FINAL

LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, September 17, 2025, 7:00 p.m.
Council Chambers
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT:	Mayor Douglas Whittlesey, Assistant Mayor Devin Wilkie, Erling Heistad, Nicole Ford Burley, Timothy McNamara and Karen Zook
MEMBERS ABSENT:	Laurel Stavis, Christian Simon, George Sykes
STAFF PRESENT:	City Manager Andrew Hosmer, Deputy City Manager David Brooks, Finance Director Alesia Williams, City Assessor Michael Pelletier, City Engineer Brian Vincent, Department of Public Works (DPW) Assistant Director Christopher Kilmer, DPW Director Jay Cairelli, DPW Assistant Director Rick Brown, Planning Administrative Assistant Crystal Taplin

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1. **CALL TO ORDER:** Mayor Whittlesey called the meeting to order at 7:00 p.m.
   - City Manager Andrew Hosmer announced the meeting criteria for attendees.

2. **PLEDGE OF ALLEGIANCE:** Mayor Whittlesey led the Council in the Pledge.

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

4. **OPEN COUNCIL DISCUSSION:**
   - Assistant Mayor Wilkie informed the Council about the following:
     1. The number of people who were homeless during this summer (as listed in the City Manager's Report. There is more information that will be forthcoming as the data continues to be analyzed. There were 75 individuals and 54 households in the Upper Valley and of that, 46 were in NH and 29 of the 45 of those who were in Lebanon/West Lebanon were unsheltered (on the streets, in a vehicle, and not in a place intended for short/long-term human habitations).
     2. NH House Bills: Earlier this year the State of NH passed legislation HB511and HB62 that barred cities and municipalities from adopting so called Sanctuary City Policies and imposed penalties on those cities/municipalities who adopted such policies. He has been working with the Diversity, Equity, and Inclusion (DEI) Commission and with concerned members of the public, including original petitioners for the Welcoming Lebanon Ordinance, to make a proposal on what to do about the City of Lebanon's Welcoming Ordinance, City Code Chapter 185, given it is now going to be about this law come January 1, 2026. The recommendation, which was just approved by the DEI Commission on September 16, 2025, includes both a resolution that asks the City Council to commit to many of the provisions (in the Welcoming Lebanon Ordinance) and also to move forward with some actions that could create a DEI Subcommittee to oversee discrimination complaints and to work with the community to collect data and spread public awareness about discrimination./equality and the values that we, as a community tend to hold very strongly here despite Federal or State actions to the contrary. The intent is to bring the Resolution before the City Council along with some recommended

revisions to Ordinance Chapter 185 so that it is not repealed wholesale. Next steps would be to bring this before the Council, get a Public Hearing, and a legal review. Since this needs to be completed by the end of the year, it seems appropriate to get this started with a legal review very quickly. This is also scheduled to be on the October 15, 2025 Council agenda to set the Public Hearing for the first meeting in November.

Mayor Whittlesey noted that the City's legal counsel is very busy so there is a backlog on his schedule. We wanted to move this forward knowing it will require a legal review of our proposed Ordinance and wanted to set the Public Hearing in case there are substantive revisions where we need to go back and make those revisions before the deadline.

In response to Councilor McNamara's question, Assistant Mayor Wilkie noted there is a lot of uncertainty in the State Law right now so the only way to be in complete compliance is to eliminate any notion of being a welcoming community. A legal review will hopefully help us to feel more confident at the October Council meeting that the City of Lebanon is maintaining compliance with the State Law.

The Council will move forward with the legal review. Proposed revisions to the Welcoming Lebanon Ordinance were handed out to the Council for their review.

- Councilor McNamara informed the Council about his participation on the Creating Habitats for Pollinators Committee (CHP). He spoke about the reasons for the creation and history of the CHP. He also spoke about the number of projects that CHP has done in the Upper Valley, and in Michigan, over the last several years. A grant up to $50K is being offered by T-Mobile for community-oriented projects and explained the requirements. The CHP would like to apply for this grant with funds to be used in Lebanon because Lebanon has less than 50K people and explained the reasons for this requirement. Lebanon is being asked to consider being the applicant, instead of CHP, but the City's local chapter of the CHP would do all the work relating to putting the application together. He approached City Staff about projects that could utilize this grant and was informed that grant funds could be used at Riverside Park on Glen Road (landscaping, etc.); the West Lebanon Cemetery, additional areas along the Mascoma Greenway, and the area along Bridge Street in West Lebanon. Since the deadline for this grant is September 30, 2025, Assistant City Manager Brooks offered to do whatever he needs to do for work on this grant. He asked the Council to take a straw vote to support this and to agree to be the applicant for this grant.

City Manager Hosmer offered to take a survey among Department Heads and ask them if they have any issues with this. If there is resistance from City Staff, he will share this with Mayor Whittlesey.

After a short discussion, the Council agreed to have Assistant City Manager Brooks proceed and move forward with the request from Councilor McNamara's grant proposal.

5. OPEN TO PUBLIC: NO ONE CAME FORTH

6. RECOGNITIONS: NONE

7. ACCEPTANCE OF MINUTES: September 3, 2025 (Regular Meeting)

Amendments: Page 9, line 47: Change "did not seek endorsements" to "sought and received endorsements"

***Assistant Mayor Wilkie MOVED* to approve the September 3, 2025 minutes as amended and presented in the September 17, 2025 City Council agenda packet.**
Seconded by Councilor McNamara.

****The Vote on the Motion was approved by members present (6-0).***

8. APPOINTMENTS: NONE

9. PUBLIC HEARING ITEMS:

A. Amendment of Veteran's Service-Connected Total Disability Tax Credit – A public hearing for the purpose of receiving public input and taking action to change the amount of the Veteran's Service-Connected Total Disability Tax Credit from $4,000 to $5,000 in accordance with NH RSA 72:35

Included in the agenda packet: (All supportive documents and detailed information, as listed below, can be found on pages 15-21, Council agenda packet)

1. NH Department of Revenue Administration, Technical Information Release, TIR 2025-003, dated July 7, 2025.
2. Chapter 15, Laws of 2025, NH House Bill 99, Effective July 13, 2025.

The disclosure of any type of conflict was discussed and the Council determined that there was none, as neither Councilor McNamara nor Councilor Heistad were eligible for the Disabled Tax Credit being discussed.

Assistant City Manager Brooks and City Assessor Michael Pelletier reviewed the background and explained the amendments of the Veteran's Service-Connected Total Disability Tax Credits.

BACKGROUND

Veterans Tax Credits are programs made available by the City for Lebanon veterans and their spouses. The tax credit reduces the total property taxes owed on the veteran's residential property by the amount of the credit.

The City has adopted the Optional Veterans' Tax Credit (per RSA 72:28) and the All-Veterans' Tax Credit (per RSA 72:28-b), both in the amount of $750. Veterans and/or their spouses may qualify for either the Optional Veterans' Credit or the All-Veterans' Credit but cannot receive both. In addition, the City has adopted the Service-Connected Total Disability Tax Credit (per RSA 72:35) in the amount of $4,000.

NH statutes previously allowed veterans to claim, or "stack", both the Optional Veterans' Credit of $750 and the Service-Connected Total Disability Tax Credit of $4,000, for a total credit of $4,750. This "stacking" of tax credits was not allowed with the All-Veterans' Tax Credit program. Veterans qualifying under the All-Veterans' Program had to choose either the All-Veterans' Credit or the Service-Connected Total Disability Tax Credit.

On July 13, 2025, new legislation took effect allowing municipalities to increase the amount of the Service-Connected Total Disability Tax Credit up to $5,000. However, under the new legislation, the Service-

Connected Total Disability Tax Credit may no longer be stacked with the Optional Veterans' Tax Credit. Individuals qualifying for the Optional Veterans' Credit and the Service-Connected Total Disability Tax Credit will now have to choose one or the other.

In 2024, the Assessing Department determined that 26 veterans received both the Optional Veterans' Credit of $750 and the Service-Connected Total Disability Tax Credit of $4,000. Two other veterans qualified under the All-Veterans' Tax Credit Program and received only the Service-Connected Total Disability Tax Credit of $4,000.

If the City Council makes no changes to the Service-Connected Total Disability Tax Credit amount, then 26 veterans would see their tax credit benefits reduced. The other two veterans qualifying under the All-Veterans' Program would see no change in their tax credit benefits. Alternatively, if the City Council chose, for example, to increase the Service-Connected Total Disability Tax Credit amount from $4,000 to $4,750, then the 26 veterans currently receiving both tax credits would see no change in their total tax credit benefits, and two other veterans would each now receive an additional $750 in tax credit benefits.

On September 3rd, the City Council scheduled the current public hearing to receive public input and to consider action to increase the amount of the Service-Connected Total Disability Tax Credit to up to $5,000 as allowed under the new legislation. Any change in the amount of the Service-Connected Total Disability Tax Credit would take effect beginning April 1, 2026.

Mayor Whittlesey opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

Council/Staff Comments:
Mayor Whittlesey noted that the increase to the City's Tax Credit Budget would be $8,500.00.

Councilor McNamara spoke about the letter the Council received from an unnamed resident of Lebanon, who has a relative on disability. They expressed concern that there should be a financial determination made on an individual basis as to whether or not someone would qualify over the State Law. He was uncertain if this could be done in the State's Law.

City Assessor Pelletier noted the State's Statute has absolutely nothing to do with income eligibility. The determination is made by the US Department of Veteran's Affairs as to whether or not a person qualifies for the Veteran's Credit.

ACTION:
Councilor McNamara MOVED, that the Lebanon City Council hereby changes the amount of the Veteran's Service-Connected Total Disability Tax Credit from $4,000 to <u>$4,750.00</u> in accordance with NH RSA 72:35.
Seconded by Councilor Heistad.
****The Vote on the Motion was approved by members present (6-0).***

10. OLD BUSINESS: NONE

11. NEW BUSINESS

A. Annual Review and Re-Adoption of City Council Policy CC-100, Cash Management & Investment

Included in the agenda packet: (All supportive documents and detailed information, as listed below, can be found on pages 22-32, Council agenda packet)

1. September 9, 2025 Memo from Alesia Williams, Finance Director, re: Review and Adoption of CC-100 Cash Management and Investment Policy
2. City Council Policy CC-100, Cash Management and Investment, with proposed edits

Deputy City Manager Brooks reviewed the background of this topic as listed above.

BACKGROUND
The purpose of the City's Cash Management and Investment Policy is to ensure that the administration of the City's cash management system is handled with the highest public trust. Finance Director Alesia Williams is charged with oversight of the City's cash management system.

The Policy applies to all cash, cash equivalents (assets that are readily convertible into cash), and investments in the custody of the City Treasurer in accordance with State law. This Policy does not apply to cash, cash equivalents, and investments in the custody of the Trustees of Trust Funds and the Board of Trustees of the Library, who must formally adopt their own Investment Policies that are reviewed and confirmed at least annually for all investments made by them (or by their agents) for trust funds in their custody (NH RSA 31:25 and RSA 202-A:23).

The custody and investment of City funds are to be made in a manner that provides maximum security of principal invested, meets the cash flow needs of the City, and conforms to applicable State laws. Funds in the custody of the Trustees of the Trust Funds are with Citizens Private Wealth - Citizens Bank; City funds in the custody of the City Treasurer are with Mascoma Bank.

New Hampshire RSA 47:6 requires the City Council to at least annually review and adopt an investment policy. The Council last reviewed and re-adopted the Cash Management and Investment Policy on September 4, 2024. Several minor changes are proposed to address typos and changes in City Charter cross-references

ACTION:
Assistant Mayor Wilkie MOVED, that the Lebanon City Council hereby adopts City Council Policy CC-100, Cash Management and Investment, as presented in the September 17, 2025 City Council Agenda packet, to be effective upon passage.
Seconded by Councilor N. Ford Burley.

****The Vote on the Motion was approved by members present (6-0).***

B. Annual Review of City Council Policy CC-101.1, Fund Balance

Included in the agenda packet: (All supportive documents and information, as listed below, can be found on pages 33-38, Council agenda packet)

1. City Council Policy #CC-101.1, Fund Balance Policy

Deputy City Manager Brooks reviewed the background of this item as listed above, noting there have been no changes to this policy since last year.

BACKGROUND

The Fund Balance Policy is normally reviewed annually by the City Council, but unlike the Cash Management and Investment Policy (CC-100), it is not required to be readopted. The current Fund Balance Policy was originally adopted by the City Council on June 20, 2018, and amended on December 13, 2023. The Policy was last reviewed by the Council on September 4, 2024.

A fund segregates resources (revenues) and requirements (expenditures) that are legally restricted to specific uses. Budgets are adopted by the City Council on a fund basis. Funds other than the General Fund exist primarily to ensure and demonstrate compliance with limitations on the use of existing resources, or as enterprise operations. The General Fund, as the chief operating fund of the City, has a broader mandate, which may include accumulating sufficient financial resources for contingencies. Accordingly, the Fund Balance Policy is limited to the General Fund.

The purpose of the Policy is 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.

During the combined sewer separation (CSO) program, the City intentionally maintained a higher fund balance range of 19% to 24% to help fund the program and smooth the tax rate in those years where debt service spikes occurred. The CSO separation program was completed in 2021. On December 13, 2023, the City Council voted to amend the Fund Balance Policy (which was also renumbered to CC-101.1) to establish a fund balance range of 15% to 19%. The lower fund balance range was recommended as a revision to the policy that is projected to meet the emergency needs and cash flow needs of the City. The result is consistent with how the New Hampshire Department of Revenue Administration (DRA) calculates its fund balance retention guidelines (middle ranges), minus the uncertainty of factoring in Net Required County, Local Education and State Education Tax Efforts, which are not known until the annual tax rate setting process in October.

Council/Staff Comments:
Mayor Whittlesey explained the reasons why the City maintains the Fund Balance, which is primarily to provide the necessary cash and liquidity to make payment throughout the course of the year, so the City does not have to borrow money to pay its bills.

ACTION:
No action is required at this time, as this is an annual review of the Fund Balance Policy, which was adopted on June 20, 2018, and amended on December 13, 2023.

C. Review and Discussion of 2025 2nd Quarter Budget Report

Included in the agenda packet: (All supportive documents and detailed report information, as listed below can be found on pages 39-69, Council agenda packet)

1. Memorandum from Finance Department RE: 2nd Quarter Financial Report (June 30, 2025)

Finance Director Alesia Williams was present at the meeting and reviewed her memo in the Council's agenda packet and the 2nd Quarter Budget Report with the Council.

BACKGROUND

The Budget Report presents, in summary form, year-to-date activity for both expenditures and revenues. City Charter §6.09, Budget Control, requires financial information to be presented to the City Council for each quarterly period of the year. City Administration typically provides required financial information on a monthly basis during the 4th quarter.

QUARTERLY REPORT FOR CITY OF LEBANON						
As Of June 30, 2025						
GENERAL FUND		2025 BUDGET	AS OF 06/30/2025	ENCUMBRANCES	AVAILABLE BALANCE	% OF BUDGET USED
	CITY CLERK	$ 887,330	$ 360,338	$ -	$ 526,992	40.6%
	CITY MANAGER	$ 1,388,890	$ 764,610	$ 78,619	$ 545,661	60.7%
	CYBER SERVICES	$ 2,225,940	$ 1,091,719	$ 79,100	$ 1,055,121	52.6%
	FINANCE	$ 6,903,620	$ 3,243,897	$ 200,267	$ 3,459,456	49.9%
	FIRE	$ 5,819,070	$ 2,672,320	$ 3,252	$ 3,143,498	46.0%
	HUMAN RESOURCES	$ 529,450	$ 260,829	$ -	$ 268,621	49.3%
	HUMAN SERVICES	$ 968,090	$ 613,255	$ -	$ 354,835	63.3%
	LIBRARY	$ 1,642,330	$ 829,615	$ 10,738	$ 801,976	51.2%
	PLANNING	$ 1,441,160	$ 663,571	$ 52,250	$ 725,339	49.7%
	POLICE	$ 7,728,920	$ 3,406,490	$ 58,167	$ 4,264,263	44.8%
	PUBLIC WORKS	$ 6,254,920	$ 2,554,316	$ 533,038	$ 3,167,566	49.4%
	RECREATION ARTS & PARKS	$ 1,329,715	$ 524,148	$ 82,927	$ 722,640	45.7%
	DEBT SERVICE	$ 5,970,360	$ 1,817,527	$ -	$ 4,152,833	30.4%
	INTERFUND TRANSFER	$ 1,671,350	$ 1,671,350	$ -	$ -	100.0%
	TOTALS	$ 44,761,145	$ 20,473,986	$ 1,098,357	$ 23,188,802	48.19%

The above is a total summarization for only the General Fund of the 2nd Quarterly Report for through June 30th, 2025, for the City of Lebanon, NH. The complete detailed report, with line items, can be found in the Council agenda packet, as mentioned above.

Council/Staff Comments:
At the request Mayor Whittlesey, Public Works Assistant Director Christopher Kilmer gave an overview of the assumptions that went into the Public Works Budget, noting that one of the issues they had was overestimating, by about $700K, the revenue between power generation and the revenue from energy credits. They lost about 5 months of generation. The estimates were based upon that power plant running at 100%, noting that branch (of the power plant) is just not generating enough methane at this time to run the plant with all 5 micro turbines to generate the 1 Mega Watt/Hr. As a consequence, those numbers on the budget were overshot. He also spoke about the situation with hydrogen sulfide levels, noting they want to stay in compliance with our permits. He noted DPWs spending is on point but there have been some large purchases that were budgeted for, but costs were higher than expected due to the rising costs of everything. The biggest issue is the power plant. He also noted that the gas-to-energy project is now online and generating electricity, but the issue is that there is not enough volume of methane gas in the system to power all 5 micro turbines and explained how those turbines work.

Discussion between the Council and Assistant Director Kilmer took place regarding the revenue generator capacity of the gas-to-energy project as it relates to the budget; how we need to be much more conservative with the budget moving forward; and questions about the sewer/water budget.

ACTION: No Action required. For informational purposes only.

D. Authorization to Transfer Appropriated, but Unencumbered FY25 General Funds

Included in the agenda packet: (All supportive documents and information can be found on pages 70-71, Council agenda packet)

1. Draft Resolution Authorizing the Transfer of Appropriations

Deputy City Manager Brooks reviewed and explained the background behind the Transfer of Appropriated, but Unencumbered FY25 General Funds.

BACKGROUND
The City Council appropriates a budget on an annual basis. The FY2025 Budget was approved and appropriated on December 18, 2024. 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 Planning & Development Department to resolve a NH RSA 155-B action authorized by the City Council, and in the City Manager's Office to accommodate interim city management services associated with the departure of the prior City Manager, as summarized in the attached Resolution, that will cause these department budgets 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 §6.10, 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 2025.

Deputy City Manager Brooks explained the reason and history for the transfer of the expenses as listed below.

Transfer of Appropriated, but Unencumbered FY2025 General Funds Pursuant to City Charter §6.10	
From:	**Up To Amount:**
Police Department	$117,100
Total:	**$117,100**
To:	
Planning & Development (RSA 155-B Action) In association with property at 375 N. Main St.	$53,400
City Manager's Office (Interim CM)	$63,700
Total:	**$117,100**

ACTION:
Assistant Mayor Wilkie MOVED, that the Lebanon City Council, pursuant to City Charter §6.10, hereby approves the Resolution for the Authorization to Transfer Fiscal Year 2025 General Fund Appropriations, as provided in the following table and as presented in the September 17, 2025 City Council Agenda Packet, as reference on page 70 of 88.
Seconded by Councilor McNamara.

****Vote on Motion Approved by members present (6-0).***

Title: Authorization to Transfer FY2025 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 §6.10, 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 operation of the Planning & Development Department will exceed the appropriations within the FY2025 Budget as a result of a NH RSA 155-B action authorized by the City Council; and

WHEREAS, the costs associated with the operation of the City Manager's Office will exceed the appropriations within the FY2025 Budget due to the accommodation of interim city management services associated with the departure of the prior City Manager.

NOW, THEREFORE, the City Council hereby authorizes the City Manager to transfer unencumbered appropriations in the FY2025 General Fund Budget in the amount of up to $117,100 from the departments as indicated below to the departments as indicated below:

Transfer of Appropriated, but Unencumbered FY 2025 General Funds Pursuant to City Charter §6.10	
From:	**Up To Amount:**
Police Department	$117,100
Total:	**$117,100**
To:	
Planning & Development (RSA 155-B Action)	$53,400
City Manager's Office (Interim CM)	$63,700
Total:	**$117,100**

BE IT FURTHER RESOLVED that this resolution be written upon the minutes of the Lebanon City Council meeting on September 17, 2025.

SIGNATURE: ______________________________ (To be obtained at meeting, should the Council approve this Resolution)
City Clerk/ Mayor Douglas Whittlesey

DATE SIGNED: September 17, 2025

E. Discussion & Set Public Hearing for October 1, 2025: Ordinance #2025-09, Amendments to City Code Chapter 8: Airport Operations

Included in the agenda packet: (All supportive documents and more detailed information can be found on pages 72-74, Council agenda packet)

1. Proposed Ordinance #2025-09
2. Airport Landings by Weight Class through July 2025, and 5-year Average

Deputy City Manager Brooks reviewed the background and reasons behind the amendments to Ordinance #2025-09 as listed above.

BACKGROUND

Landing fees at the Lebanon Municipal Airport were last adjusted in November 2024 with an effective date of January 1, 2025. A comparison of the existing landing fees and the proposed landing fees adjusted by the CPI-U Northeast was completed and the recommended adjustments to the existing landing fees are shown in Ordinance #2025-09. As proposed, the new fees would be effective as of January 1, 2026.

The airport will continue to monitor the CPI-U and existing landing fees to request adjustments as necessary.

NOTE: Proposed Changes to Ordinance #2025-09 are highlighted in **red.**

CITY OF LEBANON ORDINANCE #2025-09

AN ORDINANCE TO AMEND the Code of the City of Lebanon, Chapter 8, Airport Operations, Section 8.4, Airport Rules and Regulations.

BE IT ORDAINED, by the City Council of the City of Lebanon, as follows: Section 1:

Part 5, Fees, of the Lebanon Municipal Airport Rules and Regulations, Section 1.A.1 regarding Aircraft Landing Fees is hereby amended to change the fees for Aircraft Landings as follows:

Section 1 - Fees

A. Aircraft Landing Fees

1. The Airport Manager is authorized to collect Landing Fees for Non-based Aircraft utilizing the Airport, which are as follows:
    - Single Engine / Commercial N/A
    - $ 15: Light Twin-Engine
    - $ 15: Piston Helicopters
    - $ 20: Turbine Helicopters
    - $ ~~40~~ 45: Turboprops < 9,001 pounds weight
    - $ ~~85~~ 90: Turboprops 9,001- 27,000 pounds weight (SE/ME)
    - $ ~~150~~ 155: Turboprops > 27,000 pounds weight
    - $ ~~105~~ 110: Very Light Jets (VLJs)
    - $ ~~290~~ 300: Jets 9,001 - 27,000 pounds weight
    - $ ~~395~~ 410: Jets 27,000 - 60,000 pounds weight
    - $ ~~495~~ 510: Jets > 60,000 pounds weight
    - $ ~~830~~ 860: Jets (Airline Category)
    - $ ~~50~~ 55: Aircraft Detailer

Section 2: Severability

The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3: Effective Date

Ordinance shall be effective January 1, 2026.

Council/Staff Comments:
Since this topic was to set a Public Hearing, the Council briefly discussed and questioned some of the proposed fee rates/increases and a decline in some landings.

ACTION:
Mayor McNamara MOVED that the Lebanon City Council hereby schedules a public hearing for Wednesday, October 1, 2025, beginning at 7:00 pm in Council Chambers, City Hall, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action on proposed Ordinance #2025-09 to amend City Code Chapter 8, Airport Operations, Section 8.4, Airport Rules and Regulations, to amend Airport Landing Fees.
Seconded by Councilor Heistand.

****The Vote on the Motion was approved by members present (6-0).***

F. Discussion & Set **Public Hearing** for October 1, 2025: Request to Rescind Prior Authorizations for Issuance of Bonds or Notes, to Rescind Prior Appropriations for Capital Projects, and to Transfer Appropriated but Unspent Funds

Included in the agenda packet: (All supportive documents and detailed information, including all proposed Resolution Requests to Rescind Prior Authorizations for Issuance of Bonds or Notes, to Rescind Prior Appropriations for Capital Projects, and to Transfer Appropriated but Unspent Funds, can be found on pages 75-83, Council agenda packet)

1. Summary memo from Finance Department

Deputy City Manager Brooks reviewed the background behind this topic, as listed above, noting this is an annual process.

BACKGROUND
The periodic recission of prior authorizations to issue bonds or notes by the City Council is part of an ongoing objective to reduce outstanding authorized, but unissued, long-term debt and the City's debt exposure, as well as the significant costs associated with servicing that debt. In addition, transferring appropriated, but unspent funds from completed projects to ongoing capital projects can further reduce or eliminate the need to issue long-term debt.

The purpose of this agenda item is to request the City Council to rescind prior authorizations for unissued bonds or notes that are no longer required, and therefore, need not be issued. In addition, the Council is asked to rescind prior appropriation authority for capital projects and to authorize the transfer of appropriated, but unspent project funds from completed capital projects to other ongoing capital projects.

The total amount of prior authorizations for issuance of bonds or notes to be rescinded is $3,822,776.66. The total amount of prior appropriation authority for capital projects to be rescinded is $5,838,380.96. The total amount of appropriation authority to be transferred from completed capital projects to other capital projects is $39,248.43. The total amount of appropriated, but unspent funds to be transferred from completed capital projects to ongoing capital projects is $1,325,049.28.

Mr. Brooks noted that when we get to the Public Hearing we will go through the whole list for each project and approve them individually so there is a clear path for the City Auditors/Finance Department/Bond Council, etc. to follow regarding these finances.

NOTE: All Proposed Resolutions for each of the items listed below can be found on pages 76-83, in the September 17, 2025, Council agenda packet.

Completed Capital Project	Rescind Bonding Authorization	Rescind Appropriation Authorization	Transfer Funding and Appropriation Authorization	Transfer Unspent Funds Only
City Hall Renovation	$150,000.00			
Electric Vehicle Service Equipment	$50,200.00	$251,000.00		
Airport TIF District Infrastructure Improvements	$579,700.00	$648,113.18		$68,413.18
Water System Mapping		$191,609.39		$191,609.39
Westboro Park	$47,000.00	$145,000.00		$98,000.00
Huber Sludge Dewatering Press	$209,260.00	$239,780.62		$30,560.62
Streets Rehabilitation / Reconstruction	$255,000.00	$36,898.50		$21,555.25

Completed Capital Project (continued)	Rescind Bonding Authorization	Rescind Appropriation Authorization	Transfer Funding and Appropriation Authorization	Transfer Unspent Funds Only
South Main Street Water	$500,000.00*			
Packard Hill Bridge	$192,226.66			
Sewer System Rehabilitation	$39,390.00	$14,243.41		$3.42
Capacity Mgmt., Operations & Maintenance (CMOM)		$11,037.07		$11,037.07
Spencer Street Improvements		$35,967.03		
Mascoma Street Bridge (Benton Hill #120/115)				$129,363.03
Miracle Mile		$158,691.91		$158,691.91
Downtown Visioning and Tunnel Project		$15,542.40	$39,248.43 (Appropriation Only)	$54,790.83
Combined Sewer Overflow (CSO)		$4,051,038.00		$561,024.58
Main Street Properties (14, 28 & 30 Main St)	$1,800,000.00	$39,459.45		
Total	$3,822,776.66	$5,838,380.96	$39,248.43	$1,325,049.28

Please see the memorandum from the Finance Department in the agenda packet for a further detailed description of the requested rescissions of bonding and appropriation authority and transfers of appropriated, but unspent funds.

ACTION:
Assistant Mayor Wilkie MOVED that the Lebanon City Council hereby schedules a public hearing for Wednesday, October 1, 2025, beginning at 7:00pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose of receiving public input and taking action to rescind prior authorizations for the issuance of bonds or notes totaling $3,822,776.66; to rescind prior appropriations for capital projects totaling $5,838,380.96; to authorize the transfer of appropriation authority to another capital project totaling $39,248.43; and to transfer appropriated, but unspent funds totaling $1,325,049.28 from completed capital projects to ongoing capital projects.
Seconded by Councilor N. Ford Burley.

****The Vote on the Motion was approved by members present (6-0).***

G. Discussion & Set Public Hearing for October 1, 2025: Request to Transfer Appropriated and Borrowed, but Unspent Bond Funds from the Mt. Support Road/Lahaye Drive Intersection Capital Project to a New Capital Project to Repave the Remainder of Lahaye Drive

Included in the agenda packet: (All supportive documents and detailed information can be found on pages 84-86, Council agenda packet)
1. Image of Proposed Lahaye Drive paving project

Deputy City Manager Brooks and City Engineer Brian Vincent reviewed the background and details behind this topic as listed above. Since our budget came in under budget by $500K, Mr. Vincent felt this is an opportunity to transfer those funds to pay for the repaving of Lahaye Drive.

BACKGROUND
The Mt. Support Road/Lahaye Drive intersection project was approved by the City Council as a capital improvement project beginning in 2021 to be paid for primarily via a Special Assessment District (SAD), which is comprised of properties in the vicinity of the intersection which are specially benefited by the improvements. The total funding appropriated for the intersection project is $4,600,000, including preliminary engineering, final design, permitting, and construction. As of August 2025, the intersection project is substantially complete, and the total project cost is expected to come in under the original budget estimate by about $458,000.

Since the SAD assessments are based on the total actual cost of the project, the fact that the project will be completed for less than originally estimated will result in a reduction in the assessments over the remaining life of the Special Assessment District. This reduction in SAD assessments will be realized by the property owners based on the same percentages as the assessments themselves. For example, Dartmouth Health (DH), which is responsible for roughly 81.67% of the intersection project costs (based on vehicle traffic through the intersection), would expect to save about $375,000 over the remaining life of the SAD.

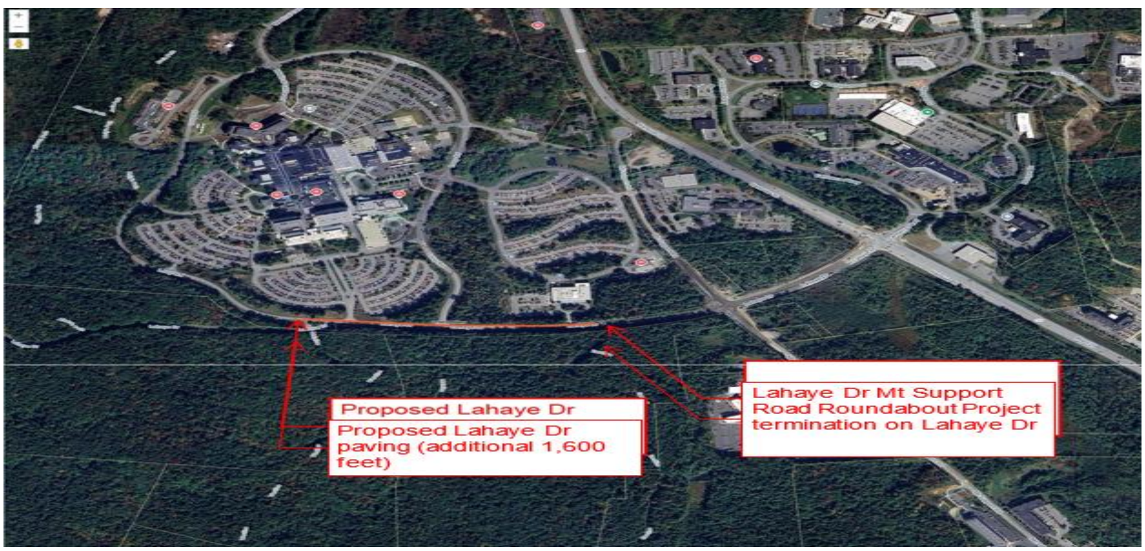
In recent years, the City and DH have received numerous complaints about the condition of the public portion of Lahaye Drive extending westward from the Mt. Support Road intersection to where it enters the DH property (about 1,600 linear feet). DPW has evaluated the road and agrees it is in poor condition and warrants a reclamation and repaving project. However, because the repaving of Lahaye Drive does not specially benefit all of the properties within the SAD District to the same degree as the intersection project, it is not appropriate to simply extend the SAD District and expand the intersection project to include the rehabilitation of the remainder of Lahaye Drive.

Instead, the City Administration recommends that the City Council authorize the transfer of the appropriation and the remaining intersection project funds to a new capital project to repave the remaining public portion of Lahaye Drive.

At the same time, discussions with DH about the current SAD budget status and roadway conditions west of the intersection project have resulted in a shared desire to address this section of Lahaye Drive. Specifically, DH has expressed a willingness to contribute its share of the SAD District savings toward the reclamation and repaving of Lahaye Drive. It is proposed that DH's contribution would be formalized through a negotiated agreement associated with its annual PILOT payments rather than through the SAD District.

The reclamation and repaving of the remainder of Lahaye Drive is estimated to cost approximately $362,000 based on a change order proposal provided by the prime contractor for the intersection project. Since the repaving is proposed on a unit price format based on field measurements of the actual improvements, the price could change slightly but is not expected to exceed the change order estimate by more than 1O percent. If the final actual repaving cost exceeds the amount DH is willing to contribute to the project, DPW budgeted funds would cover the difference.

In order for the reclamation and repaving project to be completed during the current construction season, DPW proposes to coordinate scheduling with the prime contractor with the inclusion of a non-appropriation clause into the change order proposal.



	MAP FOR REFERENCE ONLY NOT A LEGAL DOCUMENT City of Lebanon, NH makes no claims and no warranties, **expressed or implied, concerning the validity or accuracy of** the GIS data presented on this map.	Print map scale is approximate. Critical layout or measurement activities should not be done using this resource.

	Geometry updated 01/3012025 Data updated 11118/2018	

Council/Staff Comments:
In response to Councilor McNamara's question regarding the overall cost of this project, Mr. Vincent said it is around $371K but noted this project has not been engineered so he was being a little cautious and costs might go up or down around 10%. As for costs to the City, DH (Dartmouth Hitchcock) agreed that they would cover $375K of the costs. The Department of Public Works 2025 budget funds would cover any balance that is above and beyond the $375K.

Deputy City Manager Brooks noted this would create a new Capital Project but using existing funds to pay for this and explained his reasoning.

ACTION:
Assistant Mayor Wilkie MOVED that the Lebanon City Council hereby schedules a public hearing for Wednesday, October 1, 2025, beginning at 7:00pm, in Council Chambers, City Hall and remote via the City's Virtual Platform, for the purpose **of** ***receiving public input and taking action to authorize the transfer*** **of** ***appropriation authority*** **of** ***up to $410,000 from the Mt. Support Road/Lahaye Drive Intersection Capital Project*** **to** ***a new Lahaye Drive Paving Capital Project, and*** **to** ***authorize the transfer*** **of** ***up*** **to** ***$375,000*** **of** ***remaining bonded project funds based on an agreement with Dartmouth Health to contribute Special Assessment District proceeds*** **to** ***the new Lahaye Drive Paving Capital Project, with the remaining project costs to be transferred from FY2025 Department*** **of** ***Public Works appropriations. Seconded by Councilor McNamara.***

****The Vote on the Motion was approved by members present (6-0).***

H. Discussion and Authorization for City Manager to Establish Residential Loan Repayment Options for Property Owners Impacted by Replacement of Lead or Galvanized Water Service Lines

Included in the agenda packet: (All supportive documents and information can be found on pages 87-88, Council agenda packet)

1. DPW summary of DWSRF Loan Repayment Options

Deputy City Manager Brooks and DPW Assistant Director Rick Brown reviewed the background behind this optic.

BACKGROUND
In October 2024, the Environmental Protection Agency (EPA) updated the Lead and Copper Rule by lowering the action level for lead and establishing a requirement that water systems must replace at least 10% of lead and galvanized services lines each year beginning in 2027 up to 10 years. This has to be done no later than 2037.

In order to comply with the updated EPA rules, on March 19, 2025, the City Council approved a supplemental appropriation in the amount of $2,310,000 for a new Lead and Galvanized Water Service Line Replacement Project. At the same time, the Council authorized the City Manager to apply for a

Drinking Water State Revolving Fund (SRF) loan for the project amount. It was understood that the SRF loan could include loan forgiveness of up to 71% and the remaining costs would be split between the City and individual property owners.

The Department of Public Works (DPW) requested the City Council to authorize the City Manager to establish a set of repayment options for residential property owners whose water service lines required replacement. The attached memorandum from DPW includes a summary of the Drinking Water SRF loan status and outlines potential repayment options, including a lump sum payment or a financed repayment through quarterly billing.

DPW Assistant Director Rick Brown reviewed and explained the Approval of DWSRF Loan Repayment Options as listed below.

Council Agenda Item: Approval of DWSRF Loan Repayment Options

Background:
The City is participating in the Drinking Water State Revolving Fund (DWSRF) Infrastructure Loan Program to finance water service line replacements. Federal requirements mandate that all lead and galvanized service lines must be replaced by 2037. While the City does not have any lead service lines, all galvanized service must be replaced.

Project & Replacement Work:
- Replacement will be performed by city hired contractors.
- Work will be coordinated and scheduled directly by the city with each affected resident.

Estimated Cost & Funding:
- Estimated service line replacement cost: $7,500 per property
- With 66% loan forgiveness, the resident's portion is reduced to approximately $2,550, which the residents will have to pay.
- Residential repayment options:
  1. Pay the full $2,550 in a lump sum, or
  2. Finance through the City over 20 years, added to the quarterly water bill (~$40 per quarter, including interest).

Loan Terms:
- Loan funded through the DWSRF Infrastructure Fund
- 66% loan forgiveness on principal
- Remaining balance financed at 3.072% interest over 20 years
- A lien will be placed on the property for financed amounts, ensuring the obligation remains with the property if sold or transferred. *The lien will go with the house if it is sold.*

Resident Notifications:
All residents with unknown, lead, or galvanized service lines will receive annual notices by mail until their line is replaced.

Action Requested:
Council approval to adopt the proposed DWSRF loan repayment structure for residents.

ACTION:
Councilor McNamara MOVED that the Lebanon City Council hereby directs the City Manager to work with the Department of Public Works to establish repayment options for property owners whose water service lines requirement replacement as part of the City's Lead and Galvanized Water Service Line Replacement Project.
Seconded by Councilor Heistad.

****The Vote on the Motion was approved by members present (6-0).***

12. City Manager Report:
City Manager Hosmer updated the Council on the following:

- Housing Accelerator Project: Not discussed because Councilors Stavis and Sykes were absent.
- Hot off the press studies that will be shared with the Planning Board, the Housing Task Force and City Council.
- Department Head meetings: Almost completed.
- Extreme drought situation in Grafton County: City of Lebanon is in a level 3 water use restriction and applies to all connected to the municipal water system and will remain in effect until drought conditions improve.
- AFSCME negotiations with Department Heads and support staff have opened up.
- Lebanon Citizens Academy: Will return in 2026. Each session will run for 2 hours from 6-8PM. Information is being finalized and will be on the City's website soon. The purpose of the Lebanon Citizens Academy is to inform the residents how the City's operations work.
- Budget Process Work: Everyone remains mindful of taxpayer concerns and are committed to presenting this budget by the end of October.

13. NON-PUBLIC SESSION: NONE

14. ADJOURNMENT:

Councilor McNamara MOVED for adjournment.
Seconded by Councilor Heistad.

****The Vote on the MOTION was unanimously approved (6-0)***

The meeting was adjourned at 8:22 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary