FINAL

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)

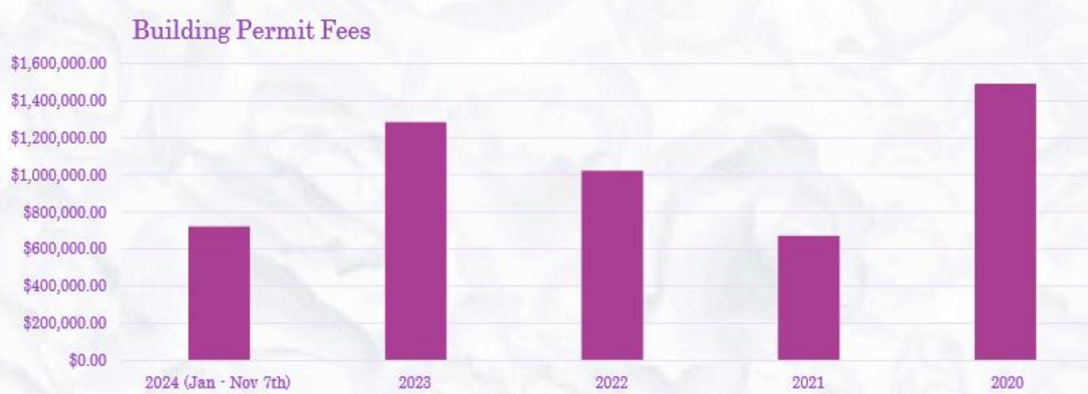
Retired: Calvin Hunnewell – Code and Health Inspector (May 2024)

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

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.

MEMORIAL POOL

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.

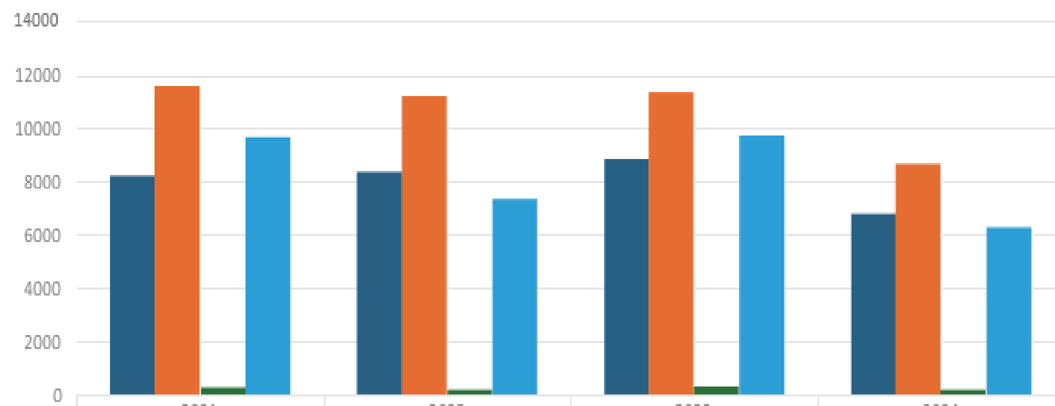
The good news is that the Airport's FAA Authorization for 5 years as passed by Congress for Fiscal Years 2025-2028 has been increased from $1M to $1.3M for Lebanon. There was also another provision for Fiscal Years 2025-2026 that notes the FAA will be funding the Airport's improvements at 95% instead 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

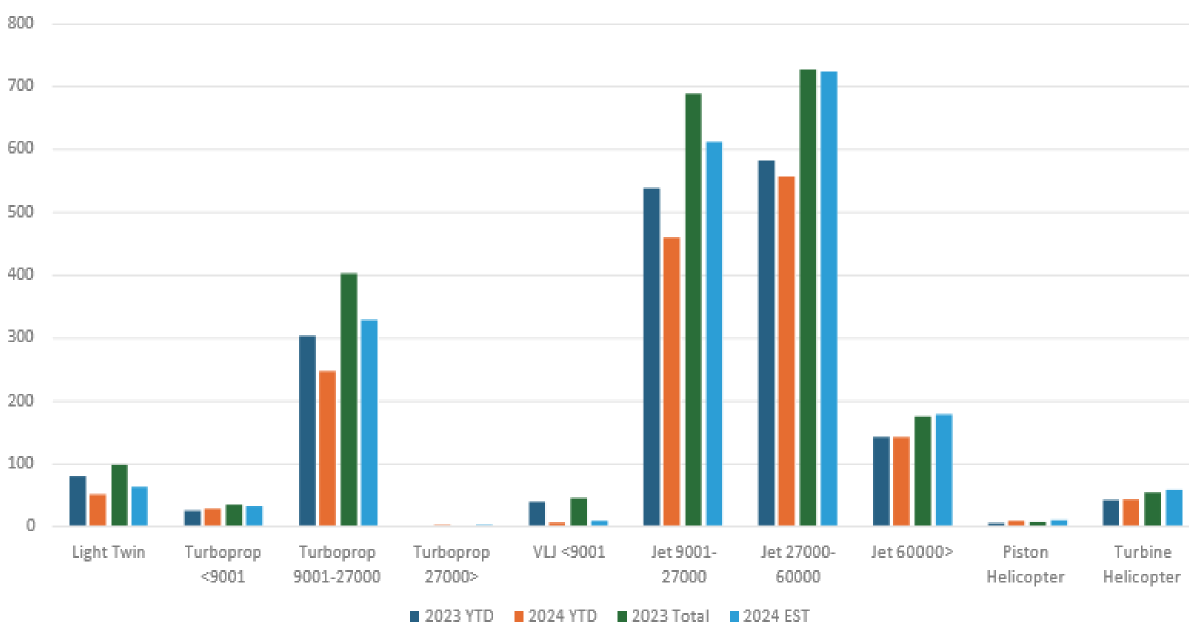
Total Aircraft Operations



	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.

2023 -2024 Operations YTD and Total



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

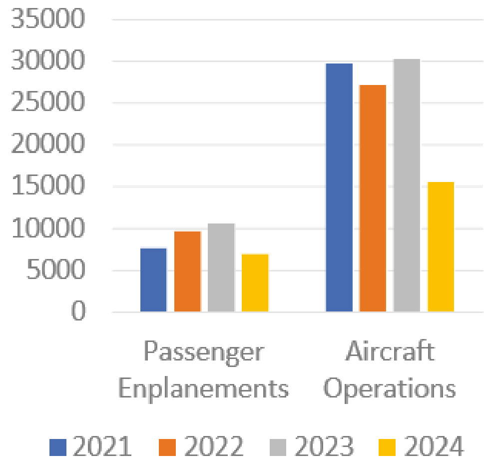
2024 Revenue Estimates

	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**

Passenger Enplanements and Aircraft Operations 2021-2024



- 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

Library board of trustees

Empowering Library Leadership

- Seven elected members and three alternates
- Significant rights and responsibilities as spelled out in state statutes and city code
  - Manage the budget
  - Make personnel decisions
  - Adopt policies
  - Manage the facilities
  - Consider requests for reconsideration of materials and programs

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.

Library foundation

Investing in Access

–Independent 501c3

–Raises funds to support the library with capital projects and operating budget

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