

FINAL

**LEBANON CITY COUNCIL
WORK SESSION MINUTES
Tuesday, November 6, 2025, 5:30PM
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, Laurel Stavis, George Sykes and Karen Zook

MEMBERS ABSENT: Christian Simon

STAFF PRESENT: City Manager Andrew Hosmer, Deputy City Manager David Brooks, DPW Director Jay Cairelli, Director of Finance Alesia Williams

1. CALL TO ORDER: Mayor Whittlesey called the meeting to order at 5:30 p.m.
[At 5:35 p.m., Councilor Zook joined the meeting remotely.]
[At 6:03 p.m., Councilor Stavis joined the meeting.]

City Manager Hosmer reviewed the meeting criteria for attendees. He gave an overview of the duties, services, and staff of the Department of Public Works. He said he wanted to clear up some misconceptions from Monday evening's presentation about full-time equivalents and compensation. He said Lebanon's pay plan for employees is designed to be fair, competitive and fiscally responsible so the City can recruit and retain people who deliver core services. He noted, contrary to recent claims, employees do not automatically receive 6% pay increases across the board each year and the only adjustment for all employees is the general wage increase (GWI). He said, for 2026, the GWI is 3%. He said there is no policy that grants employees 6%.

2. PUBLIC WORKS:

Included in Agenda Packet: (All supportive documents and detailed financial information, including line-item breakdowns, can be found on Pages 2-8, Council agenda packet)

Mr. Cairelli thanked his staff, who he said helped him create the budget presentation as well as oversee projects and divisions of the department. Mr. Cairelli noted that taxpayers and the General Fund do not subsidize the Enterprise Fund. He reviewed the budgeted amounts for 2026 for the following;

- Roads/Highways
- Paving
- City permitting (via site plan reviews)
- Cemetery revenues

He said the expenses for the General Fund for 2026 have increased 4.4% from 2025. He said more expenses for paving are part of the reason for the increase. He said contracted services, across all areas in the general fund, have been moved to the Supplies line item. He said much of the work that had been contracted is being done by City staff. He explained the reason they are requesting an investment in a cemetery software program as there has been a problem with the historical records (as with many other communities). He discussed paving projects planned for 2026 and explained the reclaiming process. He explained the work done to maintain the City's fleet of vehicles. He gave an overview of DPW's accomplishments related to General Fund items for 2025.

Council/Staff Discussions:

Mr. Cairelli explained the proposed cemetery software program was a more cost-effective solution than for staff to use a GIS-based system. He said about half the cost would be for the initial site visit and consolidation. He said it would take his staff years to complete that work. Mr. Cairelli explained that funds budgeted for sidewalk and bike path maintenance were reallocated to the Supplies line item. He also explained that an erroneous estimate in the 2025 budget was for \$28,000 for lighting. He said the actual cost was close to \$52,000.

Mr. Cairelli explained increases in wages are related to:

- A part-time employee was made full-time
- Overtime wages have increased due to work demands

He said a duct cleaning project (included in the City Hall Appropriations/Repair Maintenance Services line item) accounted for about \$29,500. He said there are some encumbered costs for projects that have not yet been funded. He said masonry work planned for the Soldiers Memorial Building was not completed in 2025 has carried over into 2026. He said the cost to run dehumidifiers in Dana House would fall under electricity costs. He said, beyond identified CIP projects, other City Hall Appropriation projects include replacing the pedestrian rails behind City Hall and by the Mascoma River Greenway and repaving the parking lot. Ms. Williams noted that increases in Workers' Compensation premiums (slated to increase 64% in 2026) are based on the City's claims history and insurance rate increases in general.

Mr. Cairelli confirmed decreases in snow removal expenses (under Winter Operations) were in part because in-house staff would be performing that function instead of contracted vendors. Ms. Williams said the higher Quarter 4 spending on Fleet Maintenance was partly due to the inspections being due in September and October. Mr. Cairelli described the software they want to use for fleet maintenance. He said the system produces idle time reports and maintenance reminders and they expect to see savings in fuel costs and preventative maintenance as a result. He explained the repair maintenance funding for public parks depends heavily on donations the City receives for flower beds.

Mr. Cairelli explained that mowing on state roads outside the urban compact is the responsibility of the state. He said mowing within the urban compact is the responsibility of the City. He said they do not have the manpower to mow areas that are under the state's purview, but he said they do try to respond to residents' concerns when roadside visibility and safety is compromised by overgrowth.

Solid Waste Division Budget Overview

Included in Agenda Packet: (All supportive documents and detailed information can be found on Pages 9-14, Council agenda packet)

Solid Waste

Mr. Cairelli said Lebanon's solid waste division oversees the following:

- Operation of landfill
- Operation of recycling center
- Operation of landfill-gas-to-energy plant (since July 2025)

He said the current Phase 2 of the landfill will end in Quarter 1 of 2029. He said Phase 3 is for approximately 13 acres and would give 20 years of life if approved. He said, if approved, construction of Phase 3 would begin in 2027. He said fees from use of the landfill are used as an offset to the General Fund to help relieve the tax burden. He discussed the leachate project. He said the landfill-gas-to-energy

plant is not self-sustaining yet, but production has increased. He said Department of Environmental Services rate and fee increases have contributed to the projected increase in City rates for 2026.

Council/Staff Discussions:

Mr. Cairelli explained that the approximate \$38,000 budgeted for the sale of glass is really a charge imposed by the recycle center to receive glass (similar to the charge for steel cans). He said the City is not permitted to accept glass for no charge.

He said the Revenues Permit Application Fee line item relates to a new charge of a \$10 annual fee for Lebanon residents and a \$15 annual fee for non-residents for use of the landfill.

He explained the charges for services and municipal waste were calculated when the proposed rates were applied to the average tonnages for specific items.

Ms. Williams explained the discrepancy between group insurance premiums is due to turnover in staffing and changes in demographics (for example, single plans vs family plans). Mr. Cairelli said they rented a crusher instead of hiring a company to do crushing at the landfill and that accounted for the increase in the Landfill Operations line item. The group discussed costs for training for new employees, the Fore-U driving range rental fee, landfill operations overtime wages, and the investment income rate.

Ms. Lori Key (Ward 3) asked if the landfill fees could be reviewed and possibly raised for non-residents. Mayor Whittlesey said the rates will probably increase year over year, but they will not be adjusted at this time.

Ms. Wendy Hall (Ward 3) asked about the Enterprise Fund Budget transfers to the Administrative Overhead line item. Mayor Whittlesey explained these transfers are like payments from the fund to the general fund to offset the costs to provide administrative services.

Mr. Cairelli explained a decrease of \$80,000 in the Traffic Safety line item resulted when the costs for a lighting project and other equipment were removed from that line item.

Water Treatment Division Budget Overview

Included in Agenda Packet: (All supportive documents and detailed information, including line-item breakdown, can be found on Pages 15-19, Council agenda packet)

Water Treatment

He explained the responsibilities of the employees who work in this division:

- Operate the water treatment plant
- Responsible for water storage tanks, pump stations, pressure control stations
- Improve water quality and system efficiency

Mr. Cairelli explained the functions of the water treatment plant. He said the Water Fund is an Enterprise Fund supported by the fees collected for the services the division provides. He said the Water Treatment line item in the budget is up 15.07% for 2026. He said reasons for the increase include:

- Wages
- Lagoon mitigation
- Increased electricity costs (up about 17%)
- Software program upgrade

- Meter upgrades

He gave an overview of DPW's accomplishments related to Water Treatment for 2025.

Council/Staff Discussions:

He said the City was able to maintain water production and storage throughout the drought last summer. He discussed a project that involves removing splashboards from the intake dam so the City could produce water without ponding and potentially prevent an odor or taste issue. He discussed meetings they have had with the Town of Hanover regarding using their water supply as a secondary source, if needed. He said the repair maintenance costs in the Water Distribution line item are due to the software system upgrade and some encumbered projects.

Wastewater Division Budget Overview

Included in Agenda Packet: (All supportive documents and detailed financial information, including line-item breakdowns can be found on Pages 20-25, Council agenda packet).

Wastewater Treatment

Mr. Cairelli explained these line items are funded by sewer user charges and permits, grants and other smaller fund sources. He said the 2026 proposed budget for this is up only 1.5%. He said the expenses are tied to management and care of the system. He discussed the Intermunicipal Agreement (IMA) that Lebanon has with the town of Hanover and the percentage of the budget that goes to Hanover for sewer service charges. He gave an overview of DPW's accomplishments related to Wastewater Treatment for 2025.

Council/Staff Discussions:

Mr. Cairelli said the fee that Lebanon pays to the Town of Hanover for wastewater treatment went up 7% for 2026. He said the agreement is a five-year agreement and it is not likely the agreement will ever go away. He said, under the Repair Maintenance Services line item, the annual cleaning and televising are encumbered services. He explained the cleaning and televising processes.

Ms. Wendy Hall (Ward 3) asked about the rate that Lebanon charges Enfield for water use. The group discussed how Lebanon charges Enfield only for the portion of the system that it uses, and that the City wants to encourage Enfield to continue to build housing and using Lebanon water flow.

NOTE: The City of Lebanon 2026 Proposed Operating Budget is available at LebanonNH.gov/2026BudgetBook.

3. ADJOURNMENT:

The meeting was adjourned at 8:07 p.m.

Respectfully submitted,
Paula Roux
Recording Secretary