activities: | | | | | |
| Operating transfers in | - | - | 301,330 | - | 301,330 |
| Operating transfers out | (705,606) | (929,750) | (640,445) | (329,720) | (2,605,521) |
| Net cash provided by (used for) non-capital financing activities | (705,606) | (929,750) | (339,115) | (329,720) | (2,304,191) |
| Cash flows from investing activities: | | | | | |
| Sale of investments | - | 523,659 | - | - | 523,659 |
| Purchase of investments | (362,652) | - | (331,304) | (9,721) | (703,677) |
| Interest received | 164,512 | 67,298 | 147,393 | 20,338 | 399,541 |
| Investment fees | (2,075) | (20,519) | (2,599) | (54) | (25,247) |
| Net cash used for investing activities | (200,215) | 570,438 | (186,510) | 10,563 | 194,276 |
| Net increase/decrease in cash | 791,668 | 2,343,343 | (1,525,295) | 910,327 | 2,520,043 |
| Cash, beginning | 6,642,940 | 2,682,807 | 5,897,882 | - | 15,223,629 |
| Cash, ending | $ 7,434,608 | $ 5,026,150 | $ 4,372,587 | $ 910,327 | $ 17,743,672 |

***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 | $ 2,446,275 | $ 1,497,839 | $ 1,685,435 | $ 536,249 | $ 6,165,798 |
| Adjustments to reconcile operating gain to net cash used by operating activities: | | | | | |
| Depreciation expense | 1,485,436 | 753,928 | 868,919 | 687,012 | 3,795,295 |
| Change in other receivables | 341,903 | (234,051) | 113,617 | 258,522 | 479,991 |
| Change in intergovernmental receivables | 68,617 | - | 23,285 | 741,061 | 832,963 |
| Changee in lease receivable | - | - | - | 164,401 | 164,401 |
| Change in deferred inflows related to leases | - | - | - | (162,717) | (162,717) |
| Change in prepaid items | 9,012 | 5,249 | 10,602 | 37,974 | 62,837 |
| Change in deferred outflows related to pensions | (117,231) | 7,254 | 14,391 | 3,265 | (92,321) |
| Change in deferred outflows related to OPEB | 794 | 1,764 | 2,873 | 1,077 | 6,508 |
| Change in accounts and intergovernmental payable | 202,431 | 45,773 | (20,623) | (147,216) | 80,365 |
| Change in escrow deposits | - | - | - | (1,012) | (1,012) |
| Change in compensated absences | (113,757) | (10,415) | (25,978) | (47,033) | (197,183) |
| Change in accrued lanfill closure and postclosure care costs | - | 440,094 | - | - | 440,094 |
| Change in net pension liability | 826,341 | 49,714 | 470 | 31,912 | 908,437 |
| Change in other postemployment benefits | 21,970 | (13,727) | (22,421) | (8,114) | (22,292) |
| Change in deferred assessments | - | (2,570) | - | 320,828 | 318,258 |
| Change in deferred inflows related to pensions | 356 | (5,684) | (5,765) | (3,094) | (14,187) |
| Change in deferred inflows related to OPEB | (10,615) | (6,089) | (8,617) | (3,712) | (29,033) |
| Total adjustments | 2,715,257 | 1,031,240 | 950,753 | 1,873,154 | 6,570,404 |
| Net cash provided by operating activities | $ 5,161,532 | $ 2,529,079 | $ 2,636,188 | $ 2,409,403 | $ 12,736,202 |

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, 2023***

| | Private Purpose Trust | All Custodial Funds | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 55,513 | $ 577,528 | $ 633,041 |
| Investments | 1,754,053 | 3,495,034 | 5,249,087 |
| Intergovernmental | - | 16,998,357 | 16,998,357 |
| Total assets | 1,809,566 | 21,070,919 | 22,880,485 |
| **LIABILITIES** | | | |
| Intergovernmental payable | - | 17,008,098 | 17,008,098 |
| **NET POSITION** | | | |
| Unrestricted | $ 1,809,566 | $ 4,062,821 | $ 5,872,387 |

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, 2023***

| | Private Purpose Trust | All Custodial Funds | Total |
|---|---|---|---|
| **ADDITIONS** | | | |
| Contributions | $ 14,772 | $ 622,387 | $ 637,159 |
| Investment earnings | 198,210 | 181,056 | 379,266 |
| Tax collections for other governments | - | 41,852,792 | 41,852,792 |
| State fees collected | - | 838,584 | 838,584 |
| Total additions | 212,982 | 43,494,819 | 43,707,801 |
| **DEDUCTIONS** | | | |
| Benefits paid | 25,892 | - | 25,892 |
| Administrative expenses | 9,001 | 596,571 | 605,572 |
| Payments of taxes to other governments | - | 41,852,792 | 41,852,792 |
| Payments of State fees | - | 838,584 | 838,584 |
| Total deductions | 34,893 | 43,287,947 | 43,322,840 |
| Change in net position | 178,089 | 206,872 | 384,961 |
| Net position, beginning | 1,631,477 | 3,855,949 | 5,487,426 |
| Net position, ending | $ 1,809,566 | $ 4,062,821 | $ 5,872,387 |

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

# CITY OF LEBANON, NEW HAMPSHIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS

## AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023



### 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.

***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. Accompanying statements are 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.

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, sanitation, culture and recreation, debt service and capital outlay. 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 Fund –** is used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds including 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 thirteen 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 and for the non-major funds aggregated.

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 and do not involve measurement of results of operations. 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** – are 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** – are custodial in nature and do not involve the measurement of operating results. 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 are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g. an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

**Level 2** – The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

**Level 3** – Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

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, 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.

### *1-I Capital Assets*

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements but are not reported in the fund financial statements. 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 recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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 the proprietary fund capital assets is the same as that used for general capital assets.

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 (except for land and construction on progress which are not 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 are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

***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. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

### 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 5, 2023, and November 8, 2023, and due on July 5, 2023, and December 8, 2023. 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 taxes 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, 2023, utilized in the setting of the tax rate was as follows:

| | |
|---|---|
| Total assessment valuation with utilities | $ 2,744,378,645 |
| Total assessment valuation without utilities | $ 2,624,138,445 |

The tax rates and amounts assessed for the year ended December 31, 2023 were as follows:

| | Per $1,000 of Assessed Valuation | Property Taxes Assessed |
|---|---|---|
| Municipal portion | $ 8.97 | $ 24,599,158 |
| School portion: | | |
| State of New Hampshire | 1.51 | 3,965,135 |
| Local | 12.53 | 34,390,822 |
| County portion | 1.27 | 3,496,835 |
| Total | $ 24.28 | $ 66,451,950 |

### 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, 2023.

### 1-M Deferred Outflows/Inflows of Resources

*Deferred outflows of resources,* a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) 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 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 (OPEB)*

The City maintains two separate other postemployment benefit plans, 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*** – 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 sure the nature and extent of the constraints placed on a government's fund balances are 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, inventory, or tax deeded property subject to resale); 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 pursuant to constraints imposed by formal action of the legislative body (City Meeting). 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. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**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 Selectboard 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 government'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).

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 2023, $2,390,001 of the beginning general fund unassigned fund balance was applied for this purpose.

### *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.

| | General |
|---|---|
| Revenues and other financing sources: | |
| Per Exhibit D (budgetary basis) | $ 37,334,330 |
| Adjustment: | |
| Basis differences: | |
| GASB Statement No. 54: | |
| To record income of the blended funds | 1,215,837 |
| To eliminate transfers between blended funds | (90,000) |
| Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis | 275,836 |
| Per Exhibit C-3 (GAAP basis) | $ 38,736,003 |
| Expenditures and other financing uses: | |
| Per Exhibit D (budgetary basis) | $ 37,773,936 |
| Adjustment: | |
| Basis differences: | |
| Encumbrances, beginning | 1,420,168 |
| Encumbrances, ending | (1,778,933) |
| GASB Statement No. 54: | |
| To record expenditures of the blended funds during the year | 940,957 |
| To eliminate transfers between general and blended funds | (820,400) |
| To recognize transfers out of the blended funds | 970,000 |
| Per Exhibit C-3 (GAAP basis) | $ 38,505,728 |

### *2-C Deficit Fund Balances*

The capital improvements fund had a deficit fund balance of $3,358,700 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. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The City has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

## DETAILED NOTES ON ALL FUNDS

### NOTE 3 – CASH AND CASH EQUIVALENTS

The City's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the City's agent in the City's name. The FDIC currently insures the first $250,000 of the City's deposits at each financial institution, per case custodian. Deposit balances over $250,000 are insured by the collateral. As of year-end, the carrying amount of the City's deposits was $51,328,775 and the bank balances totaled $51,141,474. Petty cash totaled $2,590.

Cash and cash equivalents reconciliation:

| | |
|---|---|
| Cash per Statement of Net Position (Exhibit A) | $ 50,695,734 |
| Cash per Statement of Net Position - Fiduciary Fund (Exhibit F-1) | 633,041 |
| Total cash and cash equivalents | $ 51,328,775 |

### NOTE 4 – RESTRICTED ASSETS

Cash and/or investments are classified as restricted for the following purposes:

| | |
|---|---|
| Cash and cash equivalents: | |
| General fund: | |
| Expendable trust | $ 285,409 |
| Emergency management | 185,783 |
| Heritage | 31,960 |
| Restricted funds | 1,474,049 |
| American Rescue Plan Act | 73,850 |
| Total restricted cash and cash equivalents | 2,051,051 |
| Investments: | |
| General fund: | |
| Expendable trust | 2,156,347 |
| Accounts receivable: | |
| General fund: | |
| Grants | 129,524 |
| Total restricted assets | $ 4,336,922 |

### 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. Because 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 as of December 31, 2023:

| | Valuation Measurement Method | Reported Balance | Less Than 1 Year | 1-5 Years | Exempt from Disclosure |
|---|---|---|---|---|---|
| Investment type: | | | | | |
| Equities | Level 1 | $ 5,145,087 | $ - | $ - | $ 5,145,087 |
| Fixed income | Level 1 | 14,027,049 | 2,050,604 | 2,768,138 | 9,208,307 |
| Mutual funds | Level 1 | 1,231,093 | - | - | 1,231,093 |
| Total fair value | | 20,403,229 | $ 2,050,604 | $ 2,768,138 | $ 15,584,487 |
| Investments carried at amortized cost: | | | | | |
| New Hampshire Public Deposit Investment Pool | | 1,828 | | | |
| Total invesments | | $ 20,405,057 | | | |

**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. As of December 31, 2023, the City's investment pool had the following credit risk structure:

| Investments Type | Reported Balance | Exempt from Disclosure | Ratings as of Year-end AA+ | Ratings as of Year-end Other |
|---|---|---|---|---|
| Investment type: | | | | |
| Equities | $ 5,145,087 | $ 5,145,087 | $ - | $ - |
| Fixed income | 14,027,049 | 9,208,307 | 4,382,477 | 436,265 |
| Mutual funds | 1,231,093 | 1,231,093 | - | - |
| New Hampshire Public Deposit Investment Pool | 1,828 | 1,828 | - | - |
| Total fair value | $ 20,405,057 | $ 15,586,315 | $ 4,382,477 | $ 436,265 |

**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) | $ 15,155,970 |
| Investments per Statement of Net Position - Fiduciary Funds (Exhibit F-1) | 5,249,087 |
| Total investments | $ 20,405,057 |

## *NOTE 6 – TAXES RECEIVABLE*

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2023. The amount has been reduced by an allowance for an estimated uncollectible amount of $150,000. Taxes receivable by year are as follows:

| | As reported on: Exhibit A | As reported on: Exhibit C-1 |
|---|---|---|
| Property: | | |
| Levy of 2023 | $ 1,821,583 | $ 1,821,583 |
| Unredeemed (under tax lien): | | |
| Levy of 2022 | 217,137 | 217,137 |
| Levy of 2021 | 66,215 | 66,215 |
| Levies of 2020 and prior | 10,043 | 10,043 |
| Land use change | 16,250 | 16,250 |
| Less: allowance for estimated uncollectible taxes | (150,000) * | - |
| Net taxes receivable | $ 1,981,228 | $ 2,131,228 |

*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, 2023, 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, 2023 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 | $ 2,173,469 | $ 809,080 | $ 2,982,549 |
| Intergovernmental | 517,578 | 5,466,068 | 5,983,646 |
| Voluntary tax liens | 9,804 | - | 9,804 |
| Gross receivables | 2,700,851 | 6,275,148 | 8,975,999 |
| Less: allowance for uncollectibles | (1,651,594) | - | (1,651,594) |
| Net total receivables | $ 1,049,257 | $ 6,275,148 | $ 7,324,405 |

| | Proprietary Funds | | | | |
|---|---|---|---|---|---|
| | Sewage Collection and Disposal | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport | Total Proprietary Funds |
| Receivables: | | | | | |
| Accounts | $ 110,364 | $ 622,479 | $ 19,058 | $ 57,179 | $ 809,080 |
| Intergovernmental | 4,344,636 | - | 358,309 | 763,123 | 5,466,068 |
| Net total receivables | $ 4,455,000 | $ 622,479 | $ 377,367 | $ 820,302 | $ 6,275,148 |

| | Governmental Funds | | Total Governmental Funds | Fiduciary Funds |
|---|---|---|---|---|
| | General | Nonmajor | | |
| Receivables: | | | | |
| Accounts | $ 2,013,639 | $ 24,527 | $ 2,043,945 | $ - |
| Restricted | 129,524 | - | 129,524 | - |
| Intergovernmental | 39,832 | - | 39,832 | 16,998,357 [1] |
| Voluntary tax liens | 9,804 | - | 9,804 | - |
| Gross receivables | 2,192,799 | 24,527 | 2,223,105 | 16,998,357 |
| Less: allowance for uncollectibles | (1,651,594) | - | (1,651,594) | - |
| Net total receivables | $ 541,205 | $ 24,527 | $ 571,511 | $ 16,998,357 |

[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, 2023 consisted of the following:

| Government-wide Statements | | Governmental Funds | | Proprietary Funds | | |
|---|---|---|---|---|---|---|
| Governmental Activities | Business-type Activities | General | Other Governmental Funds | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport |
| $ 48,482 | $ 57,929 | $ 46,364 | $ 2,118 | $ - | $ 750 | $ 57,179 |

## *NOTE 9 – CAPITAL ASSETS*

Capital asset activity for the year ended December 31, 2023 is as follows:

| | Balance, beginning | Additions | Deletions | Balance, ending |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| At cost: | | | | |
| Not being depreciated: | | | | |
| Land | $ 7,702,436 | $ 992,018 | $ - | $ 8,694,454 |
| Intangible assets | 584,820 | 20,200 | - | 605,020 |
| Construction in progress | 8,496,398 | 2,211,493 | (3,523,163) | 7,184,728 |
| Total capital assets not being depreciated | 16,783,654 | 3,223,711 | (3,523,163) | 16,484,202 |
| Being depreciated: | | | | |
| Land improvements | 4,075,844 | 1,620,545 | - | 5,696,389 |
| Buildings and building improvements | 31,968,761 | 1,693,339 | - | 33,662,100 |
| Machinery and equipment | 15,345,941 | 961,217 | - | 16,307,158 |
| Infrastructure | 95,795,793 | 3,703,875 | (531,591) | 98,968,077 |
| Total capital assets being depreciated | 147,186,339 | 7,978,976 | (531,591) | 154,633,724 |
| Total all capital assets | 163,969,993 | 11,202,687 | (4,054,754) | 171,117,926 |
| Less accumulated depreciation: | | | | |
| Land improvements | (2,616,770) | (105,305) | - | (2,722,075) |
| Buildings and building improvements | (10,061,104) | (628,750) | - | (10,689,854) |
| Machinery and equipment | (8,052,089) | (593,732) | - | (8,645,821) |
| Infrastructure | (27,387,511) | (2,241,676) | 357,268 | (29,271,919) |
| Total accumulated depreciation | (48,117,474) | (3,569,463) | 357,268 | (51,329,669) |
| Net book value, capital assets being depreciated | 99,068,865 | 4,409,513 | (174,323) | 103,304,055 |
| Net book value, all governmental activities capital assets | $ 115,852,519 | $ 7,633,224 | $ (3,697,486) | $ 119,788,257 |
| **Business-type activities:** | | | | |
| At cost: | | | | |
| Not being depreciated: | | | | |
| Land | $ 809,968 | $ - | $ - | $ 809,968 |
| Intangible assets | 635,054 | - | - | 635,054 |
| Construction in progress | 13,789,230 | 3,319,178 | (6,721,303) | 10,387,105 |
| Total capital assets not being depreciated | 15,234,252 | 3,319,178 | (6,721,303) | 11,832,127 |
| Being depreciated: | | | | |
| Land improvements | 45,706,954 | - | - | 45,706,954 |
| Buildings and building improvements | 46,137,005 | 1,757,105 | - | 47,894,110 |
| Machinery and equipment | 10,332,775 | 1,945,968 | - | 12,278,743 |
| Infrastructure | 82,516,837 | 5,490,657 | - | 88,007,494 |
| Total capital assets being depreciated | 184,693,571 | 9,193,730 | - | 193,887,301 |
| Total all capital assets | 199,927,823 | 12,512,908 | (6,721,303) | 205,719,428 |
| Less accumulated depreciation: | | | | |
| Land improvements | (34,670,725) | (860,037) | - | (35,530,762) |
| Buildings and building improvements | (17,397,478) | (833,816) | - | (18,231,294) |
| Machinery and equipment | (5,776,669) | (503,303) | - | (6,279,972) |
| Infrastructure | (26,588,903) | (1,598,139) | - | (28,187,042) |
| Total accumulated depreciation | (84,433,775) | (3,795,295) | - | (88,229,070) |
| Net book value, capital assets being depreciated | 100,259,796 | 5,398,435 | - | 105,658,231 |
| Net book value, all business-type activities capital assets | $ 115,494,048 | $ 8,717,613 | $ (6,721,303) | $ 117,490,358 |

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 | $ 121,157 |
| Public safety | 538,746 |
| Highways and streets | 2,578,580 |
| Culture and recreation | 311,786 |
| Conservation | 19,194 |
| Total depreciation expense | $ 3,569,463 |
| **Business-type activities:** | |
| Sewage collection and disposal | $ 1,485,436 |
| Solid waste disposal | 753,928 |
| Water treatment and distribution | 868,919 |
| Municipal airport | 687,012 |
| Total depreciation expense | $ 3,795,295 |

## *NOTE 10 – INTERFUND BALANCES AND TRANSFERS*

***Interfund Balances*** - The composition of interfund balances as of December 31, 2023 is as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General | Capital improvements | $ 2,879,414 |
| General | Nonmajor governmental | 34,778 |
| Nonmajor governmental | General | 75 |
| Nonmajor governmental | Nonmajor governmental | 6,941 |
| | | $ 2,921,208 |

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, 2023 is as follows:

| | Transfers In | Transfers Out | Cumulative Transfers |
|---|---|---|---|
| Major governmental funds: | | | |
| General | $ 2,229,144 | $ (1,246,500) | $ 982,644 |
| Capital improvements | 1,359,651 | - | 1,359,651 |
| Nonmajor governmental funds | 6,941 | (286,538) | (279,597) |
| Total governmental funds | 3,595,736 | (1,533,038) | 2,062,698 |
| Major proprietary funds: | | | |
| Sewage collection and disposal | - | (705,606) | (705,606) |
| Solid waste disposal | - | (929,750) | (929,750) |
| Water treatment and distribution | 301,330 | (640,445) | (339,115) |
| Municipal airport | - | (88,227) | (88,227) |
| Total proprietary funds | 301,330 | (2,364,028) | (2,062,698) |
| Total | $ 3,897,066 | $ (3,897,066) | $ - |

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, 2023 consist of the following:

| | Governmental Activities | Business-type Activities | Governmental Fund General | Proprietary Fund Sewer | Fiduciary Funds |
|---|---|---|---|---|---|
| Property taxes due to the custodial funds | $ 16,998,357 [2] | $ - | $ 16,998,357 | $ - | $ - |
| Balance due to the New Hampshire Retirement System | 490,512 | - | 490,512 | - | - |
| Other miscellaneous intergovernmental payables | 41,138 | - | 41,138 | - | - |
| Sewer fees owed to the Town of Hanover | - | 330,554 | - | 330,554 | - |
| Federal income taxes owed | 69,080 | - | 69,080 | - | - |
| Impact fees owed to the Lebanon School District | - | - | - | - | 9,741 |
| Property taxes due to the Lebanon School District | - | - | - | - | 16,998,357 [3] |
| Total intergovernmental payables due | $ 17,599,087 | $ 330,554 | $ 17,599,087 | $ 330,554 | $ 17,008,098 |

[2] Property taxes due to the custodial fund represent amounts collected by the City on behalf of Lebanon School District and are reported as a component of general fund cash at year-end.

[3] 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, 2023. 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: | | |
| Capital improvements | $ 166,339 | $ 318,726 |
| Proprietary funds: | | |
| Sewage collection and disposal | 32,451 | 26,452 |
| Solid waste disposal | 9,245 | 213,788 |
| Water treatment and distribution | 6,430 | 49,250 |
| Municipal airport | 16,957 | - |
| Total proprietary funds | 65,083 | 289,490 |
| Total | $ 231,422 | $ 608,216 |

The remaining balances of uncompleted construction contracts at December 31, 2023, are as follows:

| | Total Contracts | Spent to Date | Remaining Commitment |
|---|---|---|---|
| Governmental fund: | | | |
| Capital improvements | $ 5,876,428 | $ 2,983,172 | $ 2,893,256 |
| Proprietary funds: | | | |
| Sewage collection and disposal | 549,556 | 197,040 | 352,516 |
| Solid waste disposal | 5,344,542 | 3,984,155 | 1,360,387 |
| Water treatment and distribution | 339,067 | 92,613 | 246,454 |
| Municipal airport | 3,313,328 | 525,404 | 2,787,924 |
| Total proprietary funds | 9,546,493 | 4,799,212 | 4,747,281 |
| Total | $ 15,422,921 | $ 7,782,384 | $ 7,640,537 |

## *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) | $ 4,258,768 | $ 591,251 | $ 4,850,019 |
| Amounts related to other postemployment benefits (see Note 17) | 274,433 | 32,523 | 306,956 |
| Total | $ 4,533,201 | $ 623,774 | $ 5,156,975 |

| | Proprietary Funds | | | |
|---|---|---|---|---|
| | Sewage Collection and Disposal | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport |
| Amounts related to pensions (see Note 16) | $ 279,218 | $ 128,058 | $ 112,595 | $ 71,380 |
| Amounts related to other postemployment benefits (see Note 17) | 12,404 | 8,257 | 7,260 | 4,602 |
| Total | $ 291,622 | $ 136,315 | $ 119,855 | $ 75,982 |

Deferred inflows of resources are as follows:

| | Government-wide Statements | | | Governmental Fund |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | General |
| Unavailable revenue - Property taxes | $ - | $ - | 0 | $ 501,319 |
| Unavailable revenue - Grants received in advance | 1,054,095 | - | 1,054,095 | 1,054,095 |
| Debt forgiveness | 1,665,318 | 3,341,230 | 5,006,548 | - |
| Deferred revenue | - | 557,091 | 557,091 | - |
| Amounts related to leases (see Note 14) | - | 1,598,389 | 1,598,389 | - |
| Amounts related to pensions (see Note 16) | 242,184 | 33,622 | 275,806 | - |
| Amounts related to other postemployment benefits (see Note 17) | 455,002 | 49,879 | 504,881 | - |
| | $ 3,416,599 | $ 5,580,211 | $ 8,996,810 | $ 1,555,414 |

| | Proprietary Funds | | | |
|---|---|---|---|---|
| | Sewage Collection and Disposal | Solid Waste Disposal | Water Treatment and Distribution | Municipal Airport |
| Debt forgiveness | $ 1,473,046 | $ - | $ 1,868,184 | $ - |
| Deferred revenue | - | 4,035 | - | 553,056 |
| Amounts related to leases (see Note 14) | - | - | - | 1,598,389 |
| Amounts related to pensions (see Note 16) | 15,878 | 7,282 | 6,403 | 4,059 |
| Amounts related to other postemployment benefits (see Note 17) | 16,516 | 13,692 | 12,039 | 7,632 |
| | $ 1,505,440 | $ 25,009 | $ 1,886,626 | $ 2,163,136 |

## *NOTE 14 – LEASE RECEIVABLES*

The Town had the following lease receivables as of December 31, 2023:

| | Original Amount | Issue Date | Maturity Date | Interest Rate | Receivable at December 31, 2023 |
|---|---|---|---|---|---|
| **Business-type activities:** | | | | | |
| Big Green Aviation | $ 396,084 | 2019 | 2031 | 0.00% | $ 305,949 |
| Alpha Sierra | $ 1,564,672 | 2016 | 2048 | 0.00% | 1,222,404 |
| GSA Fort Worth | $ 136,220 | 2022 | 2027 | 0.00% | 9,081 |
| Cape Air | $ 205,956 | 2021 | 2024 | 0.00% | 60,600 |
| | | | | Total lease receivables | $ 1,598,034 |

The annual requirements to amortize all lease receivables outstanding as of December 31, 2023, including interest payments, are as follows:

| Fiscal Year Ending December 31, | Principal |
|---|---|
| 2024 | $ 150,010 |
| 2025 | 89,410 |
| 2026 | 89,410 |
| 2027 | 89,410 |
| 2028 | 87,140 |
| 2029-2033 | 359,211 |
| 2034-2038 | 244,481 |
| 2039-2043 | 244,481 |
| 2044-2048 | 244,481 |
| Totals | $ 1,598,034 |

## *NOTE 15 – LONG-TERM LIABILITIES*

Changes in the City's long-term liabilities consisted of the following for the year ended December 31, 2023:

| | Balance January 1, 2023 (as restated) | Additions | Reductions | Balance December 31, 2023 | Due Within One Year | Due In More Than One Year |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| Bonds payable: | | | | | | |
| Direct placements | $ 28,797,878 | $ 95,069 | $ (2,931,175) | $ 25,961,772 | $ 2,889,840 | $ 23,071,932 |
| Notes/loans payable - direct borrowings | 8,910,478 | - | (569,712) | 8,340,766 | 552,805 | 7,787,961 |
| Premium | 3,012,287 | 8,770 | (216,903) | 2,804,154 | 217,341 | 2,586,813 |
| Total bonds/notes payable | 40,720,643 | 103,839 | (3,717,790) | 37,106,692 | 3,659,986 | 33,446,706 |
| Compensated absences | 4,276,026 | - | (1,925,691) | 2,350,335 | 208,023 | 2,142,312 |
| Net pension liability | 26,100,612 | - | (164,562) | 25,936,050 | - | 25,936,050 |
| Net other postemployment benefits | 2,681,448 | 99,141 | (139,227) | 2,641,362 | - | 2,641,362 |
| Total long-term liabilities | $ 73,778,729 | $ 202,980 | $ (5,947,270) | $ 68,034,439 | $ 3,868,009 | $ 64,166,430 |
| **Business-type activities:** | | | | | | |
| Bonds payable: | | | | | | |
| Direct placements | $ 16,386,696 | $ 2,761,424 | $ (1,819,599) | $ 17,328,521 | $ 1,953,411 | $ 15,375,110 |
| Notes/loans payable - direct borrowings | 30,398,562 | - | (2,028,900) | 28,369,662 | 2,034,735 | 26,334,927 |
| Premium | 1,394,835 | 254,737 | (112,293) | 1,537,279 | 125,030 | 1,412,249 |
| Total bonds/notes payable | 48,180,093 | 3,016,161 | (3,960,792) | 47,235,462 | 4,113,176 | 43,122,286 |
| Compensated absences | 390,345 | - | (197,183) | 193,162 | - | 193,162 |
| Accrued landfill closure and postclosure care costs | 12,288,089 | 440,094 | - | 12,728,183 | 173,215 | 12,554,968 |
| Net pension liability | 2,692,303 | 908,437 | - | 3,600,740 | - | 3,600,740 |
| Net other postemployment benefits | 357,365 | 41,243 | (63,535) | 335,073 | - | 335,073 |
| Total long-term liabilities | $ 63,908,195 | $ 4,405,935 | $ (4,221,510) | $ 64,092,620 | $ 4,286,391 | $ 59,806,229 |

Long-term bonds/notes are comprised of the following:

| | Original Amount | Issue Date | Maturity Date | Interest Rate % | Outstanding at December 31, 2023 | Current Portion |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| Bonds payable - direct placements: | | | | | | |
| NHMBB04B | $ 3,506,098 | 2004 | 2024 | 3.00-5.00 | $ 172,143 | $ 172,143 |
| NHMBB05B | $ 4,583,082 | 2005 | 2025 | 4.00-4.50 | 450,000 | 225,000 |
| NHMBB06A | $ 4,441,665 | 2006 | 2026 | 4.50-5.00 | 660,000 | 220,000 |
| NHMBB07B | $ 6,584,511 | 2007 | 2027 | 4.00-4.75 | 1,194,400 | 298,600 |
| NHMBB08A | $ 2,396,404 | 2008 | 2028 | 4.00-4.125 | 347,625 | 69,525 |
| NHMBB09C | $ 3,836,780 | 2009 | 2029 | 3.02-5.02 | 720,000 | 121,000 |
| NHMBB10B | $ 3,948,393 | 2010 | 2030 | 3.823 | 1,356,590 | 197,370 |
| NHMBB11B | $ 3,651,784 | 2011 | 2031 | 3.55 | 1,360,000 | 170,000 |
| NHMBB12B | $ 428,374 | 2012 | 2032 | 2.57-3.18 | 183,240 | 20,360 |
| NHMBB14A | $ 655,000 | 2014 | 2024 | 5.10 | 65,000 | 65,000 |
| NHMBB16B | $ 1,819,100 | 2016 | 2036 | 2.51 | 1,170,000 | 90,000 |
| NHMBB17B | $ 1,856,400 | 2017 | 2037 | 2.52 | 1,165,000 | 110,000 |
| NHMBB18B | $ 2,905,400 | 2018 | 2038 | 3.20 | 2,065,000 | 164,000 |
| NHMBB20A | $ 7,148,900 | 2020 | 2040 | 2.12 | 6,010,000 | 375,000 |
| NHMBB20B | $ 7,239,292 | 2020 | 2040 | 1.64 | 6,015,011 | 409,116 |
| NHMBB21C | $ 1,229,070 | 2021 | 2041 | 2.10-5.10 | 1,098,000 | 67,000 |
| NHMBB22C | $ 1,931,406 | 2022 | 2042 | 4.10-5.10 | 1,834,694 | 96,712 |
| NHMBB23 | $ 95,069 | 2023 | 2028 | 5.10 | 95,069 | 19,014 |
| Total direct placements | | | | | 25,961,772 | 2,889,840 |
| Notes/loans payable - direct borrowings: | | | | | | |
| SRF CS-333092-05 | $ 2,912,891 | 2014 | 2034 | 3.392 | 740,353 | 74,035 |
| SRF CS-330092-07 CSO | $ 1,272,534 | 2016 | 2036 | 2.00 | 724,712 | 55,747 |
| SRF CS-330092-08 CSO | $ 1,280,000 | 2017 | 2036 | 2.00 | 728,000 | 56,000 |
| SRF CS-330092-10 CSO | $ 728,283 | 2018 | 2037 | 2.70 | 458,818 | 32,773 |
| SRF CS-1321010-02 CSO | $ 800,000 | 2019 | 2039 | 1.70 | 569,550 | 35,597 |
| SRF CS-330092-11 CSO | $ 4,489,689 | 2020 | 2040 | 2.00 | 3,434,613 | 202,036 |
| SRF DWGT-17 CSO | $ 74,615 | 2021 | 2040 | 2.424 | 59,274 | 2,859 |
| SRF CS-330092-12 CSO | $ 1,381,845 | 2021 | 2040 | 2.00 | 1,057,510 | 62,206 |
| SRF CS-330092-14 | $ 742,400 | 2022 | 2041 | 2.00 | 567,936 | 31,552 |
| Total direct borrowings | | | | | 8,340,766 | 552,805 |
| Bond premiums | | | | | 2,804,154 | 217,341 |
| Total | | | | | $ 37,106,692 | $ 3,659,986 |

*(Continued)*

| | Original Amount | Issue Date | Maturity Date | Interest Rate % | December 31, 2023 | Current Portion |
|---|---|---|---|---|---|---|
| **Business-type activities:** | | | | | | |
| Bonds payable - direct placements: | | | | | | |
| NHMBB04B | $ 1,281,902 | 2004 | 2024 | 3.00-5.00 | $ 27,857 | $ 27,857 |
| NHMBB05B | $ 1,254,393 | 2005 | 2025 | 4.00-4.50 | 120,000 | 60,000 |
| NHMBB06A | $ 2,070,164 | 2006 | 2026 | 4.50-5.00 | 305,000 | 105,000 |
| NHMBB07B | $ 2,362,489 | 2007 | 2027 | 4.00-4.75 | 565,600 | 141,400 |
| NHMBB08A | $ 2,030,611 | 2008 | 2028 | 4.00-4.125 | 527,375 | 105,475 |
| NHMBB09C | $ 1,370,220 | 2009 | 2029 | 3.02-5.02 | 405,000 | 69,000 |
| NHMBB10B | $ 3,152,607 | 2010 | 2030 | 3.823 | 1,103,410 | 157,630 |
| NHMBB11B | $ 4,720,716 | 2011 | 2031 | 3.55 | 1,880,000 | 235,000 |
| NHMBB12B | $ 4,306,526 | 2012 | 2032 | 2.57-3.18 | 606,760 | 329,640 |
| NHMBB13C | $ 2,207,000 | 2013 | 2033 | 4.10-5.60 | 1,075,000 | 110,000 |
| NHMBB18B | $ 1,629,000 | 2018 | 2038 | 3.20 | 1,215,000 | 81,000 |
| NHMBB20B | $ 2,993,133 | 2020 | 2040 | 1.64 | 2,539,989 | 150,885 |
| NHMBB21C | $ 2,360,980 | 2021 | 2041 | 2.10-5.10 | 2,117,000 | 123,000 |
| NHMBB22C | $ 2,188,594 | 2022 | 2042 | 4.10-5.10 | 2,079,106 | 109,488 |
| NHMBB23 | $ 2,761,424 | 2023 | 2028 | 5.10 | 2,761,424 | 148,036 |
| Total direct placements | | | | | 17,328,521 | 1,953,411 |
| Notes/loans payable - direct borrowings: | | | | | | |
| SRF CS-330092-03 | $ 1,576,416 | 2008 | 2028 | 2.352 | 394,104 | 78,821 |
| 2012 SRF/ARRA | $ 1,294,062 | 2011 | 2031 | 3.55 | 315,083 | 35,604 |
| SRF CS-333092-05 | $ 4,369,336 | 2014 | 2034 | 3.392 | 1,110,531 | 111,053 |
| SRF CS-330092-07 CSO | $ 1,908,801 | 2016 | 2036 | 2.00 | 1,087,068 | 83,620 |
| SRF CS-330092-04 | $ 11,541,564 | 2016 | 2036 | 2.00 | 7,502,017 | 577,078 |
| SRF CS-330092-06 | $ 1,904,452 | 2016 | 2036 | 2.00 | 995,159 | 76,551 |
| SRF CS-330092-08 CSO | $ 1,920,000 | 2017 | 2036 | 2.00 | 1,092,000 | 84,000 |
| SRF #1321010-01 | $ 200,000 | 2017 | 2036 | 1.96 | 139,601 | 9,448 |
| SRF CS-330092-09 | $ 4,672,089 | 2017 | 2037 | 2.42 | 3,270,463 | 233,604 |
| SRF CS-330092-10 CSO | $ 1,092,424 | 2018 | 2037 | 2.70 | 688,228 | 49,160 |
| SRF CS-1321010-02 CSO | $ 1,200,000 | 2019 | 2039 | 1.70 | 854,324 | 53,396 |
| SRF CS-330092-11 CSO | $ 7,440,093 | 2020 | 2040 | 2.00 | 5,691,670 | 334,804 |
| SRF DWGT-17 CSO | $ 111,923 | 2021 | 2040 | 2.424 | 88,910 | 4,288 |
| SRF CS-330092-12 CSO | $ 2,072,768 | 2021 | 2040 | 2.00 | 1,586,264 | 93,310 |
| SRF DWGT-23 | $ 3,400,000 | 2021 | 2041 | 3.38 | 2,521,319 | 103,533 |
| John Deere wheel loader | $ 358,500 | 2021 | 2026 | 2.00 | 181,017 | 59,137 |
| SRF CS-330092-14 | $ 742,400 | 2022 | 2041 | 2.00 | 851,904 | 47,328 |
| Total direct borrowings | | | | | 28,369,662 | 2,034,735 |
| Bond premiums | | | | | 1,537,279 | 125,030 |
| Total | | | | | $ 47,235,462 | $ 4,113,176 |

The annual requirements to amortize all general obligation bonds/notes outstanding as of December 31, 2023, 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 |
| 2024 | $ 2,889,840 | $ 1,038,506 | $ 3,928,346 | $ 552,805 | $ 178,917 | $ 731,722 |
| 2025 | 2,647,696 | 898,720 | 3,546,416 | 552,875 | 166,692 | 719,567 |
| 2026 | 2,382,696 | 771,229 | 3,153,925 | 552,946 | 154,466 | 707,412 |
| 2027 | 2,155,596 | 655,819 | 2,811,415 | 553,018 | 142,239 | 695,257 |
| 2028 | 1,856,995 | 556,594 | 2,413,589 | 553,093 | 130,010 | 683,103 |
| 2029-2033 | 7,048,817 | 1,653,555 | 8,702,372 | 2,766,647 | 466,544 | 3,233,191 |
| 2034-2038 | 5,186,224 | 629,408 | 5,815,632 | 2,142,355 | 187,868 | 2,330,223 |
| 2039-2043 | 1,793,908 | 81,431 | 1,875,339 | 667,027 | 20,551 | 687,578 |
| Totals | $ 25,961,772 | $ 6,285,262 | $ 32,247,034 | $ 8,340,766 | $ 1,447,287 | $ 9,788,053 |

**Business-type activities:**

| Fiscal Year Ending December 31, | Bonds - Direct Placements | | | Notes/Loans - Direct Borrowings | | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2024 | $ 1,953,411 | $ 748,225 | $ 2,701,636 | $ 2,034,735 | $ 642,235 | $ 2,676,970 |
| 2025 | 1,620,553 | 655,840 | 2,276,393 | 2,040,737 | 595,988 | 2,636,725 |
| 2026 | 1,560,552 | 580,779 | 2,141,331 | 2,046,917 | 549,564 | 2,596,481 |
| 2027 | 1,457,552 | 506,632 | 1,964,184 | 1,990,488 | 502,957 | 2,493,445 |
| 2028 | 1,316,152 | 441,613 | 1,757,765 | 1,995,773 | 457,417 | 2,453,190 |
| 2029-2033 | 4,786,843 | 1,402,110 | 6,188,953 | 9,579,598 | 1,625,795 | 11,205,393 |
| 2034-2038 | 2,923,817 | 610,067 | 3,533,884 | 7,076,187 | 605,700 | 7,681,887 |
| 2039-2043 | 1,709,641 | 148,416 | 1,858,057 | 1,605,227 | 70,125 | 1,675,352 |
| Totals | $ 17,328,521 | $ 5,093,682 | $ 22,422,203 | $ 28,369,662 | $ 5,049,781 | $ 33,419,443 |

All debt is general obligation debt of the City, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

***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 $12,728,183 as of December 31, 2023, which is based on $7,531,710 of closure costs for the open landfills and $5,196,473 of postclosure maintenance costs ($173,215 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, 2023. 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, 2023, this capital reserve fund had a balance $9,682,906.

***Bonds/Notes Authorized and Unissued*** – Bonds and notes authorized and unissued as of December 31, 2023 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 | 70,000 | 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 | 100,000 | Sewage collection and 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 | Lanfill gas to energy project | 1,199,860 | Solid waste disposal |
| 2023 | Fire ladder #1 replacement | 1,700,000 | General |
| 2023 | Trues Brook Road Bridge Rplacement #066-059 | 46,000 | General |
| 2023 | South Main Street Bridge Placement 2082-117 | 3,520,970 | General |
| 2023 | Kimbal Street and Forest Avenue Reconstruction | 2,159,000 | General/water treatment and distribution/sewage collection and disposal |
| 2023 | Mechanic/High/Mascoma Streets Intersection | 336,000 | General |
| 2023 | Mount Support Road/Lahaye Drive Intersection | 4,350,000 | General |
| 2023 | West Lebanon Main Street Streetscape Improvements | 1,346,000 | General |
| 2023 | Water System Improvements - Miracle Mile SRF | 2,300,000 | General |
| 2023 | Estabrook Circle and Maple St Stormwater Improvements | 155,000 | General |
| 2023 | Bakers Crossing Sewer Forcemain Replacement | 890,000 | Sewage collection and disposal |
| 2023 | Kimbal Street and Forest Avenue Reconstruction CWSRF | 469,000 | Sewage collection and disposal |
| 2023 | Sewer System Improvments -So. Main Bridge SRF CWSRF | 5,000 | Sewage collection and disposal |
| 2023 | Estabrook Circle and Maple St Stormwater Improvements CWSRI | 23,250 | Sewage collection and disposal |
| 2023 | Bakers Crossing Sewer Forcemain Replacement CWSRF | 890,000 | Sewage collection and disposal |
| 2023 | Kimball Street Infrastructure Reconstruction DWSRF | 780,000 | Water treatment and distribution |
| 2023 | Water System Improvements - So. Main Bridge DWSRF | 200,000 | Water treatment and distribution |
| 2023 | Water System Improvements - Miracle Mile SRF DWSRF | 2,077,000 | Water treatment and distribution |
| 2023 | Estabrook Cirlce and Maple Street Improvements DWSRF | 46,500 | Water treatment and distribution |
| 2023 | Purchase 160 Mechanic Street | 425,000 | General |
| 2023 | Purchase 14, 28, & 30 Main Street | 1,800,000 | General |
| | | $ 42,763,749 | |

## *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 one 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 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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 1/1/12 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 1/1/12 | 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 members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For the period of January 1, 2023, to June 30, 2023, the City contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. For the period of July 1, 2023, to December 31, 2023, the City contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2023 was $3,172,748, which was paid in full.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions*** – At December 31, 2023 the City reported a liability of $29,536,790 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 participating Cities and school districts, actuarially determined. At June 30, 2023, the City's proportion was 0.53% which was an increase of 0.03% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of $4,038,617. At December 31, 2023 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 | $ 1,223,007 | $ 231,761 | $ 169,792 | $ 32,176 | $ 1,392,799 | $ 263,937 |
| Changes in assumptions | 682,623 | - | 94,770 | - | 777,393 | - |
| Net difference between projected and actual investment earnings on pension plan investments | 375,079 | - | 52,073 | - | 427,152 | - |
| Differences between expected and actual experience | 662,723 | 10,423 | 92,007 | 1,446 | 754,730 | 11,869 |
| Contributions subsequent to the measurement date | 1,315,336 | - | 182,609 | - | 1,497,945 | - |
| Total | $ 4,258,768 | $ 242,184 | $ 591,251 | $ 33,622 | $ 4,850,019 | $ 275,806 |

The $1,479,945 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, 2024. 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 |
|---|---|---|---|
| 2024 | $ 1,191,491 | $ 165,416 | $ 1,356,907 |
| 2025 | (175,439) | (24,357) | (199,796) |
| 2026 | 1,552,529 | 215,540 | 1,768,069 |
| 2027 | 132,667 | 18,421 | 151,088 |
| Totals | $ 2,701,248 | $ 375,020 | $ 3,076,268 |

***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 2023 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, 2022, 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 2023:

| Asset Class | Target Allocation | 30 Year Geometric Return |
|---|---|---|
| Broad US Equity (1) | 30.00% | 5.40% |
| Global Ex-US Equity (2) | 20.00% | 5.65% |
| Total public equity | 50.00% | |
| Real Estate Equity | 10.00% | 4.00% |
| Private Equity | 10.00% | 6.65% |
| Total private market equity | 20.00% | |
| Private Debt | 5.00% | 5.05% |
| Core U.S. Fixed Income (3) | 25.00% | 2.15% |
| Total | 100.00% | |

***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, 2023 | $ 35,192,080 | $ 25,936,050 | $ 18,027,339 |
| Business-type activities | June 30, 2023 | 4,885,768 | 3,600,740 | 2,502,762 |
| | | $ 40,077,848 | $ 29,536,790 | $ 20,530,101 |

***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 (OPEB)*

### *17-A New Hampshire Retirement System (NHRS)*

***Plan Description*** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual 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 2023 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 lessor 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 2023, 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 the period of January 1, 2023, to June 30, 2023, the City contributed 3.21% for police and fire, and 0.31% for other employees. For the period of July 1, 2023, to December 31, 2023, the City contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2023 was $227,308, which was paid in full.

***OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*** – At December 31, 2023, the City reported a liability of $1,774,780 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. 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 participating Cities and school districts, actuarially determined. At June 30, 2023, the City's proportion was 0.52% which was an increase of 0.02% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized OPEB expense of $132,309. At December 31, 2023, 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 | $ 1,873 | $ - | $ 260 | $ - | $ 2,133 | $ - |
| Contributions subsequent to the measurement date | 81,585 | - | 11,328 | - | 92,913 | - |
| Total | $ 83,458 | $ - | $ 11,588 | $ - | $ 95,046 | $ - |

The $92,913 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, 2024. 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 | $ (310) | $ (43) | $ (353) |
| 2024 | (2,366) | (329) | (2,695) |
| 2025 | 5,063 | 703 | 5,766 |
| 2026 | (514) | (71) | (585) |
| Totals | $ 1,873 | $ 260 | $ 2,133 |

***Actuarial Assumptions*** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022, and a measurement date of June 30, 2023. 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 |

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, 2022, 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 2023:

| Asset Class | Target Allocation | 30 Year Geometric Return |
|---|---|---|
| Broad US Equity (1) | 30.00% | 5.40% |
| Global Ex-US Equity (2) | 20.00% | 5.65% |
| Total public equity | 50.00% | |
| Real Estate Equity | 10.00% | 4.00% |
| Private Equity | 10.00% | 6.65% |
| Total private market equity | 20.00% | |
| Private Debt | 5.00% | 5.05% |
| Core U.S. Fixed Income (3) | 25.00% | 2.15% |
| Total | 100.00% | |

***Discount Rate*** – The discount rate used to measure the total OPEB liability as of June 30, 2023, 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, 2023 | $ 1,692,599 | $ 1,558,422 | $ 1,441,355 |
| Business-type activities | June 30, 2023 | 234,986 | 216,358 | 200,106 |
| | | $ 1,927,585 | $ 1,774,780 | $ 1,641,461 |

***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 | 175 |
| Total participants covered by OPEB plan | 234 |

***Total OPEB Liability*** – The City's total OPEB liability of $1,201,655 was measured as of December 31, 2023, and was determined by an actuarial valuation of that date.

***Actuarial Assumptions and Other Inputs*** – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Discount Rate: | 3.26% |
| Healthcare Cost Trend Rates: | |
| Current Year Trend | 6.5% |
| Second Year Trend | 6.0% |
| 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, 2023.

Mortality rates were based on the RPH-2014 Total Dataset headcount-weighted fully generational mortality table with projection scale MP-2021.

***Changes in the Total OPEB Liability***

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| OPEB liability, beginning of year | $ 983,798 | $ 182,250 | $ 1,166,048 |
| Changes for the year: | | | |
| Service cost | 35,557 | 3,898 | 39,455 |
| Interest | 38,969 | 4,272 | 43,241 |
| Assumption changes and difference between actual and expected experience | 103,072 | (63,104) | 39,968 |
| Benefit payments | (78,456) | (8,601) | (87,057) |
| OPEB liability, end of year | $ 1,082,940 | $ 118,715 | $ 1,201,655 |

***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 3.26%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to $1,006,452 or by 7.06%. If the discount rate were 1% lower than what was used the OPEB liability would increase to $1,294,135 or by 7.7%.

| | Discount Rate | | |
|---|---|---|---|
| Total OPEB Liability | 1% Decrease | Baseline 3.26% | 1% Increase |
| Governmental activities | $ 1,166,284 | $ 1,082,940 | $ 1,006,452 |
| Business-type activities | 127,851 | 118,715 | 110,330 |
| | $ 1,294,135 | $ 1,201,655 | $ 1,116,782 |

***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 6.5%. If the trend rate were 1% higher than what was used the OPEB liability would increase to $1,354.304 or by 12.70%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to $1,072,164 or by 10.78%.

| | Healthcare Cost Trend Rates | | |
|---|---|---|---|
| Total OPEB Liability | 1% Decrease 5.50% Decreasing to 3.50% | Baseline 6.50% Decreasing to 4.50% | 1% Increase 7.50% Decreasing to 5.50% |
| Governmental activities | $ 966,242 | $ 1,082,940 | $ 1,220,508 |
| Business-type activities | 105,922 | 118,715 | 133,796 |
| | $ 1,072,164 | $ 1,201,655 | $ 1,354,304 |

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*** – For the year ended December 31, 2023, the City recognized OPEB expense of $30,548. At December 31, 2023, 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 | $ 113,353 | $ 162,659 | $ 12,426 | $ 17,831 | $ 125,779 | $ 180,490 |
| Differences between expected and actual experience | 77,622 | 292,343 | 8,509 | 32,048 | 86,131 | 324,391 |
| Total | $ 190,975 | $ 455,002 | $ 20,935 | $ 49,879 | $ 211,910 | $ 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 | $ (46,996) | $ (5,152) | $ (52,148) |
| 2024 | (46,996) | (5,152) | (52,148) |
| 2025 | (46,428) | (5,090) | (51,518) |
| 2026 | (44,401) | (4,868) | (49,269) |
| 2027 | (56,787) | (6,225) | (63,012) |
| Thereafter | (22,419) | (2,457) | (24,876) |
| Totals | $ (264,027) | $ (28,944) | $ (292,973) |

## *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 | $ - | $ - | $ - | $ 77,924 | $ 6,530 | $ 84,454 |
| C-844 Combined Sewer Overflow | 129,848 | 36,662 | 166,510 | 194,773 | 54,993 | 249,766 |
| C-903 Dana & Craft Avenue Area | 200,418 | 30,464 | 230,882 | 300,626 | 45,696 | 346,322 |
| C-924 Combined Sewer Overflow - Phase 1 | 147,480 | 31,521 | 179,001 | 221,220 | 47,282 | 268,502 |
| C-928 Etna Road - NH Rt 10 Sewer Replacement | - | - | - | 1,520,615 | 218,960 | 1,739,575 |
| C-874 WWTF Phase 2 Upgrade and Energy Evaluation Improvements | - | - | - | 1,747,987 | 237,923 | 1,985,910 |
| C-899 Combined Sewer Overflow & Utility Improvements - Phase 9 | - | - | - | 445,979 | 3,555 | 449,534 |
| | $ 477,746 | $ 98,647 | $ 576,393 | $ 4,509,124 | $ 614,939 | $ 5,124,063 |

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, 2023 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 |
| 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 | 10,696 | 41,748 | 314,051 | 67,493 | 381,544 |
| 2027 | 31,052 | 9,848 | 40,900 | 312,822 | 61,480 | 374,302 |
| 2028 | 31,114 | 8,991 | 40,105 | 293,432 | 55,470 | 348,902 |
| 2029-2033 | 154,407 | 32,348 | 186,755 | 1,465,425 | 198,454 | 1,663,879 |
| 2034-2038 | 147,204 | 12,436 | 159,640 | 1,180,795 | 71,047 | 1,251,842 |
| 2039-2042 | 20,689 | 396 | 21,085 | 314,315 | 7,965 | 322,280 |
| Totals | $ 477,746 | $ 98,647 | $ 576,393 | $ 4,509,124 | $ 614,939 | $ 5,124,063 |

## 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, 2023 are as follows:

| | |
|---|---|
| General fund: | |
| General government | $ 956,807 |
| Public safety | 308,386 |
| Highways and streets | 454,835 |
| Culture and recreation | 58,905 |
| Total encumbrances | $ 1,778,933 |

## NOTE 20 – GOVERNMENTAL, BUSINESS-TYPE ACTIVITIES, AND FIDUCIARY FUNDS NET POSITION

Governmental and business-type activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2023 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 | $ 119,788,257 | $ 117,490,358 | $ 237,278,615 | $ - |
| Less: | | | | |
| Bonds payable - direct placements | (25,961,772) | (17,328,521) | (43,290,293) | - |
| Notes/loans payable - direct borrowings | (8,340,766) | (28,369,662) | (36,710,428) | - |
| Premium | (2,804,154) | (1,537,279) | (4,341,433) | - |
| Total net investment in capital assets | 82,681,565 | 70,254,896 | 152,936,461 | - |

(continued)

| | Government-wide Financial Statements | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Fiduciary Fund |
| Restricted net position: | | | | |
| Library | 128,116 | - | 128,116 | - |
| Heritage fund - Dana House restoration | 25,000 | - | 25,000 | - |
| Perpetual care | 1,854,921 | - | 1,854,921 | - |
| Downtown TIF District | 1,464,007 | - | 1,464,007 | - |
| Airport/Tech Park TIF District | 52 | - | 52 | - |
| Water investment fees | - | 634,637 | 634,637 | - |
| Total restricted net position | 3,472,096 | 873,839 | 4,345,935 | - |
| Unrestricted (deficit) | (13,005,828) | 12,280,576 | (725,252) | 5,872,387 |
| Total net position | $ 73,147,833 | $ 83,409,311 | $ 156,557,144 | $ 5,872,387 |

## NOTE 21 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

| | General Fund | Capital Projects Fund | Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Nonspendable:** | | | | |
| Prepaid items | $ 46,364 | $ - | $ - | $ 46,364 |
| Permanent fund - principal balance | - | - | 1,789,795 | 1,789,795 |
| Total nonspendable fund balance | 46,364 | - | 1,789,795 | 1,836,159 |
| **Restricted:** | | | | |
| Heritage fund - donations | 25,000 | - | - | 25,000 |
| Public library | - | - | 128,116 | 128,116 |
| Downtown TIF District | - | - | 1,464,007 | 1,464,007 |
| Airport/Tech Park TIF District | - | - | 52 | 52 |
| Permanent - income balance | - | - | 65,126 | 65,126 |
| Total restricted fund balance | 25,000 | - | 1,657,301 | 1,682,301 |
| **Committed:** | | | | |
| Expendable trust | 2,476,534 | - | - | 2,476,534 |
| Heritage fund | 6,960 | - | - | 6,960 |
| Police public safety revolving | - | - | 270,238 | 270,238 |
| Lebanon open space | - | - | 1,041,085 | 1,041,085 |
| Fire public safety revolving | - | - | 73,298 | 73,298 |
| Recreation revolving | - | - | 107,037 | 107,037 |
| Impact fees | - | - | 589,367 | 589,367 |
| Cemetery maintenance | - | - | 49,060 | 49,060 |
| Public assistance revolving | - | - | 84,548 | 84,548 |
| Enterprise property revolving | - | - | 13,798 | 13,798 |
| Total committed fund balance | 2,483,494 | - | 2,228,431 | 4,711,925 |

(Continued)

*Governmental fund balances continued:*

| | General Fund | Capital Projects Fund | Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Assigned:** | | | | |
| Encumbrances | 1,778,933 | - | - | 1,778,933 |
| Abatements | 174,221 | - | - | 174,221 |
| Grants | 15,909 | - | - | 15,909 |
| Restricted funds | 506,768 | - | - | 506,768 |
| Emergency management | 185,783 | - | - | 185,783 |
| Farmers market | - | - | 1,760 | 1,760 |
| Total assigned fund balance | 2,661,614 | - | 1,760 | 2,663,374 |
| **Unassigned (deficit):** | | | | |
| General fund | 11,515,662 | - | - | 11,515,662 |
| Capital improvements (deficit) | - | (3,358,700) | - | (3,358,700) |
| Total unassigned fund balance (deficit) | 11,515,662 | (3,358,700) | - | 8,156,962 |
| Total governmental fund balances (deficit) | $ 16,732,134 | $ (3,358,700) | $ 5,677,287 | $ 19,050,721 |

## *NOTE 22 – PRIOR PERIOD ADJUSTMENTS*

Net position/fund balance at January 1, 2023, was restated to give retroactive effect to the following prior period adjustments:

| | Government-wide Statements | Business-type Activities | Governmental Fund Capital Improvements | Proprietary Funds: Sewage Collection and Disposal | Proprietary Funds: Municipal Airport |
|---|---|---|---|---|---|
| To reclassify from government-wide to airport fund | $ 1,325,074 | $ (1,325,074) | $ - | $ - | $ (1,325,074) |
| To restate airport projects receivable balance | - | 28,422 | - | - | 28,422 |
| To restate retainage | 79,079 | - | 79,079 | - | - |
| To restate prior year write offs | - | (127,154) | - | (127,154) | - |
| To restate prior year state aid receivable | - | (28,318) | - | (28,318) | - |
| Net position, as previously reported | 65,319,579 | 81,326,056 | (13,455) | 37,670,188 | 12,648,553 |
| Net position, as restated | $ 66,723,732 | $ 79,873,932 | $ 65,624 | $ 37,514,716 | $ 11,351,901 |

## *NOTE 23 – 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 2023, 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, 2023 to December 31, 2023 by Primex³, which retained $2,000,000 of each workers' compensation loss, $500,000 of each liability loss, and for each property loss it is based upon the City's property schedule on file with Primex³. 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 fiscal year 2023 the City paid $154,717 and $207,067 respectively, to Primex for property, liability, and worker's compensation. 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 24 – 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 25 – 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, 2023, 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. The agreement expired in the current year, but the escrow account was still open at year-end.

## *NOTE 26 – CONTINGENT LIABILITIES*

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 government'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 government 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 ____, 2024, the date the December 31, 2023 financial statements were available to be issued, and the following event occurred that requires recognition or disclosure:

- July 10, 2024, the City issued $28,876,800 in bonds to fund City projects.

***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, 2023***
***Unaudited***

| Fiscal year-end | 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 | December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Measurement date | 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 | June 30, 2023 |
| City's: | | | | | | | | | | |
| Proportion of the net pension liability | 0.52% | 0.52% | 0.52% | 0.53% | 0.50% | 0.50% | 0.49% | 0.51% | 0.50% | 0.53% |
| Proportionate share of the net pension liability | $ 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 | $ 29,536,790 |
| Covered payroll | $ 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 | $ 14,843,684 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 177.86% | 183.89% | 240.45% | 203.75% | 201.60% | 194.06% | 244.02% | 163.43% | 200.36% | 198.99% |
| Plan fiduciary net position as a percentage of the total pension liability | 66.32% | 65.47% | 58.30% | 62.66% | 64.73% | 65.59% | 58.72% | 72.22% | 65.12% | 67.18% |

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, 2023***
***Unaudited***

| Fiscal year-end | 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 | December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Measurment date | 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 | June 30, 2023 |
| Contractually required contributions | $ 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 | $ 3,172,748 |
| Contributions in relation to the contractually required contributions | (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) | (3,172,748) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City's covered payroll | $ 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 | $ 14,301,215 |
| Contributions as a percentage of covered payroll | 15.37% | 15.57% | 16.19% | 15.18% | 17.70% | 17.55% | 16.95% | 16.69% | 19.50% | 22.19% |

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

## *NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY*

## *FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023*

***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*** – There were no changes in assumptions for 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, 2023. 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.

***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, 2023***
***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 | December 31, 2023 |
|---|---|---|---|---|---|---|---|---|
| Measurement date | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 | June 30, 2023 |
| City's proportion of the net OPEB liability | 0.35% | 0.36% | 0.52% | 0.51% | 0.46% | 0.48% | 0.50% | 0.52% |
| 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 | $ 1,774,780 |
| 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 | $ 14,843,684 |
| 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% | 11.96% |
| 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% | 12.80% |

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, 2023**
**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 | December 31, 2023 |
| Measurement date | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 | June 30, 2023 |
| Contractually required contribution | $ 203,555 | $ 211,169 | $ 228,719 | $ 233,166 | $ 215,437 | $ 230,831 | $ 208,687 | $ 227,308 |
| Contributions in relation to the contractually required contribution | (203,555) | (211,169) | (228,719) | (233,166) | (215,437) | (230,831) | (208,687) | (227,308) |
| 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 | $ 14,301,215 |
| Contributions as a percentage of covered payroll | 1.76% | 1.66% | 1.92% | 1.90% | 1.67% | 1.64% | 1.40% | 1.59% |

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

**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, 2023**

**Unaudited**

| | December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| OPEB liability, beginning of year | $ 1,692,911 | $ 1,628,158 | $ 1,652,115 | $ 1,166,961 | $ 1,163,143 | $ 1,166,048 |
| Changes for the year: | | | | | | |
| Service cost | 55,750 | 50,153 | 39,303 | 45,453 | 53,502 | 39,455 |
| Interest | 58,654 | 66,921 | 30,915 | 24,840 | 27,056 | 43,241 |
| Assumption changes and difference between actual and expected experience | (91,181) | - | (466,752) | 7,751 | (1,669) | 39,968 |
| Benefit payments | (87,976) | (93,117) | (88,620) | (81,862) | (75,984) | (87,057) |
| OPEB liability, end of year | $ 1,628,158 | $ 1,652,115 | $ 1,166,961 | $ 1,163,143 | $ 1,166,048 | $ 1,201,655 |
| Covered payroll | $ 8,170,172 | $ 8,374,426 | $ 10,442,024 | $ 10,703,075 | $ 11,268,760 | $ 11,550,479 |
| Total OPEB liability as a percentage of covered payroll | 19.93% | 19.73% | 11.18% | 10.87% | 10.35% | 10.40% |

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 BENEFIT LIABILITY*

## *FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023*

### *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*** – There were no changes in assumptions for 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, 2023. 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*** – There were no changes in assumptions for the current period.

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, 2023. 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.

*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, 2023***

| | Estimated | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Taxes: | | | |
| Property | $ 24,047,951 | $ 23,534,513 | $ (513,438) |
| Yield | 5,000 | 4,275 | (725) |
| Other tax | 46,280 | 46,361 | 81 |
| Excavation | 5,000 | 6,707 | 1,707 |
| Payment in lieu of taxes | 1,937,589 | 2,237,396 | 299,807 |
| Interest and penalties on taxes | 90,000 | 107,333 | 17,333 |
| Total from taxes | 26,131,820 | 25,936,585 | (195,235) |
| Licenses, permits, and fees: | | | |
| Motor vehicle permit fees | 2,700,000 | 2,836,922 | 136,922 |
| Building permits | 600,000 | 1,282,182 | 682,182 |
| Other | 445,900 | 455,830 | 9,930 |
| Total from licenses, permits, and fees | 3,745,900 | 4,574,934 | 829,034 |
| Intergovernmental: | | | |
| State: | | | |
| Meals and rooms distribution | 1,417,505 | 1,417,505 | - |
| Highway block grant | 331,586 | 331,545 | (41) |
| Water pollution grants | 44,280 | 44,273 | (7) |
| Other | 63,030 | 48,218 | (14,812) |
| Federal: | | | |
| Other | 61,480 | 74,687 | 13,207 |
| Total from intergovernmental | 1,917,881 | 1,916,228 | (1,653) |
| Charges for services: | | | |
| Income from departments | 1,554,480 | 1,724,908 | 170,428 |
| Miscellaneous: | | | |
| Sale of municipal property | - | 27,057 | 27,057 |
| Interest on investments | 60,000 | 485,630 | 425,630 |
| Other | 341,608 | 349,844 | 8,236 |
| Total from miscellaneous | 401,608 | 862,531 | 460,923 |
| Other financing sources: | | | |
| Transfers in | 2,319,150 | 2,319,144 | (6) |
| Total revenues and other financing sources | 36,070,839 | $ 37,334,330 | $ 1,263,491 |
| Unassigned fund balance used to reduce tax rate | 2,390,001 | | |
| Total revenues, other financing sources, and use of fund balance | $ 38,460,840 | | |

See Independent Auditor's Report.

*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, 2023*

| | Encumbered from Prior Year | Appropriations | Expenditures | Encumbered to Subsequent Year | Variance Positive (Negative) |
|---|---|---|---|---|---|
| Current: | | | | | |
| General government: | | | | | |
| Executive | $ 90,562 | $ 862,280 | $ 917,159 | $ 10,000 | $ 25,683 |
| Election and registration | 87,287 | 791,990 | 727,446 | 59,300 | 92,531 |
| Financial administration | 534,101 | 2,929,130 | 3,006,285 | 442,878 | 14,068 |
| Revaluation of property | - | 345,050 | 317,940 | 97,986 | (70,876) |
| Legal | - | 300,000 | 247,445 | - | 52,555 |
| Personnel administration | 3,031 | 4,380,900 | 3,948,215 | - | 435,716 |
| Planning and zoning | 30,400 | 692,020 | 652,652 | 66,269 | 3,499 |
| General government buildings | 60,339 | 494,890 | 504,883 | 212,908 | (162,562) |
| Cemeteries | 4,200 | 107,520 | 146,352 | 67,466 | (102,098) |
| Insurance, not otherwise allocated | - | 230,000 | 233,319 | - | (3,319) |
| Advertising and regional associations | - | 294,250 | 293,457 | - | 793 |
| Other | - | 123,570 | 73,484 | - | 50,086 |
| Total general government | 809,920 | 11,551,600 | 11,068,637 | 956,807 | 336,076 |
| Public safety: | | | | | |
| Police | 86,461 | 7,302,660 | 6,617,601 | 308,175 | 463,345 |
| Fire | 11,272 | 4,906,550 | 4,791,517 | 211 | 126,094 |
| Building inspection | - | 486,150 | 480,052 | - | 6,098 |
| Total public safety | 97,733 | 12,695,360 | 11,889,170 | 308,386 | 595,537 |
| Highways and streets: | | | | | |
| Administration | 88,379 | 1,104,780 | 1,101,980 | 32,722 | 58,457 |
| Highways and streets | 376,196 | 3,534,520 | 3,911,203 | 422,113 | (422,600) |
| Bridges | - | 3,500 | - | - | 3,500 |
| Street lighting | - | 109,240 | 86,649 | - | 22,591 |
| Total highways and streets | 464,575 | 4,752,040 | 5,099,832 | 454,835 | (338,052) |
| Welfare: | | | | | |
| Administration and direct assistance | - | 371,060 | 382,929 | - | (11,869) |
| Vendor payments and other | - | 299,670 | 299,634 | - | 36 |
| Total welfare | - | 670,730 | 682,563 | - | (11,833) |
| Culture and recreation: | | | | | |
| Parks and recreation | 47,940 | 1,298,780 | 1,234,099 | 58,905 | 53,716 |
| Library | - | 1,514,740 | 1,518,805 | - | (4,065) |
| Patriotic purposes | - | 12,000 | 13,000 | - | (1,000) |
| Other | - | 53,230 | 51,575 | - | 1,655 |
| Total culture and recreation | 47,940 | 2,878,750 | 2,817,479 | 58,905 | 50,306 |
| Conservation | - | 12,110 | 12,111 | - | (1) |
| Debt service: | | | | | |
| Principal of long-term debt | - | 3,528,980 | 3,483,911 | - | 45,069 |
| Interest on long-term debt | - | 1,274,370 | 1,264,568 | - | 9,802 |
| Total debt service | - | 4,803,350 | 4,748,479 | - | 54,871 |
| Other financing uses: | | | | | |
| Transfers out | - | 1,096,900 | 1,096,900 | - | - |
| Total appropriations, expenditures, other financing uses, and encumbrances | $ 1,420,168 | $ 38,460,840 | $ 37,415,171 | $ 1,778,933 | $ 686,904 |

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, 2023***

| | | |
|---|---|---|
| Unassigned fund balance, beginning (Non-GAAP Budgetary Basis) | | $ 11,542,445 |
| Changes: | | |
| Unassigned fund balance used to reduce 2023 tax rate | | (2,390,001) |
| 2023 Budget summary: | | |
| Revenue surplus (Schedule 1) | $ 1,263,491 | |
| Unexpended balance of appropriations (Schedule 2) | 686,904 | |
| 2023 Budget surplus | | 1,950,395 |
| Decrease in nonspendable fund balance | | 343,093 |
| Decrease in assigned fund balance (non-encumbrance) | | 421,049 |
| Unassigned fund balance, ending (Non-GAAP Budgetary Basis) | | 11,866,981 |
| ***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 | | (501,319) |
| Elimination of the allowance for uncollectible taxes | | 150,000 |
| Unassigned fund balance, ending, GAAP basis (Exhibit C-1) | | $ 11,515,662 |

See Independent Auditor's Report.

***SCHEDULE 4***
***CITY OF LEBANON, NEW HAMPSHIRE***
***Nonmajor Governmental Funds***
***Combining Balance Sheet***
***December 31, 2023***

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Public Library | Police Public Safety Revolving | Lebanon Open Space | Fire Public Safety Revolving | Farmers Market | Recreation Revolving |
| **ASSETS** | | | | | | |
| Cash and cash equivalents | $ 121,175 | $ 252,732 | $ 1,024,814 | $ 73,583 | $ 1,760 | $ 115,096 |
| Investments | - | - | - | - | - | - |
| Receivables, net of allowance for uncollectable: | | | | | | |
| Taxes | - | - | 16,250 | - | - | - |
| Accounts | - | 17,506 | 21 | - | - | - |
| Interfund receivable | 6,941 | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | 1,100 |
| Total assets | $ 128,116 | $ 270,238 | $ 1,041,085 | $ 73,583 | $ 1,760 | $ 116,196 |
| **LIABILITIES AND FUND BALANCES AND FUND BALANCES** | | | | | | |
| **Liabilities:** | | | | | | |
| Accounts payable | $ - | $ - | $ - | $ 285 | $ - | $ 9,159 |
| Interfund payable | - | - | - | - | - | - |
| Total liabilities | - | - | - | 285 | - | 9,159 |
| **Fund balances:** | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 128,116 | - | - | - | - | - |
| Committed | - | 270,238 | 1,041,085 | 73,298 | - | 107,037 |
| Assigned | - | - | - | - | 1,760 | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | 128,116 | 270,238 | 1,041,085 | 73,298 | 1,760 | 107,037 |
| Total liabilities and fund balances | $ 128,116 | $ 270,238 | $ 1,041,085 | $ 73,583 | $ 1,760 | $ 116,196 |

| Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|
| Impact Fees | Cemetery Maintenance | Public Assistance Revolving | Enterprise Property Revolving | Downtown TIF District | Airport/ Tech Park TIF District | Permanent Fund | Total |
| $ 589,367 | $ 49,060 | $ 84,548 | $ 7,911 | $ 1,464,007 | $ 52 | $ 58,182 | $ 3,842,287 |
| - | - | - | - | - | - | 1,838,383 | 1,838,383 |
| - | - | - | - | - | - | - | 16,250 |
| - | - | - | 7,000 | - | - | - | 24,527 |
| - | - | - | - | - | - | 75 | 7,016 |
| - | - | - | 1,018 | - | - | - | 2,118 |
| $ 589,367 | $ 49,060 | $ 84,548 | $ 15,929 | $ 1,464,007 | $ 52 | $ 1,896,640 | $ 5,730,581 |
| | | | | | | | |
| $ - | $ - | $ - | $ 2,131 | $ - | $ - | $ - | $ 11,575 |
| - | - | - | - | - | - | 41,719 | 41,719 |
| - | - | - | 2,131 | - | - | 41,719 | 53,294 |
| | | | | | | | |
| - | - | - | - | - | - | 1,789,795 | 1,789,795 |
| - | - | - | - | 1,464,007 | 52 | 65,126 | 1,657,301 |
| 589,367 | 49,060 | 84,548 | 13,798 | - | - | - | 2,228,431 |
| - | - | - | - | - | - | - | 1,760 |
| - | - | - | - | - | - | - | - |
| 589,367 | 49,060 | 84,548 | 13,798 | 1,464,007 | 52 | 1,854,921 | 5,677,287 |
| $ 589,367 | $ 49,060 | $ 84,548 | $ 15,929 | $ 1,464,007 | $ 52 | $ 1,896,640 | $ 5,730,581 |

*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, 2023*

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Public Library | Police Public Safety Revolving | Lebanon Open Space | Fire Public Safety Revolving | Farmers Market | Recreation Revolving |
| **Revenues:** | | | | | | |
| Taxes | $ - | $ - | $ 38,858 | $ - | $ - | $ - |
| Charges for services | - | 230,966 | - | 25,942 | - | 178,230 |
| Miscellaneous | 47,172 | - | 48,597 | - | 4,339 | - |
| Total revenues | 47,172 | 230,966 | 87,455 | 25,942 | 4,339 | 178,230 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | 188,065 | - | 19,870 | - | - |
| Welfare | - | - | - | - | - | - |
| Culture and recreation | 34,630 | - | - | - | 2,579 | 173,128 |
| Conservation | - | - | 500,000 | - | - | - |
| Total expenditures | 34,630 | 188,065 | 500,000 | 19,870 | 2,579 | 173,128 |
| Excess (deficiency) of revenues over (under) expenditures | 12,542 | 42,901 | (412,545) | 6,072 | 1,760 | 5,102 |
| **Other financing sources (uses):** | | | | | | |
| Transfers in | 6,941 | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | 6,941 | - | - | - | - | - |
| Net change in fund balances | 19,483 | 42,901 | (412,545) | 6,072 | 1,760 | 5,102 |
| Fund balances, beginning | 108,633 | 227,337 | 1,453,630 | 67,226 | - | 101,935 |
| Fund balances, ending | $ 128,116 | $ 270,238 | $ 1,041,085 | $ 73,298 | $ 1,760 | $ 107,037 |

| Impact Fees | Cemetery Maintenance | Public Assistance Revolving | Enterprise Property Revolving | Downtown TIF District | Airport/ Tech Park TIF District | Permanent Fund | Total |
|---|---|---|---|---|---|---|---|
| Special Revenue Funds | | | | | | | |
| $ - | $ - | $ - | $ - | $ 760,895 | $ 11 | $ - | $ 799,764 |
| - | - | - | - | - | - | - | 435,138 |
| 106,029 | 18,194 | - | 54,533 | 22,812 | 2 | 224,789 | 526,467 |
| 106,029 | 18,194 | - | 54,533 | 783,707 | 13 | 224,789 | 1,761,369 |
| - | - | - | 40,735 | - | - | 9,742 | 50,477 |
| - | - | - | - | - | - | - | 207,935 |
| - | - | 65,452 | - | - | - | - | 65,452 |
| - | - | - | - | - | - | - | 210,337 |
| - | - | - | - | - | - | - | 500,000 |
| - | - | 65,452 | 40,735 | - | - | 9,742 | 1,034,201 |
| 106,029 | 18,194 | (65,452) | 13,798 | 783,707 | 13 | 215,047 | 727,168 |
| - | - | - | - | - | - | - | 6,941 |
| - | - | - | - | (279,597) | - | (6,941) | (286,538) |
| - | - | - | - | (279,597) | - | (6,941) | (279,597) |
| 106,029 | 18,194 | (65,452) | 13,798 | 504,110 | 13 | 208,106 | 447,571 |
| 483,338 | 30,866 | 150,000 | - | 959,897 | 39 | 1,646,815 | 5,229,716 |
| $ 589,367 | $ 49,060 | $ 84,548 | $ 13,798 | $ 1,464,007 | $ 52 | $ 1,854,921 | $ 5,677,287 |

***SCHEDULE 6***
***CITY OF LEBANON, NEW HAMPSHIRE***
***Custodial Funds***
***Combining Schedule of Fiduciary Net Position***
***December 31, 2023***

| | Custodial Funds | | | | |
|---|---|---|---|---|---|
| | Taxes | Trust Funds | School Impact Fees | State Fees | Total |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ - | $ 561,247 | $ 16,281 | $ - | $ 577,528 |
| Investments | - | 3,495,034 | - | - | 3,495,034 |
| Intergovernmental receivables | 16,998,357 | - | - | - | 16,998,357 |
| Total assets | 16,998,357 | 4,056,281 | 16,281 | - | 21,070,919 |
| **LIABILITIES** | | | | | |
| Intergovernmental payable - due to school district | 16,998,357 | - | 9,741 | - | 17,008,098 |
| **NET POSITION** | | | | | |
| Unrestricted | $ - | $ 4,056,281 | $ 6,540 | $ - | $ 4,062,821 |

*SCHEDULE 7*

***CITY OF LEBANON, NEW HAMPSHIRE***

***Custodial Funds***

***Combining Schedule of Changes in Fiduciary Net Position***

***For the Fiscal Year Ended December 31, 2023***

| | Custodial Funds | | | | |
|---|---|---|---|---|---|
| | Taxes | Trust Funds | School Impact Fees | State Fees | Total |
| **Additions:** | | | | | |
| Contributions | $ - | $ 600,000 | $ 22,387 | $ - | $ 622,387 |
| Investment earnings | - | 181,056 | - | - | 181,056 |
| Tax collections for other governments | 41,852,792 | - | - | - | 41,852,792 |
| State fees collected | - | - | - | 838,584 | 838,584 |
| Total additions | 41,852,792 | 781,056 | 22,387 | 838,584 | 43,494,819 |
| **Deductions:** | | | | | |
| Administrative expenses | - | 577,678 | 18,893 | - | 596,571 |
| Payments of taxes to other governments | 41,852,792 | - | - | - | 41,852,792 |
| Payments of State fees | - | - | - | 838,584 | 838,584 |
| Total deductions | 41,852,792 | 577,678 | 18,893 | 838,584 | 43,287,947 |
| Change in net position | - | 203,378 | 3,494 | - | 206,872 |
| Net position, beginning | - | 3,852,903 | 3,046 | - | 3,855,949 |
| Net position, ending | $ - | $ 4,056,281 | $ 6,540 | $ - | $ 4,062,821 |

**Agenda**
**Lebanon City Council**
**December 4, 2024**

## 10. New Business:

### 10.D – Authorization for the City Manager to Transfer Appropriated, but Unencumbered FY2024 General Funds

### Background

The City Council appropriates a budget on an annual basis. The FY2024 Budget was approved and appropriated on December 13, 2023. Occasionally, situations occur that require the transfer of appropriated, but unencumbered funds from one department to another for unanticipated expenses. Unanticipated expenses have occurred in the Legal Services budget, which is included within the City Manager's Office budget, as summarized in the attached Resolution, that will cause this budget to be over expended.

The Council may authorize the City Manager to transfer funds from one department to another within the City's General Fund, pursuant to the provisions in City Charter §C419:45, Transfer of Appropriations. The City Manager intends to make budget recissions, as needed, to address the unanticipated expenditures to ensure the overall budget does not exceed the total appropriations in the City's General Fund Budget for Fiscal Year 2024.

On August 7, 2024, the City Council approved a resolution authorizing the City Manager to transfer up to $100,000 to the Legal Services budget from other departments. Due to the continuation of ongoing legal matters, the City Manager requests that the Council authorize the transfer of an additional $100,000 to the Legal Services budget. It should be noted that several of the legal enforcement actions undertaken by the City this year have resulted in judgments in favor of the City, for which the City's legal expenses have been or will be recouped.

### Action

*The following motion is offered for City Council consideration:*

***MOVED, that the Lebanon City Council, pursuant to City Charter §C419:45, hereby approves the Resolution for the Authorization to Transfer Fiscal Year 2024 General Fund Appropriations, as provided in the following table and as presented in the December 4, 2024 City Council Agenda Packet:***

| **Transfer of Appropriated, but Unencumbered, FY 2024 General Funds Pursuant to City Charter §C419:45** | |
|---|---|
| **From:** | **Up To Amount:** |
| Finance Department | $100,000 |
| **Total:** | **$100,000** |
| | |
| **To:** | |
| City Manager's Office (Legal Services) | $100,000 |
| **Total:** | **$100,000** |

Included In This Section:

1. Draft Resolution Authorizing the Transfer of Appropriations

CITY of LEBANON, NH
51 North Park Street
Lebanon, NH 03766
www.LebanonNH.gov

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**Resolution – Lebanon City Council**

Title: Authorization to Transfer FY2024 General Fund Appropriations

**BE IT HEREBY RESOLVED** by the Lebanon City Council, that:

**WHEREAS**, the City Council appropriates funds in December of each year for the ensuing fiscal year, and City Charter §C419:45, Transfer of Appropriations, provides that the Council may authorize the City Manager to transfer any unencumbered appropriation, or a portion thereof, from one department to another; and

**WHEREAS,** the costs associated with the City's legal services, which are budgeted within the City Manager's Office, will exceed the appropriations within the 2024 Budget, as amended.

**NOW, THEREFORE**, the City Council hereby authorizes the City Manager to transfer unencumbered appropriations in the FY2024 General Fund Budget in the amount of up to $100,000 as indicated in the following table:

| **Transfer of Appropriated, but Unencumbered, FY 2024 General Funds Pursuant to City Charter §C419:45** | |
|---|---|
| **From:** | **Up To Amount:** |
| Finance Department | $100,000 |
| **Total:** | **$100,000** |
| | |
| **To:** | |
| City Manager's Office (Legal Services) | $100,000 |
| **Total:** | **$100,000** |

**BE IT FURTHER RESOLVED** that this Resolution be written upon the minutes of the Lebanon City Council meeting on December 4, 2024.

# Agenda
# Lebanon City Council
# December 4, 2024

## 10. New Business:

### 10.E – Public Input on Proposed 2025 Municipal Budget

### Background

The public is invited to provide input to the City Council and members of city staff on the proposed 2024 Municipal Budget.

### Action

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

Information available but not included herein:

2025 Municipal Budget as proposed by the City Manager