FINAL

LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday December 4, 2024, 7:00 p.m.
Council Chambers
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT:	Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, Christian Simon, George Sykes, Douglas Whittlesey, Devin Wilkie (remote), and Karen Zook
STAFF PRESENT:	City Manager Shaun Mulholland, Deputy City Manager David Brooks, Human Resources Director Samantha Lauzon; Finance Director Vicki Lee; Human Services Director Lynne Goodwin

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

2. **PLEDGE OF ALLEGIANCE:** Assistant Mayor Below led the Council in the Pledge.
   - City Manager Shaun Mulholland announced the meeting criteria for the public.

3. **PUBLIC FORUM:** Mayor McNamara made the Public Forum announcement.

4. **OPEN TO PUBLIC:**

The owner of DB Lights expressed concern that items at his store have been tampered with and stolen over the years. His uncle's memorial has been vandalized. He requested permanent installation of cameras around the Park to help with this issue.

5. **RECOGNITIONS:**
   A. PROCLAMATION FOR 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

B. 2024 STATEWIDE, NH BUSINESS AND ECONOMIC AFFAIRS PARTNER OF THE YEAR AWARD TO THE CITY OF LEBANON

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.

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

6. ACCEPTANCE OF MINUTES:

- November 7, 2024 (Work Session)

Amendments: Councilor Wilkie was absent and should be noted as such.

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

Councilor Whittlesey MOVED* to approve the November 7, 2024 (Work Session); the November 13, 2024 (Work Session); the November 14, 2024 (Work Session); and the November 19, 2024 (Work Session) minutes as amended and presented in the December 4, 2024, City Council agenda packet. *Seconded by Councilor Liot Hill.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

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.

Included in the agenda packet: ***(The Amendments to Ordinance #18, in their entirety, can be found on pages 74-85, Council agenda packet)***

1. Amendments to Ordinance #18, Salary Plan

Ms. Samantha Lauzon, Human Resources Director, was present to discuss all proposed amendments and answered questions from the City Council.

BACKGROUND

The first presentation was recognized by the City Council on November 20, 2024. The Council was 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.

Council Comments: NONE

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

1. ACKNOWLEDGE SECOND PRESENTATION:

Assistant Mayor Below 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 on pages 74-85.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

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

Included in the agenda packet: ***(All supportive documents and information, including map renditions, can be found on pages 86-90, Council agenda packet)***

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

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.

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.

Council Comments: NONE

ACTION:
Councilor Liot Hill 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.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

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

Included in the agenda packet: ***(All supportive documents and information can be found on pages 91-93, Council agenda packet)***
1. November 21, 2024, email from Lebanon Outing Club, Cory Grant
2. Map of requested areas

BACKGROUND
The Lebanon Outing Club (LOC) was 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.

Council Comments: NONE

ACTION:
Councilor Liot Hill 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.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

C. Presentation of 2023 Financial Audit

Included in the agenda packet: ***(Note: This is an extensive, detailed report and is not included in the minutes. All supportive document information can be found on pages 94-176, Council agenda packet)***
1. DRAFT City of Lebanon Annual Financial Report – Fiscal Year Ending December 31, 2023

Mr. Kyle Gingras of Plodzik & Sanderson was present and reviewed, discussed, and answered questions from the Council regarding the City of Lebanon's 2023 Financial Audit.

Council Comments:

Councilor Whittlesey noted that, regarding the C for the significant deficiency, there were no question costs meaning that the money was spent appropriately in accordance with the program guidelines. Mr. Gringas agreed.

Public Comments:

Nissanka Kiridena asked if there was a way to accelerate closing out the financial statements and presentations. As a resident, it is very difficult to read through all of this as the budget is being presented. Ms. Lee stated that the auditors usually come in April, as the books are closed in March. The audit presentation is usually in October but was late in 2023 due to the 2022 software change.

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

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

Included in the agenda packet: ***(All supportive documents and information can be found on pages 177-179, Council agenda packet)***
1. Draft Resolution Authorizing the Transfer of Appropriations

Assistant City Manager Brooks reviewed the background for his request as listed above.

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.

Council Comments: NONE

ACTION:
Councilor Whittlesey 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**

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.
Seconded by Councilor Liot Hill.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

E. Public Input on Proposed 2025 Municipal Budget

***Information available but not included herein:
2025 Municipal Budget as proposed by the City Manager

The public was invited to provide input to the City Council and members of city staff on the proposed 2024 Municipal Budget and the following came forth so give testimony:

Two 4th graders from the Hanover Street School addressed the proposed cuts to the Lebanon Library. They spoke of their love for the Library and the fact that cuts to the Library budget would be detrimental to children of all ages in the Upper Valley. They presented the Council with a kid's petition in support of the Lebanon Library. They noted that cuts would likely lead to impacts on several learning and fun activities at the Library, or staff reductions which would lead to the Library not being as fun or safe for children. They stated that supporting local libraries builds a healthier community which helps to support children and prepare them for the future. They stated that the kids of Lebanon urge the City Council to ask themselves if this is the right thing to do and how it will impact Lebanon and its residents.

Tara and her son Garrett [last names unclear] spoke about the benefits of the Lebanon Library and the importance of it to their family.

Kate O'Neil, Ward 3, asked the Council to reconsider their proposed cuts to the Public Library budget. She stated that public libraries are a bastion of American democracy and upward mobility and focused on the fact that the proposed cuts to the Library would disproportionately hurt families involved in the foster care system and lead to increased costs downstream for Human Services. The Library is a popular place for parents and children to meet for visitation. If the Library does not have a porta potty, which is a very possible reality with the budget cuts, there are people who defecate on the grounds making the Library less safe and sanitary. If a family does not feel safe at the Library, it may switch visits to shopping centers or fast food restaurants, places without books, toys, and a quiet environment. The proposed cuts would also result in reduced weekend hours and fewer functional computers. The proposed Library cuts will do material harm to the most vulnerable members of the community. She would gladly pay slightly more in taxes to give at-risk children a better chance at reuniting safely with their families.

Ryan Ratts, 41 Union Street, spoke in favor of keeping a budget for the Community Paramedic position, which is sponsored by the Fire Department. Many seniors lack access to appropriate resources pre and post hospital visits, and the program has been critical for keeping patients out of the hospital and reducing transport costs. He also spoke on behalf of the Library system, as a pediatrician. The American Academy of Pediatrics recently issued a mission statement on the role of literacy and the impact that it has on community health. There are no other programs that exist to fill the role that community library programs play in increasing literacy rates.

Philip [Library staff] spoke to the Library as a community service. He stated that the proposed cuts would lead to program reductions and a reduction in available aid to those who access the Library for help. He asked the Council to consider the impacts of the proposed budget cuts, including potentially having to close on certain days.

City Manager Mulholland stated that there are no cuts being proposed to the Library budget at this time. The Council requested two alternative budgets to be prepared, and the budget being proposed by the City Manager does not include cuts to the Library budget.

Dominic Calandrella, Ward 2, encouraged the Council to be strategic about where cuts should be made and to recognize the essential nature of the Parks & Recreation Department, specifically the Veterans Memorial Pool. A loss of the pool would eliminate affordable swim lessons in the Upper Valley. This would eliminate a reliable resource for parents to send their children outdoors. The pool has taught him social and safety skills over the years as an employee.

Allison P., Ward 3, expressed concern regarding the proposed budget cuts to the Recreation Department. The website states that the budget is guided by the principles of sustainability as well as the Master Plan. Two of the principles of sustainability address community access and engagement, and sense of place. These principles look at sustaining quality of life and increasing citizen participation at all ages. The Department's programming and the Lebanon Pool directly align with these principles. In reviewing the 2012 Master Plan, and the Community Vision for 2030, it states that the City of Lebanon shall uphold a high quality of life by maintaining and enhancing the City's recreational resources and striving to provide residents with access to recreation facilities and programs, appropriate for people of all ages, backgrounds, interests, and ability levels. It appears that the budget cuts would be in stark contrast to the long range plan for the City. She asked that the Council consider alternative cuts to the budget.

Raymond Hood, Ward 2, stated that there is an 11% increase proposed to the City portion of the budget. Last year, there was a 7.7% increase for City and a 10.4% increase for the School District. He asked what increase is expected from the School District this year. He noted that some people will no longer be able to live in the City based on these increases. He asked why the City owns a property in West Lebanon which has a City assessed value of $1,447,300. It appears the City is losing $38,105 every year in tax revenue unless it is acting as a landlord. Mayor McNamara explained that the intention is to flip those properties as quickly as possible and see them redeveloped to increase property tax revenues and helping with the revitalization of West Lebanon. Mr. Hood asked about an abatement given to a developer of the property and stated that he is not in favor of it. Councilor Liot Hill explained that the idea of a 79E program is to give an abatement to make redevelopment of the property feasible for a developer to create increased revenue from the property. Mr. Hood stated that the Council is supposed to represent the community.

Joshua Flanders, Ward 1, expressed concerns regarding the proposed tax increase. Taxpayers cannot afford double digit tax increases for the next year, let alone the next four. Compounded annually, this would result in a 50% or greater increase, which is an unsustainable burden to the community. Lebanon's population is aging, with 21% of its residents 65 or older, many living on fixed incomes Social Security payments are expected to increase merely 2.5% in 2025, which cannot keep pace with the rising taxes. Young families and blue collar families are being forced out of Lebanon. The proposed tax increases reflect a financial trajectory that is neither sustainable nor aligned with responsible governance. According to his research, the City's projected debt is expected to exceed the debt ceiling in the 2026-2027 fiscal year and the unassigned fund balance is deteriorating. Before embarking on expenditures such as a $24M Fire Station project, the City should have done adequate research to make sure that it was staffed accordingly. Taxpayers are facing a $24M bill and were recently informed that more is needed to keep them safe. Taxpayers are losing trust in the City Council and its ability to prioritize the best interest of the community. He suggested imposing a hiring freeze on all departments, justifying pay increases in services with national benchmarks, and pausing any new capital projects until they are rigorously justified and prioritized. The City should also request that DHMC come to the table to review the pilot program that is only favorable to them and not favorable to the City. Enterprise funds must be self-sustaining, and the City should reevaluate services that cannot operate without adding to the taxpayer burden. Lebanon's future depends on adopting a fiscally responsible budget that protects residents and restores the confidence in local government. He urged the Council to consider a 0% tax increase for 2025.

Terry Lacasse stated that the City has great Police and Fire Departments. He is on a fixed income, as are many others. The proposed increases cannot be afforded. The first cuts to the budget are always to remove services people want. The money should not be spent before the City has it.

Susan Kellogg, Shaw Steet, stated that she has been very fiscally responsible in order to remain in Lebanon and is upset that this may have to change based on the City's mismanagement of its budget. The tax burden will continue to become crushing to some and these people may have to move. The same guiding principles should be used to manage the City's budget as a household budget.

Lori Key, Ward 3, stated that the Library and Recreation Department are small ticket items within the budget. The City's taxpayers should not have to take on some of the responsibilities of the region, such as fixing the housing issue. The City is spending the taxpayers' money to complete some of these projects. It seems as though the budget will pass

Laila Volle, Ward 2, spoke in support of the Library's full budget and other City services.

Joy, Ward 3, echoed sentiments that it is becoming expensive to live in Lebanon. She is not making enough money as a teacher to live without roommates. She often uses the Library services and programs and finds the Library to be an incredible resource to the City. This is a safe place and social service.

Jennifer Mercer, Ward 3, stated that the taxpayers cannot afford the spending that continues in the City.

Many people in the City of varying economic backgrounds will not be able to afford to live in the City. She has created an online petition to cap tax increases year over year, as Manchester does.

Steve King, Ward 1, asked each Board member if they are for the passing of the proposed budget. He asked if the Council would approve something that many in the City do not want. The Council should be ashamed and should listen to its constituents.

Councilor Liot Hill stated that the budget process is that the City Manager presents his proposed budget to the City Council by October 31st. The Council then has in-depth budget work sessions. At the end of the presentations, the Council discusses which changes should be made. The Council has already requested different scenarios in terms of potential cuts. This evening, the Council will hear from the public and then hold its own discussion. No decisions have yet been made. The budget will be voted on December 18th.

Brendan Collins, Ward 3, stated that this is the worst situation he has seen in his 50 years in Lebanon. The Library and children's programs should not be cut from the budget.

Nancy Sansevere, Ward 3, expressed concern with the proposed 2025 budget. She asked about accountability in creating a sustainable budget. There needs to be a more sustainable budget starting now, including a flattening of the tax rate.

Chet Clem, Lyme Properties, asked how many taxpayer dollars the city of Lebanon Administration has spent fighting against River Park in 2024. This is a project that the voters endorsed resoundingly, that would contribute to the tax base and help fund improvements in West Lebanon. He asked how many full time firefighters' worth of legal expenses the Mulholland Administration has spent on foolhardy attempts to revoke the permits only to have two New Hampshire Superior Court judges overrule the Planning Staff and Planning Board and issue a preliminary injunction and temporary restraining order against the City of Lebanon last week. He does not understand that possible motive behind City Hall's actions. The City has been sitting on a New Hampshire RSA 91-A Right to Know request for 174 days. He asked if the City Council is aware of these efforts and expenditures. He asked if the City Manager apprised the Council that they were paying two City attorneys by the hour to fight against River Park this year. He asked if the Council is aware that Lyme Properties and XYZ Dairy spent April and May successfully appealing the Planning Department's actions to revoke the building permit. The Lebanon Building Code Board of Appeals in a 4-1 vote would have allowed this project to proceed this year but Staff elected to, in effect, sue itself and appeal its own Appeal Board to the State Building Code Board of Appeals. He asked if the Council was told that the Attorney General's Office directed him to file a municipal estoppel claim, given the unfairness of those actions from the Planning Staff, or that the City was paying to defend itself against the municipal estoppel claims in New Hampshire Superior Court. He noted that Staff has rejected numerous attempts to resolve the matter and instead spent three days of evidentiary hearings defending their failed decisions. He asked if the Council was aware that the Staff and Planning Board, after four hearings for requested extensions to make up for the delays suffered the past two years, wrote a decision that was not read aloud or provided to the applicant in the public hearing. The 5-0 vote was a death sentence for River Park and a decision that was subsequently overturned by the New Hampshire Superior Court. He asked if the Council is comfortable with how its administration is treating taxpayers. There is an important delineation between the administration and the Council. He stated that he believes most people in Lebanon would prefer that the Council allocate money to after school programs, the pool, or other pro-social programs, rather than spending six figures fighting one of its own taxpayers that is trying to build a beautiful project that would increase the tax base.

Joan Townsend, Ward 2, stated that she would like the next Council meeting on this topic to be held in a larger space to accommodate everyone. It feels as though the residents here this evening and being dismissed. She will not be able to stay in Lebanon if increases continue in this way. The City should not own property it is not going to do something with. The Council needs to change the formula for the budget. The City cannot continue to give to the region and should instead help its own first. City Manager Mulholland stated that he agrees that the proposed increases are not sustainable. He has said that in the past. He does not believe the Council will pass an 11% budget increase. This budget represents the same level of service from last year with the exception of one additional firefighter. The question is what can be done moving forward to make cuts while minimizing impacts to people. Ms. Townsend stated that she does not believe an 11% increase should have even been brought to the table.

Councilor Sykes stated that one of the things that that is frustrating for the Council is that it is between a rock and a hard place. Those in Concord who run the State legislature have been downshifting costs to the cities and towns. He gave examples such as the Meals and Rooms Tax and Highway Block grants. The only way to make up for some of these items at the City level is through the property tax.

Alan Streeter, Farr Road, stated that he has lived in the City for 50 years and is considering moving due to the cost. Some frivolous expenses need to be cut back on.

Shrenik Jain, Ward 3, asked why Lebanon residents pay more than Hanover residents. Councilor Liot Hill stated that Lebanon is considered a micropolitan area. Lebanon and Hartford, VT, form the center for this region. Lebanon contains most of the shopping areas and more jobs than the other towns. Hanover does not have the same number of jobs or amount of economic activity. Due to the number of people that work in Lebanon, it thus has to serve a larger population than its actual number of residents. Taxpayers thus carry a heavy burden. Hanover does not have this same dynamic. Hanover’s taxes are lower because their property values are higher. Mr. Jain stated that this does not answer the question. He does not believe that there is nothing that can be done about the cost of living in Lebanon.

City Manager Mulholland mentioned the City’s debt load which is uncommon to any other communities. This is due to the combined sewer overflow (CSO). These were against the law in the 1970's and the federal government provided 90% of the funds and the State another 5% to separate those. The City of Lebanon at that time chose not to take advantage of those funds while other cities did. Eventually the EPA gave administrative orders for the City to separate these. That cost the City $71M and interest. The last CSO project was finished two years ago, and the City will be paying for these for the next 18 years. This is being paid for by all residents proportionately because the roads have to be torn up to change the pipes. Mr. Jain asked how all of the special advantages of the City seem to translate to higher property taxes without benefits to residents.

City Manager Mulholland explained that the organizations under the City’s pilot program are considered charitable organizations under New Hampshire State Law and are thus entitled to the exemption. The City previously went to court to make Dartmouth Hitchcock pay its fair share. The pilot agreement is $1.9M, but DH’s property taxes would otherwise be $23M. The City does not have the authority to make DH even pay the pilot agreement, as that was what the courts already ruled on. They choose to do so out of the goodness of their heart. DH also provides the funds for the community paramedicine program and the community nurses. Councilor Liot Hill stated that the City has continued to negotiate for better pilot programs but does not have much leverage.

Dan Billin, Ward 2, thanked the Councilors for their service to the City. He suggested that the City consider the way it processes revaluations. He also suggested cancelling the two proposed roundabout projects in the City, approximately $9M total, in order to find savings in the budget.

Councilor Sykes MOVED, to extend the City Council meeting to 11:00pm.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

Fran Casale, Ward 2, asked if the Council may choose a different budget than the 11% one presented. Mayor McNamara stated that alternative options of 3.8% and 7% increases were also proposed. These will be discussed at length by the Council. Mr. Casale asked why the City is handling the majority of the human service needs for the region. He asked about a miscellaneous services line under the City's income budget. This was $23M in 2024 and for 2025 is projected to be $3.5M. City Manager Mulholland stated that the Human Services budget is $968,900. He explained that the City previously proposed a childcare facility paid for by donations and grants only. The City does not have the revenues for that project yet and so it is not moving forward this year. This was shown in the 24' budget but is not shown in the 25' budget. Mr. Casale suggested that the City work on negotiating prices for projects.

Eric Streit, Ward 2, explained that he heard that the residents want the Council to represent them well by making cuts there is can. A budget with serious cuts needs to be presented. He is concerned with property tax increases and the valuation of properties. The Council does not represent those extra people that come into the City to work each day; it represents the residents that pay taxes.

Jay Simms, Ward 2, agreed that an 11.9% increase cannot be endured. He suggested evaluating the 143 City owned properties and potentially selling them. Mayor McNamara stated that the City has actively sold some City properties over the years, but this inventory needs to continue. Mr. Simms suggested that the costs for regional human services should be pushed to the County. Hanover is not paying their fair share and should be held responsible. City Manager Mulholland explained that, in NH, welfare is a local municipality responsibility. The county has no responsibility for human services and the Town is required to provide it. Lynne Goodwin, Human Services Director, stated that every municipality in NH is required to take care of those who cannot afford to meet their basic needs. When Lebanon provides services that cost money to those from other communities, she contacts the town of origin for reimbursement.

Mr. Simms stated that all departments should share the cost of cuts, and that this should not be borne by the Library and Rec Department. The City should consider its overtime costs. Fire Chief Wheatley explained that the operational overtime budget for the Fire Department covers shift overtime and emergency callback overtime. A 2008 study that was requested by the City Council shows that, in order to reduce overtime, an additional four people should be hired, and in the long term 16 total additional people should be hired. In the 17 years since that study, the City has hired one net position for the Fire Department and the call volume increased by 68%. The Department is using overtime to supplement missing staffing. The Department responds to 175 calls per person and the average in the state of New Hampshire is 102 calls per person. Most fire departments in the State of New Hampshire are funded an average of 15%-18% and Lebanon's is funded at 10% of the municipal budget.

Mr. Simms asked about the percentage of Fire and Police employees that live in the City. This was reported back to be 25% for the Fire Department and approximately 10% for the Police Department. Mr.

Simms stated that this is a problem for residents if essential service employees cannot live in the City.

Assistant Mayor Below noted that all of the City's enterprise funds are self-supporting. These do not require taxpayer subsidies.

Dave McLaughlin, Ward 1, asked where the Milton Rent and Frito Lay owners pay funds to. City Manager Mulholland explained that this money goes to the Airport Fund to offset the debt paid for the roadway. This will eventually generate excess that will go to the Airport.

Louisa Spencer, Ward 1, stated that the City is going to have to accept lower levels of service in order to reduce the budget. The City has pursued a larger tax base which always costs more than it brings in.

Seth Messier, Ward 2, stated that all of the proposed cuts will impact the City. Lebanon offers the community important things, and he appreciates all of those involved.

Mayor McNamara explained that the currently proposed budget does not have cuts to the Library, but the alternative options presented do contain cuts to the Library and this item has not yet been decided on by the Council.

John O'Hara stated that the proposed property tax increases are very concerning. People are being forced out of the City.

Larry Poulin stated that raising taxes is unsustainable and people will not be able to live in the City. Certain proposed cuts seem unpopular, and the Council's job is to make these decisions.

Casey Bancroft asked how the proposed casino will benefit the community. City Manager Mulholland stated that the property will have its value assessed as of April 1, 2025, and the taxes will be paid for accordingly. Mayor McNamara stated that this will likely lead to some amount of additional tax revenue for the City. Assistant City Manager Brooks stated that there is an impact fee associated for the change in use of the property.

Henry Bromberg, Chair of the Lebanon Energy Advisory Committee, stated that the Committee sent a letter to the Council with its thoughts on the property budget cuts. As a citizen of Ward 1, the proposed budget increases are not sustainable. He then spoke of reducing the City's energy emissions and the opportunities for savings that could be sought by the City employee tasked with sustainability.

Councilor Liot Hill MOVED, to extend the City Council meeting to 11:15pm.
Seconded by Councilor Sykes.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

Lynne LaBombard asked about the proposed revaluation. City Manager Mulholland stated that residential properties increase in valuation approximately 55% last time and this will likely be similar this revaluation. There will be more of a shifting to the residential sector.

Mr. Wilkins, Ward 1, asked what the change in working capital from the 2022 revaluation brought to the City budget. Mayor McNamara explained that the overall revenue does not increase from the revaluation. It changed the proportion between residential and commercial properties.

Mr. Bancroft stated that the petition to cap the tax rate mentioned that City employees are receiving a 6% raise annually. City Manager Mulholland stated that the COLA is maxed at 3%. Some employees may receive a merit increase up to 3% on their anniversary date and some may receive a Step increase up to 3%. This could be as much as 6% for some employees.

There was discussion regarding the one additional FTE firefighter position included in the City Manager's budget. City Manager Mulholland stated that this position is being 100% funded by Alice Peck Day. The agreement for this was just signed. There is also a ¾ position which is not currently in the budget. Assistant City Manager Below stated that he does not believe this is what was presented to the City.

Lyndsey [no last name given], Ward 3, stated that part of the issue is how the Council and Staff speak to each other. Everyone is losing faith in the Council's ability to help with this issue.

Councilor Liot Hill MOVED, to extend the City Council meeting to 11:25pm.
Seconded by Councilor Whittlesey.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

Councilor Wilkie stated that he believed there would be opportunity for Councilors to discuss the budget in depth to be prepared in advance of the December 18th meeting. Mayor McNamara stated that there is not another meeting scheduled prior to the 18th, but any Councilor can reach out to the City Manager to discuss proposed concepts prior to the 18th. Councilor Liot Hill stated that she would like the Council to be able to talk amongst itself prior to the 18th. There was agreement to hold an additional meeting on Thursday, December 12th.

Council Comments: NONE

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

11. **CITY MANAGER REPORT: NONE**

12. COUNCIL REPRESENTATIVES TO OTHER BODIES: NONE

13. FUTURE AGENDA ITEMS: NONE

14. NON-PUBLIC SESSION: NONE

15. ADJOURNMENT:

Councilor Heistad MOVED for adjournment.
Seconded by Councilor Simon.

Roll Call Vote:
Assistant Mayor Below, and Councilors Heistad, Liot Hill, Simon, Sykes, Whittlesey, Wilkie, Zook and Mayor McNamara all voting Yea.
None voted Nay.
****The Vote on the Motion was approved (9-0)***

The meeting was adjourned at 11:30 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary