



**LEBANON CITY COUNCIL
DECEMBER 3, 2025 - 7:00 PM
LEBANON HIGH SCHOOL GYMNASIUM, 195
HANOVER STREET EXT., OR
REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE**

To participate in this meeting, please [join live via Microsoft Teams](#) or call 929-229-5356 (access code: 247 031 545#). If you have trouble accessing this meeting, please [email David Brooks](#).

1. Call to Order

The December 3, 2025 Lebanon City Council Meeting is hereby called to order.

2. Pledge of Allegiance

3. Public Forum Announcement by the Mayor

Any member of the public who desires to speak on any item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. **Note: Speakers are asked to state their name, ward of residence, and to use the microphone provided.**

4. Open Council Discussion

5. Open to the Public

6. Recognitions: None

7. Approval of Minutes

- A. MOTION TO approve the minutes as presented in the December 3, 2025 agenda packet.

8. Appointments

- A.
- Arts and Culture Commission, Jennifer Chambers (Arts Organization Representative)
 - Lebanon Energy Advisory Committee, Henry Bromberg (Reappointment as Citizen Representative)

9. Public Hearing Items

- A. Donation of Conservation Land
Acceptance of a Donation of Rutter Property, a +/-23-Acre Parcel of Conservation Land on Stevens Road, Lebanon, from the Upper Valley Land Trust
- i. Presentation:
 - ii. Opening of the Public Hearing:
 - iii. Questions & Comments by the Public:
 - iv. Closing of the Public Hearing:
 - v. Council Deliberation & Action:

10. Old Business

A. Ordinance 18 - Second Reading

Presentation of Second Reading: Amendments to Ordinance #18, Salary Plan, to include implementation of a 3.0% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan.

11. New Business

A. Lebanon Opera House Alcohol Exemption Request

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 2026

B. Lebanon Outing Club Alcohol Exemption Request

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 2026

C. Presentation of 2024 Financial Audit Report

D. Ordinance #2025-14

Discussion & Set Public Hearing for January 7, 2026: Ordinance #2025-14, Amendments to City Code Chapter 8, Airport Operations, to Amend Fuel Flowage Fees

E. Citizens Binding Initiative

Discussion & Set Public Hearing for December 18, 2025: Consideration of City Clerk's Certification of Sufficiency for Citizens Binding Initiative Seeking to Establish a Finance Advisory Committee

F. Keno Games

Discussion of Placing a Question of Whether to Prohibit the Operation of Keno Games on the March 10, 2026 Municipal Ballot

G. Public Input on Proposed 2026 Municipal Budget

12. City Manager Report

13. Non-Public Session

14. Adjournment

Meetings are open for in-person and remote attendance. Members of the public who wish to attend remotely may do so by going to [LebanonNH.gov/Live](https://lebanonnh.gov/live) where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupt virtual or phone connection(s), the meeting will continue without remote access capabilities.

Any person with a disability who wishes to attend this public meeting and needs additional accommodation, please contact the ADA coordinator at City Hall by calling 603-448-4220 at least 72 hours in advance so that the City can make any necessary arrangements.

Future Board/Committee/Commission Appointments:

Board/Committee: Arts and Culture Commission

Position: Regular

Applicant: G. Dokucu

City Councilor: L. Stavis

Assigned Date: 10/01/2025

Board/Committee: Arts and Culture Commission

Position: Regular

Lebanon City Council Agenda
December 3, 2025

Applicant: L. Ridilla
City Councilor: D. Wilkie
Assigned Date: 10/22/2025

Board/Committee: Arts and Culture Commission
Position: Regular
Applicant: H. Hingston
City Councilor: D. Wilkie
Assigned Date: 11/04/2025

Board/Committee: Heritage Commission
Position: Regular
Applicant: R. Benzel
City Councilor: N. Ford Burley
Assigned Date: 11/25/2025

Proposed Future Agenda Items: Dates may be tentative, and this list is not considered all-inclusive.
December 17, 2025

Public Hearing Items:

- A. Adoption of 2026 City Budget – Public Hearing for the purpose of receiving public input and taking action to adopt the 2026 City Budget as proposed by the City Manager
- B. Amend Ordinance No. 18, Salary Plan – A public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, to include implementation of a 3.0% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan

New Business:

- A. Authorization for the City Manager to Transfer Appropriated, Unencumbered FY2025 General Funds

December 18, 2025 - Special Meeting

January 7, 2026

New Business:

- A. Review and Adoption of 2026 Annual Calendar
- B. Appointment of 2026 Chair and Vice-Chair for Economic Development Commission
- C. Discussion of Creation of Welcoming Lebanon Task Force
- D. Review and Set Public Hearing for January 21, 2026: Proposed Zoning Amendments for Council Adoption and for Municipal Ballot

**Agenda
Lebanon City Council
December 3, 2025**

7. Acceptance Of Minutes:

Minutes To Be Accepted

- November 12, 2025 (Work Session)
- November 13, 2025 (Work Session)
- November 18, 2025 (Work Session)
- November 19, 2025 (Regular Meeting)

MOVED, to approve the minutes as presented in the December 3, 2025 agenda packet.

DRAFT

**LEBANON CITY COUNCIL
WORK SESSION MINUTES
Wednesday, November 12, 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, Christian Simon, Laurel Stavis (remote, George Sykes and Karen Zook)

MEMBERS ABSENT:

STAFF PRESENT: Deputy City Manager David Brooks, City Manager Andrew Hosmer, Director of Planning & Development Nathan Reichert, Deputy Director Planning & Development Tim Corwin, City Clerk Jaseya Ewing, Director of Arts, Parks & Recreation Paul Coats, Cyber Services, Director Perry Eaton Infrastructure Engineer Jon Henault, Chief Building Inspector & Health Officer Leigh Hays, Chief Innovation & AI Officer Melanie McDonough, Planning Administrative Assistant Crystal Taplin, Finance Director Alesia Williams, Human Services Director Lynne Goodwin

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

- **City Manager Hosmer reviewed the meeting criteria for attendees.**

2. RECREATION, ARTS & PARKS & OUTSIDE RECREATION SERVICES

Introduction from City Manager Hosmer: This department provides year-round programs, special events and recreational services while developing and maintaining Lebanon's Parks, trails, open spaces, pool and related facilities to enhance the quality of life for residents and visitors. Its mission is to provide a variety of quality recreation programs and special events and to effectively develop and maintain the City's open spaces, parks and recreation facilities for the communities use and enjoyment. The department's work spans program delivery and event coordination; stewardship of parks, facilities; and trail assets, such as the Mascoma River Greenway and Northern Rail Trail. Its partnerships support arts and culture across the community. Internal divisions include administration and program leadership, sports coordination, Farmers' Markets coordination and parks maintenance. The department has five (5) full-time equivalents: four (4) positions are covered by current contracts, and one (1) position is in an active contract negotiation.

A. RECREATION, ARTS & PARKS BUDGET OVERVIEW: Director Paul Coats

Included in Agenda Packet: (All supportive documents and detailed financial information, including line-item breakdowns, can be found on Pages 2-7, Council agenda packet)

Director Coats came forth and noted their department also focuses on Day Camp and upholds the pool facility. Given its seasonal work and the amount that goes into running a quality pool, we gave special attention to the facility as well. He reported and explained the following:

Revenue Projections:

General Fund revenue from program registrations, Camp K registrations, pool passes and swim lessons, and Farmers' Market vendor fees are estimated at about \$239,200.

Program registrations account for 26 percent of budgeted General Fund revenue. This is approximately half of anticipated program expenses. When free programs are excluded, cost recovery rises to about 86

1 percent.

2 Day Camp registrations are 49% of budgeted General Fund revenues, which is 94% for 2025. Cost
3 recover is targeted for 2027.

4 Pool revenues were significantly up this past year and will continue to be around that same level in the
5 2026 projections. Pool recovery is 19% of budgeted revenue and a full cost recover is not expected.

6
7 Other revenue projections are pretty standard across the board for skiing and the Farmer's Market, and
8 miscellaneous incomes. For the Farmers' Market, we have not been able to realize the same projections
9 we anticipated in previous years and have not increased fees in some time so will be doing that this year
10 to catch up.

11
12 Director Coats also noted they are trying to raise funds through other means which are not reflected in this
13 budget. Raised funds do not go into the General Fund, they go into a revolving account which offsets a lot
14 of the expenses that the taxpayers do not have to fund to help these programs happen (i.e., summer
15 concert series, etc.)

16 17 **Operational Expenses:**

18 Total proposed expenditures for 2026 are \$1,319,170, which is \$10,545 less than budgeted for 2025.

19 The budget allocates:

- 20 • \$590,410 to Administration,
- 21 • \$129,650 to Programs,
- 22 • \$126,470 to Day Camp (thinking about eliminating some things like field trips in the future and instead
23 having more activities in the Day Camp and Middle School),
- 24 • \$175,430 to Pool: Now 23 years old but does need an emergency repair to a pump. Two more pumps also
25 need to be replaced in the future.
- 26 • \$14,260 to Farmer's Market, and
- 27 • \$208,720 to Maintenance: We are relying more on being able to do work in-house rather than
28 contracting out services.

29 30 **Accomplishments**

- 31 • Successfully organized over 350 programs and special events.
- 32 • Connected nearly 200 adult mentors and instructors with youth athletes, campers and swim lesson
33 participants.
- 34 • Raised funds and built the new Civic Park playground.
- 35 • Reached a record total of 12,110 daily visitors at the pool.
- 36 • Completed the Storrs Hill Facility Improvements Report to guide future priorities for the hill. Storrs
37 Hill also had record high visits during the winter season.
- 38 • Finished a 6-year rehabilitation project of all Northern Rail Trail bridges.

39 40 41 **Objectives:**

42
43 Extend the Mascoma River Greenway to Route 12A. Design phase in 2026.

1 Build the Storrs Hill Ski Lodge addition for expanded capacity.
2 Replace critical components of the pool circulation system to improve efficiency.
3 Support the initiative to locate new recreational facilities at Signal Park.
4 Pursue Americans with Disabilities Act (ADA) compliance improvements within parks and programs.
5 Keep expanding public art in Lebanon and West Lebanon and encourage new developments to
6 incorporate art into their plans.
7 Completed a six-year process of rehabilitating all the bridges on the Northern Rail Trail.
8 Continue creating thoughtful program offerings and special events that respectfully celebrate all cultures,
9 traditions, and more in the Upper Valley.
10 Fireworks were removed in the 2025 budget but would like back in for 2026 by partnering with our
11 neighbor (Hartford, VT) because this is the Country's 250th Anniversary.
12
13 Please see agenda packet for line items.
14

15 **COUNCIL/STAFF DISCUSSIONS:**

16 In response to Assistant Mayor Wilkie's question regarding why there was a zero expenditure for the
17 pool's electricity, Director Coats noted that Liberty Utilities did not charge them for the entire summer
18 until about a month ago, so it shows up as zero as the time of this report. Average expenditures are about
19 \$8,400K.
20

21 Assistant Mayor Wilkie spoke about his reasons why he was less pleased with traditional fireworks than
22 other people. Further discussions took place regarding potential options for fireworks and the costs
23 involved.
24

25 Mayor Whittlesey and Director Coats discussed the wages of the Farmer's Market employees and hours
26 worked. The number on the itemized list does not reflect several market weeks' worth of work yet to
27 come so there are still some additional hours that still need to be included. The Recreation, Arts, and
28 Parks Revolving fund and uses were also discussed.
29

30 **Lori Key (Ward 3):** She spoke about the outside funding support, noting those same figures are on the
31 same budget for Human Services (HS). Ms. Lynne Goodwin (Director of Human Services) noted HS has
32 a separate category for outside vendor payments, which are not the same ones in the recreation budget.
33 On the City's budget website, LebanonNH.gov/2026BudgetBook, if you go under "MORE" there is an
34 entire chart that lists all of the Outside Agencies. If you are looking on the department line-item budgets,
35 these outside agencies are put in with the department associated with them. They are not duplicated.
36

37 In response to Mayor Whittlesey's question regarding how many (pool) pumps will be replaced in 2026,
38 Director Coats noted they are replacing one each year: one (1) in 2026, and one (1) in 2027.
39

40 **B. OUTSIDE RECREATION SERVICES: Director Paul Coats**

41 Included in Agenda Packet: (All supportive documents and detailed financial information, including line-
42 item breakdowns, can be found on Pages 8-9, Council agenda packet)
43

44 Director Coats reviewed the Snapshot of Expenses for Recreation, which included the Lebanon Outing
45 Club; Lebanon's Youth Baseball Association; and the Upper Valley Hockey Association as listed on page
46 8, Council agenda packet.
47

48 **COUNCIL/STAFF DISCUSSIONS:**

1 In response to Councilor Sykes' question about making the Recreation, Arts, and Parks' budget more
2 transparent, City Manager Hosmer noted this sounds like a good idea and would be happy to follow up
3 with Councilor Sykes. It is nice when the public can appreciate local businesses or contributors who step
4 up and sponsor teams, etc.

5
6 **3. PLANNING & DEVELOPMENT BUDGET OVERVIEW: Director of Planning &**
7 **Development/Zoning Nathan Reichert**

8 **Introduction from City Manager Hosmer:** This department oversees community development, land use
9 and permitting by managing the Planning and Zoning Board processes and issuing zoning and building
10 permits that enforce zoning, building and health codes. They maintain the City's Zoning Ordinances; prepare
11 annual amendments; provide public facing tools such as the Lebanon GIS Mapping System to support
12 transparent, accessible reviews, that advance long range planning and economic development as guided by
13 the Lebanon Master Plan. The department staffs and supports the Planning Board, Zoning Board of
14 Adjustment, Conservation Commission and others. The department has eleven (11) full-time equivalents:
15 five (5) positions are covered by union contract and six (6) are part of the current contract negotiation.

16
17 Included in Agenda Packet: (All supportive documents and detailed financial information, including line-
18 item breakdowns, can be found on Pages 10-13, Council agenda packet)

19
20 Director Reichert noted this last year has been challenging on many levels, but they have gotten an
21 enormous amount of work done and spoke about the challenges on the operation side: notably to find a
22 qualified candidate for an electrical inspector, so they converted the position to a generalist. As we bring
23 the person on, it should help bring some relief to our backlog of permits and gave a rundown of permits
24 from the last few years. He informed the Council that permits are now broken down to license trades (i.e.,
25 electricians, plumbers and pipe fitters for HVAC fittings) and further explained their Operational
26 Objectives and accomplishments as listed below.

27
28 **Operation Objectives:**

29 Reduce permit review times for residential projects from 30 days to the two-week target.

30 Continue improving the permitting platform for use across departments.

31 Deliver the Housing Master Plan update by mid-2026 through the Housing Task Force.

32 Maximize state and federal grant support for housing and childcare initiatives.

33 Implement updated fee structures to reflect the true cost of service.

34 Expand data integration across computer systems.

35 The Conservation Commission will cover the Conservation Ranger and related expenses

36 using funds from the Lebanon Open Space Trust (L.O.S.T) Fund.

37 The Grant Administrator continues to secure outside investment.

38
39 We will be working with the Housing Task Force and are looking at partnering with the Urban Land
40 Institute to create a forum to talk about how we can implement the goals in the Master Plan.

41
42 Director Reichert emphasized that effective enforcement of our rules is key and staff have been working
43 diligently on how we are operating our Zoning office. One of the issues found with our housing outreach
44 groups is that a lot of Lebanon's residents have concerns about the quality of rental housing in the
45 community and housing in general. We need to make sure that we have active and effective enforcement
46 and explained his reasons.

Accomplishments

List of notable achievements from the past year:

Processed 1,175 building permits, more than double the number from 2024.

Reviewed 48 land development applications through the Planning Board.

Passed three ballot zoning amendments: Pattern Zones, recovery housing and Medical Center-2, expanding housing opportunities.

Managed \$6.6 million in grant applications and \$3.5 million in post-award administration for projects, including Child Care and the Housing Accelerator.

Confirmed grants total more than \$7.9 million. Pending grants total \$2.9 million.

Combined grant funding may reach \$10.8 million for housing, infrastructure, and community development projects.

Updated the E-911 addressing system with the Fire Department to improve emergency response times.

Integrated GIS and ESRI databases across departments for more efficient data sharing.

Director Reichert reviewed and explained the Planning & Development Revenues and Expenses as listed on page 10, Council agenda packet, and some of the line-item calculations as of 10/21/2025 as listed on pages 12-13, agenda packet.

COUNCIL/STAFF DISCUSSIONS:

In response to Assistant Mayor Wilkie's question regarding the Conservation Commission section expenditures, Director Reichert noted they have the L.O.S.T. fund and the interest from the L.O.S.T. fund yields them some \$30K/yr. so they are able to use that interest to pay for the operational costs for the part-time park ranger. This will not be coming out of the General Fund.

In response to Mayor Whittlesey's question regarding the \$55K/yr. for consultants, Director Reichert explained the plan for using this money, noting the point in having this funding last year was to help defray the cost of having to go outside of our organization and hire an expert professional consultant, like the Urban Land Institute, so they could pull together a 2-3 day conference to bring experts together from across the country to help implement some of the objectives laid out in the Housing Master Plan. We were also going to use some of this funding for our Pattern Zoning contract but have since taken a different direction. It will now be used to help support the Pattern Zoning efforts as we bring in-house patterning rather than contracting it out to an outside firm. This fund also helped to fund the Route 120 study and some larger community efforts (i.e., looking at housing; bringing in national best practices, etc.). He also noted this fund can be used to offset matching funds for grants.

Also discussed were the Housing Accelerator Program at the national level; trainings that the Housing Accelerator Program provides that will help the City to achieve its Master Plan goals on housing; electrical inspection and professional training programs for all of the City's inspectors (i.e., the NH Building Official's Association Code update class; monies to be used for the ICC [International Code Council], the Health Official's Association and the Building Official's Association; the status of Operational Grants; and, how the Technical and Engineering Services line items are used.

A. HERITAGE FUND BUDGET OVERVIEW: Director of Planning & Development Nathan Reichert

Included in Agenda Packet: (All supportive documents and detailed financial information, including line-item breakdowns, can be found on Page 14, Council agenda packet)

1 The Heritage Fund supports the work of the Heritage Commission in helping to recognize, protect, and
2 share Lebanon's history. The Commission reviews development applications for projects within the
3 Colburn Park Historic District and is responsible for the renovation and restoration of the Dana House. It
4 also runs the Historic Landmark Designation Program, which recognizes buildings and sites of historic,
5 architectural, and cultural significance to the community.

6
7 The Commission also provides policy advice, maintains records, and holds public events allowing
8 residents to learn about local history. Staff and volunteers work with other boards and groups to
9 recognize and protect historic places.

10
11 Typically, the Heritage Fund receives an annual appropriation from the City Council during the budget
12 process. However, no budget appropriation is proposed for 2026. The Fund is authorized to accept gifts
13 and donations to support the Commission's goals and purposes. Expenditures from the Heritage Fund are
14 typically used to pay for bronze plaques, which are given to property owners as part of the Historic
15 Landmark Designation Program, but these have become expensive and are harder to get. We can roll this
16 expense into the Operational Expenses from the Land and Development Department.

17 18 **COUNCIL/STAFF DISCUSSIONS:**

19 In order to lower the budget, City Manager Hosmer stated he made the recommendation that the Heritage
20 Commission not be funded because there is already \$31K in the Heritage Fund, which is more than
21 enough money for them to do what they need. One thing that needs to be addressed and resolved with the
22 Lebanon School Board is the Dana House.

- 23
24 • **Ms. Lori Key's (Ward-3):** She came forth and questioned whether or not the technical
25 engineering services for furniture and small tools (\$10,770.), will need to be carried over to 2026
26 (specifically the \$55K to fill a void in an inspector). Ms. Alesia Williams (Finance Director)
27 noted part of the reason for some of these line items, where you are not seeing activity or activity
28 that matches the budget, is because we brought on an additional inspector this year. Instead of
29 coming back for an additional supplemental appropriation (from the Council), Mr. Reichert made
30 the decision that some of these things can wait until next year, in order for us to onboard that
31 person and get the inspections caught up. The other reason is that there was the 155B action. We
32 were, at one point, ready to do a transfer from the Police Department's budget to Planning's
33 budget to cover that expense.

34 35 **4. CITY CLERK/TAX COLLECTOR- BUDGET OVERVIEW: City Clerk & Tax Collector** 36 **Jaseya Ewing**

37 **Introduction from City Manager Hosmer:** The City Clerk and Tax Collection office provides essential
38 public-facing services including motor vehicle registrations, election administration and voter services, vital
39 records, property tax billing/collection and dog licensing. It also maintains related forums and on-line access
40 points to support transparent and accessible service delivery. Functionally, the office operates two primary
41 service areas: 1) The Clerk, which is elections, records, licensing and tax collection (i.e., property taxes and
42 related collections that include the City Tax Clerk, City Clerk Tax Collector, Deputies, Assistant Clerks and
43 Recording Secretaries who support meeting minutes, and 2) Election Operations. The Department has 6.8
44 Full time equivalence: One (1) position is covered by a union; five (5) positions are in union negotiations;
45 and 8/10's of an FTE (Recording Secretaries) are non-affiliated.

46
47 Included in Agenda Packet: (All supportive documents and detailed financial information, including line-
48 item breakdowns, can be found on Pages 15-18, Council agenda packet)

49
50 Ms. Jaseya Ewing (City Clerk and Tax Collector) introduced her new Deputy City Clerk, Jay Bish. Our

goal for each budget cycle is to build a budget that reflects ongoing efforts to provide responsive, accurate and accessible services to the public. Our office plays a central role in connecting Lebanon's functions with both local and State government and manages a wide range of responsibilities. Some are highly visible to the public, but many others take place behind the scenes and are equally essential in keeping operations running smoothly. Behind the scenes, her office is preparing for an election, months beforehand to recruit officials/volunteers to work the election and provide trainings to those individuals. As described on page 15, agenda packet, the City Clerk and Tax Collection Office oversees all aspects of election administration, including ballot management; absentee voting; equipment maintenance and security; coordination of polling places; recruitment and training of election officials; and certification of election results. The office ensures consistent poll operations and provides ongoing guidance to election officials to uphold state and federal election laws.

City Clerk Ewing spoke about amending Vital Records, and the need for staff who are trained to review Court-Ordered documents and adoption records as part of the State system. We are also working with individuals who are coming in to make an amendment(s).

City Clerk Ewing also pointed out that we are really a localized State Agency, noting that in New Hampshire you have the convenience, as a resident, to come into your local City & Town Clerk's Office to obtain services at a local level and are also able to pick up the phone to get your questions answered.

The City Clerk and Tax Collection Office generates a wide range of revenues that are critical to city operations. Revenues from 2025 reflect both steady growth and positive projections for 2026. Motor vehicle registrations are a large source of revenue with collections projected to exceed \$3 million next year, which is an increase of approximately \$50,000K, or 1.7 percent, over the previous year's total.

Revenues (also see graph on page 16, council agenda packet):

Overall, several factors continue to impact revenue growth. Population changes create higher demand for registrations, while vehicle market trends, turnover, and increasing sale prices contribute to rising values. Together, these revenues demonstrate steady growth in core services.

Operational Expenses (also see graph on page 16, council agenda packet):

The majority of our expenses are personnel-related expenses. Even as online platforms expand and more residents conduct business electronically, or by mail, the majority of our transactions still occur in person, which requires staff support. Remote transactions must also be reviewed and processed by trained personnel to ensure compliance with State law. These costs highlight the ongoing need for a skilled and reliable workforce to deliver essential local and state services to the community.

The City continues to make prudent and strategic investments in software. These costs support specialized municipal systems designed for New Hampshire which help us operate more efficiently. Over the past few years, we have upgraded different programs and reached out to our vendors for support, which has made it easier to process online renewal requests. We still need to contact the State for certain issues that only they can resolve, but the good news is that our software investments are working, and we see real-time results and more reliable system performances within our department. Employees receive professional development through programs offered by the NH Municipal Associations and the State of New Hampshire. These opportunities allow staff to strengthen their expertise and stay current with evolving regulations, procedures, and best practices.

In order to make things easier and more efficient, we are always hunting for new investments in software. Recently we have been working with Chief Innovation and AI Officer Melanie McDonough and our Cyber Services Director Perry Eaton on a new software advancement for our Board and Committee Management,

1 including roster management and agenda creation. By 2027, we are projecting that we may have about a
2 \$15K savings in software.

3
4 City Clerk Ewing also spoke about the costs of updating the City's code to reflect charter amendments and
5 new legislation; advertising for the City Council's Public Hearings; assistance to support digitizing public
6 records and managing document retention. While employees currently digitize records on a routine basis, it
7 is equally important that digital records are properly being disposed of once retention periods have been
8 met.

9
10 Election appropriations remain a significant part of expenses and are directed toward ensuring city-wide
11 elections are supported with the necessary technology, staffing, and operational resources. Expenditures
12 include service agreements to maintain voting equipment and client support, polling site rentals, and wages
13 and support for election officials.

14
15 There were several recent changes to State election laws, and our office is working hard to ensure that we
16 are expanding outreach initiatives to ensure voters are well informed and well prepared ahead of each
17 election. We plan to deliver a more user friendly and efficient onboarding process for Boards, Committees
18 and Commissions by streamlining applications, enhancing roster management, and strengthening
19 orientation resources.

20 21 **COUNCIL/STAFF DISCUSSIONS:**

22 The Council and City Clerk Ewing discussed: The cyclical employee pay increases/decreases, which are
23 dependent upon the number of elections in any given year; the new State law regarding absentee ballots
24 and how this would be a more labor-intensive process (i.e., the law requires that registered voters who are
25 requesting an absentee ballot provide a photo identification). If a resident does not provide that
26 identification staff needs to track if and when that photo identification comes in. We then have several
27 days to get a hold of that voter when their application is missing that piece of information. What this
28 means is that we will be potentially tracking thousands of absentee voter requests to ensure people are
29 giving us their proof of identification on a timely basis. We will also be working with individuals that
30 may not have access to identification and sending them to the State agencies to acquire their
31 documentation (i.e., nursing home, assisted living facilities, homeless shelters, etc.). Multiple
32 communications will be sent out to the public.

33
34 In response to Assistant Mayor Wilkie's question regarding why the increase in funds between 2024 and
35 2026 was so significant, Ms. Ewing noted they were adding new City election moderator positions
36 because during higher turnout elections moderators have a lot of obligations to meet on that day and they
37 are spread out very thin. In other words, we found that moderators were pulled away from their election
38 responsibility so processing votes did not end until after the polls were closed and further explained her
39 reasoning.

40
41 In response to Assistant Mayor Wilkie's question regarding why full-time wages were up and part-time
42 were down, Ms. Ewing noted the full-time wages they are proposing will be a restructuring in our
43 department by upgrading a Deputy City Clerk position to a new position called the City Clerk Lead
44 position and explained her reasons. Finance Director Williams noted that Ms. Ewing is adding a new title,
45 but she is not adding an additional member to her team. She is simply changing what the positions are in
46 that department, so it will still be the 6.8 FTEs.

47
48 City Clerk Ewing explained to Councilor N. Ford Burley what the line item for MV (Motor Vehicle)
49 Transportation fee was used for.

1 The Council discussed other Purchased Services, which are other services that are being contracted out
2 (i.e., for liens on properties, fees for processing new amendments to ordinances approved by the City
3 Council). The line item for Travel and the purchase of new election machines and the need for poll pads
4 were also discussed.

5 **5. CYBER SERVICES BUDGET OVERVIEW: Director Perry Eaton**

7 **Introduction from City Manager Hosmer:** The Cyber Service Department provides city-wide technology
8 support, maintains computerized systems, network infrastructure and telephone services for all departments.
9 This includes end-user support and the service desk systems and network administration, and management
10 of the City's telecommunications environment. The team structure includes a Director, two (2) technology
11 support technicians and two (2) systems and network administrators. The department has five (5) full-time
12 equivalents. Three (3) positions are covered by a union contract, and the other two (2) positions are
13 currently in contract negotiations.

14
15 Included in Agenda Packet: (All supportive documents and detailed financial information, including line-
16 item breakdowns, can be found on Pages 19-21, Council agenda packet)

17
18 Cyber Services Director Perry Eaton recognized his staff: Jon Henault, Tom Taplin, Richard Cotnoir, and
19 Knick Moschella. He reviewed and explained the snapshot of expenses noting the expense items are for
20 software support, subscriptions, cyber security and maintenance and repair.

21
22 Hardware needs are lower this year. In 2025, hardware across departments totaled more than \$187,600K.
23 The 2026 request is \$87,500K which is a 53 percent drop due to the refresh cycle. Copier maintenance
24 and communications are funded at smaller levels. Our total request for FY 2026 is a little over \$2M,
25 which is a 9.6% decrease from the amended FY2025 budget. While their proposed budget is leaner, they
26 can still invest in critical digital tools.

27
28 Director Eaton reviewed and explained Cyber Services' accomplishments and strategic objectives as
29 listed below:

30 **Accomplishments**

31 Replaced 89 personal computers and laptops.
32 Completed a Cyber Security self-assessment. (This is required for some of their grants)
33 Continue with internal and external assessments.
34 Supported approximately 50 applications and 1000 devices.
35 Resolved 2,951 Help Desk tickets.
36 Delivered Cyber Security training and tabletop exercises.

37 **Strategic Objectives**

38
39 Use Artificial Intelligence (AI) to improve threat detection: This will look at anomalies in our
40 environment and perform certain automated actions. Examples were given. We continue to see thousands
41 of external attempts on our network on a daily basis. There is also the risk for the water plant, not only in
42 Lebanon but throughout the US. We will continue to use AI as a tool to assist with the protection of our
43 network.
44 Expand zero trust security across all systems: This will be expanding what we are doing now, which is
45 basically never trusting any kind of system, or any user, and to verify them in multiple ways.
46 Conduct disaster recovery drills to test readiness: Currently we are performing exercises and would like to
47 expand that to help the department identify how operations would continue in the event of a cyber
48 interruption.
49

1 Improve delivery service with cost-effective solutions: An example would be using some of our existing
2 tools to auto processes that the different department have.
3 Continue cybersecurity awareness campaigns for all departments: The staff is our first level of defense for
4 cybersecurity, and we need to make sure that everybody is staying on top of the latest security concerns
5 out there.
6

7 **COUNCIL/STAFF DISCUSSIONS:**

8 Assistant Mayor Wilkie noted that expenditures are fairly low, even with the \$51K encumbrance from last
9 year. It looks like we are still only at about 2/3rds of what you are requesting for 2026 and questioned if
10 they were expecting something else next year. Director Eaton noted they had a 3-year term (for Cloud
11 Protection) that came up, and we decided to go with a 1-yr term. The cost savings were not that
12 significant. Going forward that is what we will be doing as well. There will also be a couple more
13 expenses coming through before the end of the year.
14

15 Mayor Whittlesey asked what goes into the cybersecurity-based expense line. Director Eaton noted that
16 there are backup solutions. We have cyber security training; a little bit of external support; and then we
17 have a third-party protection. They also discussed the software line item and Director Eaton noted that
18 this includes the main software (i.e., specific products; specific private lines; MS365; and Open Gov.
19 These three items together account for almost 65% of the budget).
20

21 Councilor Sykes noticed that all of the technology hard line items are significantly underspent and
22 reduced for next year and questioned if that was an operation change. Director Eaton said it was, noting
23 that the schedule line he was looking at are public-facing and would be on a 3-year plan and the others
24 would be for longer.
25

26 In response to Mayor Whittlesey's question regarding why the line items for repair and maintenance are
27 being reduced, Director Eaton noted the repair/maintenance has to do with a lot of equipment contracts.
28 Depending on what we have purchased for equipment, which is basically infrastructure equipment (i.e.,
29 fire walls, switches, etc.), this is what this line item would go toward.
30

31 The Information Access budget line is all of the City's ISPs (Internet Service Providers). There is a
32 possibility for savings in the future with Fidium Fiber coming into Lebanon.
33

34 Mayor Whittlesey and Director Eaton discussed what the replacement cycle cost would be in the future
35 and how it might make sense if we can start working on this to offset some of the volatility in the
36 hardware cycle for capital purchases.
37

38 Ms. Jennifer Mercer (Ward-3): She did not understand the questions about the cybersecurity line and
39 asked what the additional \$224K was going to be used for. Finance Director Alesia Williams noted the
40 actual activity at this moment is \$192K spent from the repair and maintenance line and approximately
41 \$4600 encumbered and the cybersecurity line has \$308,000 spent and approximately \$4600 encumbered.
42 Director Eaton noted they will have another 2 months of other services coming through, which would
43 probably be another +/- \$40K.
44

45 The City is supporting +/- 275-300 computers across the City.
46

47 **OTHER COUNCIL/STAFF COMMENTS**

48 Mayor Whittlesey circled back to his City Clerk question regarding the worker's comp 12% increase,
49 with City Clerk Ewing noting that line is increasing.
50

1 City Clerk Ewing informed the Council that the Clerk's Office is investing in a start-up (software
2 program) called Govinity. Right now, that startup is charging us \$10K and that will be a savings for us
3 because our current expenditure for Board/Committee roster management and agenda creations through
4 Civic Clerk costs us +/- \$25K. We will see +/- \$15K in savings beginning next year. Moving forward we
5 are only going to be charged \$10K because we will be grandfathered since Govinity has just started
6 working with municipalities. While the current systems we use are good, they are not good enough and
7 she gave examples. We are still going to keep CivicClerk next year so we can use this system as a
8 historical lookup. Our purchased services are also being kept for next year so we have information for
9 auditing purposes and after next year this will no longer be needed. The \$10K (increase) you see is for
10 just next year and then you will see a decrease (in cost).

11
12 Councilor Heistad felt that it might be good for people and the Council to know about an agreement
13 between Lebanon Outing Club (LOC) and the City. This agreement defines who is responsible for; who
14 owns what, and what responsibility is owned by whom. The City agreed to govern telephone, electricity,
15 gas, wastewater, sewer and maintenance. Insurance is \$28K which is the City's responsibility for
16 coverage. The Outing Club is \$64,500. In terms of thinking about the amount we contribute presently
17 versus what the City has agreed to cover, the LOC has picked up the tab at \$17K. Also, the lift cable (at
18 the ski area) is old and when it goes it will cost +/- \$50K to replace, noting that things attached to the
19 ground belong to the City as well as the labor costs.

20 21 **6. ADJOURNMENT:**

22
23 **The meeting was adjourned at 7:44 PM.**

24
25 Respectfully submitted,
26 Dona E. Gibson
27 Recording Secretary

DRAFT

**LEBANON CITY COUNCIL
WORK SESSION MINUTES
Thursday, November 13, 2025, 5:30PM
Council Chambers
Remote Via Microsoft Teams: LebanonNH.gov/Live**

MEMBERS PRESENT: Mayor Douglas Whittlesey, Erling Heistad, Nicole Ford Burley, Timothy McNamara, Christian Simon, Laurel Stavis (remote), George Sykes and Karen Zook (remote)

MEMBERS ABSENT: Assistant Mayor Devin Wilkie

STAFF PRESENT: City Manager Andrew Hosmer, Deputy City Manager David Brooks, Human Services Director Lynne Goodwin, Airport Manager Carl Gross (remote), Fire Chief Jim Wheatley, Library Director Sean Fleming

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

- **City Manager Hosmer reviewed the meeting criteria for attendees.**

1.. Review of 2026 Budget - Question and Answer Session

A. HUMAN SERVICES DEPARTMENT (Outside Human Services Agencies/Public Health Agencies)

Included in Agenda Packet: (Please refer to all supportive documents and detailed financial information, including line itemizations, which can be found on Pages 2-4, Council agenda packet)

Lynne Goodwin, Human Services Director, reviewed the Human Services Department budget.

BACKGROUND:

Ms. Goodwin explained that this budget includes a slight decrease in the Human Services line and much of that was planned. Since May 1st, she has been working 32 hours per week and using vacation time for the additional eight hours per week. As of January 1st, she intends to drop down to 35 hours per week for the remainder of her tenure with the City. The emergency winter shelter is also not planned to be open in December 2026, leading to a reduction in funding for shelter operations. The Department will need, at most, \$120,000 to operate the shelter from January 1st through April 15th, 2026. There is also a modest decrease in outside human service agency funding. She reviewed achievement highlights of the Department over the past year.

Ms. Goodwin explained that, given the generous reimbursement of \$30,000 for cold weather shelter funding and the fact that the Department has not yet overspent the line item for rent, which includes all housing related needs, she has reduced the budget for rent by \$10,000. As of today, the Department has spent \$138,500 from the rent line item.

Council/Staff Discussions:

Councilor Sykes noted that the shelter opened a bit late last year, January 8th, due to staffing issues. He asked about staffing for this December. Ms. Goodwin stated that the funding is available, as it was last year. There is a struggle to find the unique population of workers needed for these seasonal positions.

Jay Simms, Ward 2, asked about the direct assistance budget. Ms. Goodwin explained that the cold weather shelter reimbursement needs to be taken into account for this calculation. Mayor Whittlesey suggested that the reimbursement should be a revenue line item in the future.

- **OUTSIDE HUMAN SERVICES AGENCIES / PUBLIC HEALTH AGENCIES**

Included in Agenda Packet: (Please refer to all supportive documents and detailed financial information, including line itemizations, which can be found on Pages 5-6, Council agenda packet)

BACKGROUND:

Ms. Goodwin reviewed the outside service agencies budgets.

Council/Staff Discussions:

Councilor McNamara asked about the increase in the LISTEN line item by 44% from \$62,400 to \$90,000 as this has not traditionally been increased. Ms. Goodwin explained that LISTEN has received a record demand for services. She recommended a flat budget request, but LISTEN felt that they are seeing an unprecedented demand for services and requires additional funding at this time. Kristi Lenart-Rikert, Executive Director of LISTEN, explained that the request is for \$90,000 for FY26. For the last two years, the City has generously granted over \$62,000. The request for FY26 represents less than 8% of the value of services LISTEN will provide to Lebanon residents. Last year, LISTEN delivered \$1,065,115 to Lebanon residents via direct and indirect assistance to 1,018 Lebanon households or 2,174 residents. 36% of residents served are new to LISTEN.

Councilor McNamara asked how the food pantry documents if someone is a Lebanon resident. Ms. Lenart-Rikert stated that basic demographics are requested from those who visit the pantry. Councilor McNamara stated that he would like to know if other communities in the Upper Valley make contributions to LISTEN.

Councilor McNamara suggested removing Hannah House and Upper Valley Community Nursing from the list as they have been zero funded for a couple of years.

Jennifer Mercer, Ward 3, asked if the City was able to receive cost recovery from other towns for their residents that utilize the overnight shelter. Ms. Goodwin explained that the towns of Canaan and Claremont will allow for their residents to be billed for this year. These towns did not reimburse the City for the past year. The State of Vermont also contributed \$51,700 last year and is budgeted to contribute up to \$66,200 for the 2025-26 shelter season.

B. MUNICIPAL AIRPORT FUND

Included in Agenda Packet: (Please refer to all supportive documents and detailed financial information, including line itemizations, which can be found on Pages 7-10, Council agenda packet)

Airport Manager Carl Gross reviewed the Municipal Airport Fund.

1 **BACKGROUND:**

2
3 Mr. Gross explained that in 2025 the Airport completed construction of Phase 1 of the parallel taxiway to
4 Runway 1836. The Airport also relocated a navigation aid to Runway 1836, which will allow for Phase 2
5 of the taxiway construction to proceed. In 2026, the Airport will add 200' to the runway. The FAA found
6 additional funds and is offering to move Phase 2 of the taxiway into 2026 funding. This would be a
7 benefit for the Airport as the federal government would pay 95% of the costs in 2026 for the project. This
8 will be brought before the Council for discussion. This would bring the City portion of the \$4 million
9 project to approximately \$100,000. The major cost increases for the FY26 budget include insurance costs.
10 The Airport is projecting an increase of roughly \$80,000 in landing fees in 2026. On the revenue side,
11 there was a proposed \$68,000 transfer from the Airport Fund to cover operations in 2026, but with the
12 new landing fees, this should not be needed. He reviewed the revenue and expense items.
13

14 **Council/Staff Discussions:**

15
16 Councilor Simon asked about the increase in the general supply line item. Mr. Gross explained that the
17 increase is proposed to fund under seat charging stations and a charging table for Airport customers.
18

19 Councilor Heistad asked about potential legal expenses in the upcoming year. Mr. Gross explained that in
20 2026 the Essential Air Service contract goes out to bid, and he would like the previous lease agreement to
21 be reviewed.
22

23 Jay Simms, Ward 2, asked about the proposed increase to the diesel fuel line item. He believes the Airport
24 will be \$18,000 over budget in this area. Mr. Gross stated that he used a five-year average of diesel fuel
25 usage in order to run this calculation. In terms of diesel fuel, another 1,300 gallons for the Airport was
26 recently ordered for the year.
27

28 Mr. Simms asked about the administrative overhead line item and noted that he would expect to see an
29 increase in it.
30

31 **C. FIRE DEPARTMENT:**

32
33 **Included in Agenda Packet:** (Please refer to all supportive documents and detailed financial
34 information, including line itemizations, which can be found on Pages 11-16, Council agenda packet)
35

36 Fire Chief Jim Wheatley reviewed the Fire Department budget.
37

38 **BACKGROUND:**

39
40 Chief Wheatley explained that in 2025 the Department is anticipating approximately \$1.8 million in
41 revenue. Revenue for FY26 is proposed to be \$1.9 million. The bulk of that revenue is ambulance billing
42 fees. The payer pool for the billing fees includes Medicare, Medicaid, and private insurance companies.
43 Approximately 20% of the payer pool is private insurance companies. There is a new piece of legislature
44 that will that allows us to bill private insurance companies at 300% of the Medicare rate. This law applies
45 to 20% of our total payer pool. This will require the Department to go in-network with insurance
46 companies, which will be a contractual agreement. It will also eliminate balanced billing. This will have
47 an impact on revenues, though it is yet unclear what the increase will be. This should take effect on
48 January 1st. On the expenses side, the request this year is \$5,815,820 which is essentially a 0% increase
49 over last year. As part of last year's budget, the Department was unable to hire five firefighter/paramedics
50 and instead hired firefighter/advanced EMTs. The lower salaries for these positions led to a reduction in

1 the budget. The Department also reviewed its training budget in terms of overtime expenses. The new
2 Station will have a training tower which will allow the Department to complete most of its technical
3 rescue disciplines on site. Last year, the Department saw a large spike in workers compensation rates and
4 there was a large drop this year. Also, the wages and benefits for the community paramedic and nurse's
5 positions are 100% paid for by DH through the pilot program.

7 Chief Wheatley stated that the call volume for the Department is projected at 4,700 emergency calls this
8 year. This is comparable to towns such as Londonderry, Derry, and Laconia. The operations divisions of
9 those departments generally do not contain fewer than 40 full time employees. The City's Department
10 currently has 29 people in its operations division. There will be 30 once the fire inspector position is
11 moved in. His request for staffing has not changed since 2022 when he stated that he would like to get to
12 eight people on each shift. He is still seeking a net of two positions in the next few years.

14 **Council/Staff Discussions:**

16 Councilor McNamara asked how many of the Department staff live in Lebanon or within five miles of
17 Lebanon. Chief Wheatley explained that the Department's emergency callback policy is that someone has
18 to live within 15 minutes to be eligible. There are currently eight members that live within the City of
19 Lebanon, and 14 or 15 that live within the 15-minute callback radius.

21 Councilor Ford Burley asked about the uniform and protective clothing lines under the fire operations
22 budget. Chief Wheatley explained that the protective clothing line was high last year due to the hiring of
23 new people. The uniform line item was high partially due to anticipated new hires, but there was also a
24 new State law that any station uniform has to be PFAS-free. Some of the uniforms were already PFAS-
25 free but moving forward the Department should make every effort not to buy PFAS containing protective
26 clothing.

28 Councilor Sykes asked for additional information regarding the number of inspections the Department has
29 carried out over the last few years.

31 Councilor Simon asked about the intergovernmental revenue line and the reductions seen for paramedic
32 intercepts. Chief Wheatley explained the reduction is due to a decrease in demand for this service.

34 Mayor Whittlesey asked about the Fire Ops Other Purchase Services line item. Chief Wheatley stated that
35 this is for the EMS billing contract with ComStar. The Fire Prevention General Supplies line will likely
36 be rolled into another line for future budgets.

38 Mayor Whittlesey asked about the Fire Facility Maintenance Electricity line being down 17%. Chief
39 Wheatley stated that he reviewed a five-year utilization calculation using the old fire station. He has
40 spoken with the electrical engineers who designed the new fire station and asked them for an estimate on
41 the consumption in the building. The number he projected is approximately a 10% overage on what they
42 estimated based on anticipated rates.

44 Jennifer Mercer, Ward 3, asked about the percentage of calls for other towns versus Lebanon. Chief
45 Wheatley explained that the contracted towns of Grantham, Plainfield, and Enfield represent
46 approximately 11% of the call volume and generate approximately 27% of the revenue. Beginning in
47 2026, the Department bills the towns for a flat fee per capita item, which includes wear and tear to the
48 vehicles, staff time, overtime, etc., and bills the patients as well.

50 **D. EMERGENCY MANAGEMENT FUND**

Included in Agenda Packet: (Please refer to all supportive documents and detailed financial information, including line itemizations, which can be found on Pages 16-17, Council agenda packet)

Chief Wheatley reviewed the Emergency Management Fund.

BACKGROUND:

Chief Wheatley explained this budget is typically funded with \$25,000 per year as a revolving fund. Some of that funding has been used recently to invest in two shelter trailers. One is a human shelter trailer for 150 people, and the other is a pet shelter trailer for 50 cat/dog sized animals. The Department's management plan is up to date and was last thoroughly updated in 2019-2020. The hazard mitigation plan was completed last year. He is working on a citywide continuity of operations plan, and a disaster recovery plan as well. He noted that the revolving fund was not funded with \$25,000 this year due to the current balance of \$194,000.

Council/Staff Discussions: None at this time.

E. LEBANON LIBRARIES:

Included in Agenda Packet: (Please refer to all supportive documents and detailed financial information, including line itemizations, which can be found on Pages 18-20, Council agenda packet)

Library Director Sean Fleming reviewed the Lebanon Libraries budget.

BACKGROUND:

Library Director Fleming explained that the proposed 10% increase in the proposed budget is due to adding a position back into the budget which was unfunded in the 2025 budget. This is a needed position for the Library. It is a professional position that works at the public service desk, and this person would be involved in a significant number of public service hours. This is an IT Librarian position. The position that was unfunded last year was a Systems Librarian position. The Systems Librarian position was merged with the IT Librarian position, creating one position due to the significant overlap between the two positions. He spoke with the head of Cyber Services for the City, and they cannot take on the additional workload at this time. At the current staffing level, the Library is able to maintain its current items but cannot take on anything new. One person in this position is unable to get that amount of work done.

Council/Staff Discussions:

Councilor McNamara asked how much of the \$131,000 requested in additional full-time wages is for the new position. Library Director Fleming stated that the new position was budgeted at approximately \$86,000 and is only budgeted for from April 1 onward in order to advertise for the position. Councilor McNamara questioned this position in comparison to the other budget item requests this year.

Mayor Whittlesey expressed concern with the phasing in of this position, as the amount requested is not the amount that will be needed for a full year.

1 Councilor Simon expressed concern that the Library, as a City Department, is no longer receiving a City
2 service that is for all other departments. This should be reexamined. The Library's need could likely be
3 covered without encumbering an additional position.

4
5 Mayor Whittlesey noted that some of the services provided by the IT Librarian are to the residents and not
6 to the Department. Library Director Fleming explained that this is a professional Librarian position. The
7 services of the IT Librarian position being sought cannot be replaced by the Cyber Services Department.
8 The unfunded position has led the Library to be at a lower level staffing-wise than in the last 13 years. He
9 is concerned with being able to retain the existing IT Librarian position.

10
11 Councilor Sykes asked if the Library tracks the instances of the digital librarians' interface with the
12 public, as part of the rationale for this increase due to that. Library Director Fleming stated that reference
13 interaction level is tracked but the nature of that interaction is not tracked. Many people come to the
14 Library due to some amount of a digital divide.

15
16 Councilor McNamara stated that if the position was not funded for the year, the 11% increase would
17 likely be reduced to approximately 4%. This is a significant difference in the overall budget. Mayor
18 Whittlesey noted that the position was cut last year because it was vacant. He has previously spoken of
19 restoring that position due to the public-facing component of it.

20
21 Councilor Ford Burley asked about the impact of closing two hours early in terms of personnel costs and
22 operational savings. Mayor Whittlesey stated that this is an 8% reduction in the overall hours, but all
23 wages are proposed to increase. Library Director Fleming stated that this will lead to a savings in the
24 temporary seasonal wages and a shift for the Children's Librarian that will allow for more desk time to be
25 covered by professional librarians. The Library Board of Trustees would not be opposed to considering
26 restoring these hours, if the City would like to reinstall \$25,000 back into the Library budget. The
27 meeting rooms would not be available at the Lebanon Library when the Library is closed.

28
29 Mayor Whittlesey asked about the savings from closing early, as it does not seem to be reflected in the
30 budget. Library Director Fleming explained that the previous City Manager put into place a wage range
31 for temporary and seasonal employees and the Library followed suit last year. The Library is now
32 planning to move people up through that range to recognize seniority and experience.

33
34 Mayor Whittlesey noted that the electricity line is proposed to increase 13% and asked for historical data
35 on this from the past three years. Mayor Whittlesey asked if the heat pumps may be updated or replaced.
36 Library Director Fleming stated that these are currently being replaced.

37
38 Jay Simms, Ward 2, asked if snow plowing and lawn care for the Library could be taken on by the DPW.
39 Mayor Whittlesey asked that the City Manager consider this. Mr. Simms also suggested that user fees for
40 meeting room rentals could be collected by the Trustees in order to reimburse the City for certain items.
41 Library Director Fleming stated that he would ask the Trustees about this.

42 43 **2. ADJOURNMENT:**

44
45 **The meeting was adjourned at 7:44 PM.**

46
47 Respectfully submitted,
48 Kristan Patenaude
49 Recording Secretary

DRAFT

**LEBANON CITY COUNCIL
WORK SESSION MINUTES
Tuesday, November 18, 2025, 5:30PM
Council Chambers**

Remote Via Microsoft Teams: [LebanonNH.gov/Live](https://lebanonnh.gov/Live)

MEMBERS PRESENT: Mayor Douglas Whittlesey, Assistant Mayor Devin Wilkie (remote), Nicole Ford Burley, Timothy McNamara, Christian Simon, Laurel Stavis, and Karen Zook (remote)

MEMBERS ABSENT: Erling Heistad, George Sykes

STAFF PRESENT: Deputy City Manager David Brooks, City Manager Andrew Hosmer, Human Resources Director Samantha Lauzon, Police Chief Phillip Roberts, Deputy Police Chief Alan Lowe; Finance Director Alesia Williams; and Deputy Finance Director Victoria Paquin

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

- **City Manager Hosmer reviewed the meeting criteria for attendees.**

1. Review of 2026 Budget - Question and Answer Session

A. HUMAN RESOURCES

Included in Agenda Packet: **(All supportive documents and detailed financial information can be found on Pages 2-5, Council agenda packet)**

Samantha Lauzon, Human Resources Director, reviewed the Human Resources (HR) Department budget.

BACKGROUND:

Ms. Lauzon explained that the 2026 proposed Human Resources budget reflects a 3.9% increase from 2025, totaling just over \$550,000. This increase is driven exclusively by wage adjustments, and associated payroll tax and benefit costs. She explained that the Employee Programs line of \$3,000 was reflected as having no activity in the Board's report. The funds have since been used for an implicit bias training, which was the intended purpose for those funds. Staff was given the opportunity to record the training for ongoing use for an additional fee. After consulting with the City Manager, the line was intentionally overspent by approximately, \$2,000 to record the session for Lebanon use only. She has offset the cost by reducing spending in other areas.

Council/Staff Discussions:

In terms of Netflix, Mayor Whittlesey asked about the cost of other types of current benefit management software. Ms. Lauzon stated that she reviewed other options and found them to be quite expensive.

Jay Simms, Ward 2, noted that the City's doubled its unions in 2025 and added approximately 90 employees in the unions. He asked if this is seen as a problem from the Human Resources Department. City Manager Hosmer stated that this is asking staff to comment about the tenure of an employee/employer relationship and whether something triggered this. There are three new bargaining

1 units this year which was not a decision made by HR. Asking Ms. Lauzon to weigh in on the tenure of a
2 relationship is not appropriate. Mr. Simms disagreed.

3
4 Mr. Simms stated that he would like to see information regarding how many full-time equivalents there
5 were in 2025 and how many were budgeted for in 2026, as wages and benefits represent the largest
6 percentage of an operating budget. This should be included in the budget presentation. He asked if there
7 were any recommendation to control insurance costs. He noted that workers comp is up across the board,
8 and he asked if there is a safety program in place to help minimize those increases. Regarding health
9 insurance he asked what the cost is to the City for the employee premium and what percentage the
10 employee share is.

11
12 City Manager Hosmer explained that as of 2025, the City was at 209.7 FTEs and there is a current budget
13 request for two additional FTEs. These two positions are requested as ones to be restored based on need.

14
15 Councilor Simon asked how a group becomes a union. Ms. Lauzon explained that a new union is
16 established based on a common interest of a group of employees to organize. The new union must meet
17 the regulations reviewed by the Public Labor Relations Board, and the City is then in the position to
18 negotiate with that group of employees.

19
20 Regarding workers comp, Ms. Lauzon explained that the City is required by law to have a Joint Loss
21 Management Committee which meets quarterly and reviews all accident reports. A report from the City to
22 Primex should provide a discount in 2026. The large increase included as part of this budget came from
23 an increase in recently added positions to the Fire and Landfill Departments and also based on the claims
24 history.

25
26 In terms of health insurance, Ms. Lauzon explained that across the board, the City contributes 85% of the
27 premium and the employee is responsible for 15%. Mayor Whittlesey explained that for this year's
28 coverage period, the monthly cost for single coverage is \$1,094.75 and the City covers \$930.54 of that.
29 The employee covers \$164.21. For a two person coverage, the total is \$2,189.49 with the City's shares at
30 \$1,861.07 and the employee share at \$328.42. For a family coverage, the total is \$2,955.81 with the
31 City's share at \$2,512.44 and the employee's share at \$443.37. Councilor Simon noted that retired
32 employees pay the full amount.

33 34 **B. POLICE**

35
36 Included in Agenda Packet: (All supportive documents and detailed financial information can be found on
37 Pages 6-10, Council agenda packet)

38
39 Police Chief Roberts and Deputy Police Chief Lowe reviewed the Police Department budget.

40 41 **BACKGROUND:**

42
43 Police Chief Roberts explained that the requested expenses for 2026 are approximately \$8M, broken
44 down by a few different departments within the division. 82% of the proposed budget is for salary and
45 benefits, leaving 18% for operating costs. This is what it costs to run a 24/7, 365 day a year Police
46 Department with 48 full time employees. The budget for this year does not include any new positions or
47 other significant increases. The only significant increase is in the Administrative Consulting line. The
48 main driving factor for this is the Felonies First program which took the prosecuting responsibility out of
49 the City level and placed it with the County Attorney's Office. The City took this responsibility back at
50 the beginning of last year and it has created a tremendous increase on the workload of the Department's

1 only Prosecutor. That employee currently works 60-70 hours per week. A consultant attorney has been
2 working part-time, and this position will be needed into next year.

3
4 The Department is over 940 arrests for the year at this time, compared to approximately 798 last year. The
5 calls for service into the Dispatch Center for both Fire and Police are up. There has been 1,100 criminal
6 police reports year to date, compared to 848 at this time last year. Out of the approximately 900+ arrests
7 made to date this year, 30% of those were Lebanon residents, or less than 1/3. Councilor McNamara
8 suggested delving deeper into this data to determine where in the City these numbers are coming from.

9 10 **Council Discussions:**

11
12 Mayor Whittlesey asked what goes into the Other Purchase Services line under Admin. Police Chief
13 Roberts stated that part of this is for the Department's Staff Wellness program, which is not just officers
14 but also includes dispatch and civilian staff.

15
16 Mayor Whittlesey asked about the Police Patrol General Supplies line. Chief Roberts stated that most of
17 this goes toward the Department's body cams, cruiser cams, and Taser systems, subscriptions and
18 products.

19
20 In response to a question from Mayor Whittlesey, Chief Roberts explained that all of the revenues
21 received, from items such as traffic fines to criminal convictions, go to the State.

22
23 Councilor Stavis asked where the financial support for the Department's K-9 program comes from. Chief
24 Roberts explained that the third dog team was free to the City. The other two are paid for from various
25 line items.

26
27 Councilor Simon asked if the officers are required to maintain yearly training. Chief Roberts stated that
28 the requirement is 24 hours per officer of regular training. There are also mandated programs for use of
29 force, firearms, and mental health training.

30
31 Councilor Ford Burley asked about the overtime wages for the training line item. Chief Roberts explained
32 that this is outside of overtime for patrol. When an officer is required to go to a training class, additional
33 coverage is needed.

34
35 Councilor Ford Burley asked about the software needed for cybercrime. Chief Roberts explained that
36 there are three major subscriptions under this line item.

37
38 Councilor Stavis asked about Operation Northern Shield. Chief Roberts stated that this is a Governor
39 Sununu initiative for policing the northern border. This funding will be used to fund an officer that
40 focuses on narcotics, once the green light is given for the project.

41
42 Lori Key, Ward 3, asked about police patrol. Chief Roberts explained that this is the patrol division. It has
43 22 officers assigned to it, as well as two lieutenants that oversee it directly. These are the police shifts that
44 are seen out in the City night and day. There are five officers assigned to each shift. Ms. Key noted that
45 her notes from last year show 700 patrols in the 12A District and this seemed high. She asked for
46 additional information on this District for this year. Chief Roberts stated that he did not have the data on
47 hand but the 12A District, Plainfield Road, and South Main are by far the busiest districts. There is a
48 heavier presence of police in those areas. Ms. Key asked how commercial businesses can be made more
49 involved in the cost of having the City's police presence in their stores. Mayor Whittlesey stated that the

1 Council will be looking further into the disparity between the commercial/industrial versus residential tax
2 burden. This is likely not something that can be addressed by the Police Department.

3
4 Cindy Casale, Ward 2, thanked Chief Roberts and the Police Department for all of their work.

5 6 **C. FINANCE/ASSESSING**

7
8 Included in Agenda Packet: (All supportive documents and detailed financial information can be found on
9 Pages 11-14, Council agenda packet)

10
11 Alesia Williams, Finance Director, and Victoria Paquin, Deputy Finance Director, reviewed the
12 Finance/Assessing Department budget.

13 14 **BACKGROUND:**

15
16 Ms. Williams explained that the overall Finance Department budget is up approximately 9% for 2026.
17 This is primarily due to health insurance and property liability insurance. There are a few significant
18 shifts in wages, both in the Finance Division and in the Assessing Division. There is also a large decrease
19 in the Official Administrative line in the Assessing Department. An additional position is proposed in the
20 2026 budget. Currently, the Assessing Department is staffed by one full-time City employee who is a
21 Deputy Assessor. There is also a contracted assessor for approximately 20 hours a week strictly for
22 supervisory assessor responsibilities. The proposal is to add a full-time Assessing Clerk. It is important to
23 start onboarding this person now so that there will be a smooth transition when the Deputy Assessor
24 leaves the position.

25 26 **Council Discussions:**

27
28 In response to a question from Councilor McNamara regarding the City's FTE count. Ms. Williams
29 explained that the 209 FTE number previously referenced is across all funds. There are 174.3 FTEs
30 strictly under the General Fund, which is the fund taxpayer dollars go toward. She reviewed the proposed
31 FTEs for 2026. The request is approximately three FTEs.

32
33 Councilor Stavis asked about onboarding the Assessing Clerk next year, if the Deputy Assessor is not
34 proposing to leave for at least 2-3 years. Ms. Williams explained that there is a concern regarding filling
35 and processing the position in an adequate time period.

36
37 Councilor Ford Burley asked about the software support line. Ms. Williams explained that the software
38 line was determined to have a duplicated item within it. The software support is increasing by \$7,300 but
39 the overall line is reduced by \$14,000.

40
41 Councilor Simon asked about the consultant line in the Financial Administration section. Ms. Williams
42 explained that the 2025 budget was \$1,500 and the request for 2026 is \$6,900. This is primarily due to a
43 portion of the audit that needs to be completed.

44
45 Mayor Whittlesey asked about any potential software upgrades. Ms. Williams explained that there may be
46 some of these suggested within the next couple of years.

47
48 In response to a question from Mayor Whittlesey, Ms. Williams explained that the FSA program has only
49 been active for the last three years. The current practice is a year-end journal entry. The activity is tracked
50 throughout the year but not posted to the General Fund until after the year has ended. A mid-year entry

1 may be considered moving forward. In 2024, \$113,000 was spent for this and, year to date, approximately
2 \$50,000 has been spent.

3
4 Jay Simms, Ward 2, noted that the property and casualty insurance is up 41%. Ms. Williams explained
5 that this was based on claim experience and a general increase. The Department will be working with the
6 Joint Loss Committee and Human Resources to file those applications and hopefully get the discount in
7 the coming years.

8 9 **D. REVENUES, INTERFUND TRANSFERS, DEBT SERVICES**

10
11 Included in Agenda Packet: (All supportive documents and detailed financial information can be found on
12 Pages 15-26, Council agenda packet)

13
14 Alesia Williams, Finance Director, and Victoria Paquin, Deputy Finance Director, reviewed the
15 Revenues, Interfund Transfers, and Debt Services items.

16 17 **BACKGROUND:**

18
19 Ms. Williams explained that interfund transfers are overall down by 26%, primarily due to not funding the
20 Heritage and Emergency Management funds this year and a reduction in the revolving property funds.
21 The contributions to capital reserves are also down. The capital reserves are partially being funded by
22 unassigned fund balance as part of the Pay As You Go strategy. As the fund balance reduces, the
23 contributions to capital reserves will also reduce, meaning that the City will either need to raise tax dollars
24 to fund the equipment directly, or consider leasing or bonding the equipment.

25
26 Ms. Williams explained that debt service shows a 12% increase from 2025 in the General Fund. This is
27 primarily due to a bond that was taken out for a handful of projects. The only new proposed debt is
28 associated with the Airport Fund. There will likely be other debt issued as part of the General Fund, but
29 that will be for items that have already been authorized related to ongoing capital projects or equipment
30 purchases.

31
32 Ms. Williams explained that non-department revenues are seeing an overall increase of 10%. These are
33 not tax dollars. The largest increases are from the DHMC pilot, late tax payments, administrative
34 overhead, the landfill host community fee, and the transfer from the Downtown TIF. The largest
35 decreases are from investment income, transfers from capital reserves, and the Mt. Support special
36 assessment.

37 38 **Council Discussions:**

39
40 Mayor Whittlesey asked about the spend down rate on the Downtown Tax Increment Finance District.
41 Ms. Williams stated that the estimated revenue for 2026 is \$956,000 and the proposal is for an
42 appropriation of \$1.2M. This leads to approximately \$900,000 from tax dollars being collected and
43 approximately \$300,000 from the fund balance. The fund balance is currently at approximately \$1.5M.

44
45 Mayor Whittlesey asked why the solar revenue was down. Ms. Williams explained that this line is new
46 and only an educated estimate.

47
48 Councilor Stavis stated that she would like to know more about what goes into the negotiation of pilot
49 programs. City Manager Hosmer stated that he would provide more information.

1 There was discussion regarding the Mascoma Hydro pilot. Mr. Brooks explained that when the facility
2 was first agreed upon with the City, there were laws in place that meant it was not taxable, which is why
3 it was considered a pilot. Those laws are now gone, and the property will now be taxable. The lease with
4 the City for the facility and the land that it is on was set to expire this summer. The Council agreed to
5 extend it for six months while an appraisal proceeds to consider both the pilot, or the opportunity to
6 charge taxes.

7
8 Jay Simms, Ward 2, asked about the landfill community host fee. Ms. Williams explained that this fee is
9 transferred from the Solid Waste Fund to the General Fund. There is a calculation based on the tonnage
10 processed at the landfill which is paid to the General Fund as an offset to the tax rate because the landfill
11 is on City property. Ms. Simms noted that the City takes in garbage from 23 different towns. He asked if
12 the rate takes into account the fact that the City will be temporarily capping the landfill for approximately
13 \$40M in 2-3 years. Ms. Williams stated that she believes this is built in, but the contracts are planned to
14 be reviewed in 2026.

15
16 Mr. Brooks reviewed the Tax Increment Finance District. For the Airport TIF, the expectation is
17 approximately \$96,000 will be raised from the two properties which were developed after the City
18 constructed the road and extended utilities and power to enable the development to occur. That money is
19 expected to be transferred to the Airport Fund. For the Downtown TIF, the City received legal and other
20 guidance indicating that the City can use these revenues more aggressively. For the last 4-5 years, the
21 City has only been using those TIF revenues for the tunnel debt service. Based on that guidance, the
22 expectation is that all of the anticipated revenue from the Downtown TIF District, approximately
23 \$956,000 will be transferred to the General Fund. The City will also dip into the fund balance for the TIF
24 District, roughly \$250,000, for a total of \$1.2M, which will go toward debt service for the tunnel, City
25 Hall, Spencer Street, the Mascoma/Mechanic/High Street intersection, and potentially towards the Fire
26 Station.

27 28 **3. ADJOURNMENT:**

29
30 **The meeting was adjourned at 7:31 PM.**

31
32 Respectfully submitted,
33 Kristan Patenaude
34 Recording Secretary

DRAFT

**LEBANON CITY COUNCIL
REGULAR SESSION MINUTES
Wednesday, November 19, 2025, 7:00 p.m.
Council Chambers**

Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Douglas Whittlesey, Assistant Mayor Devin Wilkie, Nicole Ford Burley, Timothy McNamara, Laurel Stavis, Christian Simon, and Karen Zook

MEMBERS ABSENT: Erling Heistad and George Sykes

STAFF PRESENT: City Manager Andrew Hosmer, Deputy City Manager David Brooks Public Works (DPW) Director Jay Cairelli, DPW Administrative Services Manager Kelly Crate, Human Resources Director Samatha Lauzon, Deputy Human Resources Director Angela Vivian, Finance Director Alesia Williams

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

- City 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 noted that Advance Transit's Board is not a body of the City of Lebanon, but Lebanon does have a couple of representatives on the Board, he is one of them. The Executive Director of Advance Transit is leaving, and the search committee is currently interviewing candidates. We are hoping to have a selection made for the Executive Director position in December. If anyone has any questions regarding Advance Transit, please contact him.

5. OPEN TO PUBLIC:

- **Mr. Raymond Downes (Ward-1):** He spoke with a couple of DPW employees about the water line replacements last fall. When he spoke with them and asked them to fill in the holes, he was told that this did not rise to the level that needed attention. Then, in the spring, he had asked them to come back and fill in the holes and was told that when the people who originally did the job come back, they would repave over those areas. When they repaved over those areas, they just settled again so we had the same scenario we had last fall. He also had a conversation with the Chief Assessor about some tax conversations we had earlier in the spring and was told that if he wanted any work done by the City on his property (i.e., fixing the work they had done) he would have to come before the Council. He noted he lives at 62 South Main Street and will provide Councilor Simon his phone number and email address. Mayor Whittlesey noted this was part of the paving and reconnection of water lines in this area. Mr. Downes also spoke about the sidewalk upgrades in his area and was told his property would not be getting the updated sidewalks. He was also concerned about the snowplow drivers leaving debris on his lawn.

Councilor Simon will be in touch with Mr. Downes to collect additional information and discuss this with the DPW Director. In the next day or so he would like to take a drive in this area to get a better sense of what it looks like and then follow up with Mr. Downes to hopefully offer some rationality about things that were done or not done.

Mayor Whittlesey also noted there are a few factors that will be woven into that whole area because of the Dry Bridge Project. The City Manager will also look into this.

6. RECOGNITIONS: NONE

7. ACCEPTANCE OF MINUTES:

- November 4, 2025 (Work Session)
Amendments: Page 1 under Staff Present: Add Human Services Director Lynne Goodwin and Arts, Parks & Recreation Director Paul Coats:

- November 5, 2025 (Regular Meeting)
Amendments: Page 2, Line 2; remove “interim”: Page 12 of 60 in packet, Line 2; Change “Assistant Mayor Wilkie” to “Councilor N. Ford Burley”

- November 6, 2025 (Work Session)
Amendments: NONE

***Councilor McNamara MOVED to approve the November 4, 2025 (Work Session), the November 5, 2025 (Regular Session), and the November 6, 2025 (Work Session) minutes as amended and presented in the November 19, 2025 City Council agenda packet.
Seconded by Councilor Simon.***

****The Vote on the Motion was approved (7-0)***

8. APPOINTMENTS: NONE

9. PUBLIC HEARING ITEMS: NONE

10. OLD BUSINESS: NONE

11. NEW BUSINESS

A. Presentation of First Reading & Set Public Hearing for December 17, 2025: Amendments to Ordinance #18, Salary Plan, to include implementation of a 3.0% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan

Included in the agenda packet: [\(All supportive documents and detailed information can be found on pages 31-42, Council agenda packet\)](#)

Human Services Director Samantha Lauzon, and Deputy Human Services Director Angela Vivian reviewed the background and provided a broad overview of Ordinance 18, Salary Plan, and explained the reasons behind the implementation of a 3.0% General Wage Increase, and to retitle, reclassify, and add positions to the existing salary plan.

1 BACKGROUND

2 Ordinance No. 18 formally establishes the City of Lebanon's comprehensive Salary Plan, governing non-
3 affiliated employees, bargaining unit personnel, and designated classifications of municipal staff.
4 Ordinance No. 18 defines the organizational framework for employee compensation by establishing the
5 following: salary grades, pay ranges, and the classification of all official job titles within the City's
6 workforce structure. Under the City Council's City Manager form of government, the City Manager is
7 responsible for administering the affairs of the City including maintenance of the Salary Plan, including
8 negotiation of labor agreements, which currently encompasses four collective bargaining units, each
9 governed by Collective Bargaining Agreements effective from January 1, 2025, through December 31,
10 2027. To ensure that the Salary Plan remains equitable and competitive with the external market, the
11 City's Salary Plan must be kept current, which is why we come here every year. This is achieved by
12 regularly adjusting the wages through General Wage increases, and by systematically reviewing positions
13 with both the external labor market comparisons and internal equity among positions.

14
15 Director Lauzon gave a brief bargaining unit overview, noting that the Salary Plan as it currently exists
16 right now includes the following:

- 17 • Lebanon Professional, Administrative, and Salaried Employees (LPASE)
- 18 • Lebanon Public Works Employee's Union, American Federation of State, County
- 19 and Municipal Employees, Local #1348/Council 93 AFL-CIO (AFSCME)
- 20 • Lebanon Permanent Firefighters' Association, Local 3197/International Association of
- 21 Fire Fighters (LPFFA/IAFF)
- 22 • Lebanon Police Benevolent Association (LPBA)/New England Police
- 23 Benevolent Association (NEPBA)

24 In addition, three (3) new bargaining units have been certified by the State of New Hampshire Public
25 Employee Labor Relations Board (PELRB) and are currently engaging in negotiations for their initial
26 Collective Bargaining Agreements. These are:

- 27 • City of Lebanon (Department Heads)
- 28 State of New Hampshire – Public Employee Labor Relations
- 29 Board Case No. G-0346-1, Decision No. 2025-155
- 30 • City of Lebanon (City Assistants, Deputies, and Others)
- 31 State of New Hampshire – Public Employee Labor Relations
- 32 Board Case No. G-0343-2, Decision No. 2025-251
- 33 • City of Lebanon (Various City Employees)
- 34 State of New Hampshire – Public Employee Labor Relations
- 35 Board Case No. G-0345-1, Decision No. 2025-157

36 Under the City Council/City Manager form of government, the City Manager is responsible for
37 administering the affairs of the City, including maintenance of the City's Salary Plan and negotiation of
38 Labor Agreements with all collective bargaining units.

39 40 **Certification of New Bargaining Units (not included in agenda packet):**

41 **For clarification regarding the Certification of new bargaining units,** Director Lauzon noted that
42 under RSA 273A, Certification of a New Bargaining Unit it states that in order to form a new bargaining
43 unit, employees must file a petition with the Labor Board and the petition must describe a proposed unit;
44 include authorization cards signed by at least 30% of the employees net unit; contain at least 10
45 employees; and group positions that are appropriate for a class of bargaining. After the petition is filed,
46 the employer is required to submit a list of names of all the employees in the proposed unit so that the

1 Labor Board can validate the authorization cards that accompany the petition. The petitioner, in this case,
2 is required to request the not obtained employer's Agreement to the composition of the proposed
3 bargaining unit at the time the certification is filed with the Labor Board. So, in the case of these three (3)
4 new Unions, the City agreed with the proposed unit compositions when the petitions were filed. To some
5 degree, this signals to employees that City Administration is not seeking to have an adversarial
6 relationship with any union. She thought we have maintained our goal of having a positive, collaborative
7 relationship with all unions across all affiliations. One way that we support that goal is through equitable
8 pay and benefit practices.

9
10 Under Ordinance No. 18, compensation for exempt (salaried) and non-exempt (hourly) employees is
11 defined by a system of steps or by minimum and maximum grade ranges—expressed as hourly rates for
12 non-exempt employees and weekly rates for exempt employees.

13 Progression within these ranges is achieved through annual General Wage Increases and performance-based
14 merit adjustments ranging from one (1) to three (3) percent, or through automatic step increases. The
15 granting of merit or step adjustments is subject to the terms and conditions outlined in the Non-Bargaining
16 Employee Handbook (for non-affiliated employees), or the applicable Collective Bargaining Agreement.
17 Step or merit-based adjustments only occur provided the employee has not reached their top step or the
18 maximum of their salary range.

19
20 To ensure the Salary Plan remains equitable and competitive with the external labor market, the City's
21 Salary Plan must be kept current. This is achieved by regularly adjusting compensation ranges through
22 General Wage Increases and by systematically reviewing positions with both external labor market
23 comparisons and internal equity among positions.

24
25 The City's standard practice for determining General Wage Increases is to apply the percentage change in
26 the Northeast Region Consumer Price Index (CPI) for June, measured over the preceding twelve months.
27 This adjustment typically includes a minimum increase of one percent (1%) and a maximum increase of
28 three percent (3%) and applies equally to non-affiliated employees and members of the City's collective
29 bargaining units.

30
31 The City Council was asked to take action to Amend Ordinance #18 as follows:

32
33 **1. General Wage Increase – 2026**

34 The Northeast Region Consumer Price Index (CPI) increased by 3% between June 2024
35 and June 2025. Accordingly, the City Council is requested to implement a 3% General
36 Wage Increase for all employees, as part of the 2026 City of Lebanon Budget. This
37 adjustment would take effect as of the first pay period of 2026.

38 **2. Amend Article II – Non-Affiliated and LPASE Employees:**

39 **Section A – Regular Full-Time and Part-Time Benefit Eligible Positions**

40 **I. Integrate newly certified positions and the associated denotations of the**
41 **following Bargaining Units:**

- 42
43 a. City of Lebanon (Department Heads)
44 State of New Hampshire – Public Employee Labor Relations
45 Board Case No. G-0346-1, Decision No. 2025-155
46 b. City of Lebanon (City Assistants, Deputies, and Others)

1 State of New Hampshire – Public Employee Labor Relations
2 Board Case No. G-0343-2, Decision No. 2025-251
3 c. City of Lebanon (Various City Employees)
4 State of New Hampshire – Public Employee Labor Relations
5 Board Case No. G-0345-1, Decision No. 2025-157
6

7 **II.** Integrate denotation of italicized text to all non-affiliated positions to include:
8

- 9 a. General Intern
10 b. Deputy Finance Director
11 c. Deputy Human Resources Director
12 d. Human Resources Specialist
13 e. Human Resources Director
14 f. Technical Advisor II
15 g. Finance Director
16 h. Deputy City Manager

17 **III.** Relocate the Grade 7 position of Communications Specialist to Article III,
18 Bargaining Unit Employees, Section C – Lebanon Police Benevolent
19 Association (LPBA)/New England Police Benevolent Association (NEPBA).

20 **IV.** Retitle and reclassify the non-exempt, Assistant Human Services Director,
21 currently located in Grade 7, to Grade 9, and retitle to Deputy Human Services
22 Director, with an exempt classification.
23

24 **V.** Reclassify the non-exempt Deputy City Clerk/Tax Collector from Grade 8 to
25 Grade 9, with an exempt classification.
26

27 As part of an effort to combine the current separate roles of Deputy City Clerk
28 and Deputy Tax Collector positions into a dual role, the Deputy City Clerk/Tax
29 Collector position's job description has been revised and regraded.

30 **VI.** Add the non-exempt position of Lead Assistant City Clerk to Grade 8, with a
31 proposed affiliation of LPASE
32

33 The creation of the Lead Assistant City Clerk position is part of an
34 organizational restructuring within the City Clerk/Tax Collection Department.
35 Currently, overlapping supervisory responsibilities exist within the
36 department. The restructured model consolidates supervision, streamline
37 operations, and enhances training for the Deputy City Clerk/Tax Collector.
38 This role will oversee counter operations to ensure consistent customer service
39 delivery and provide daily support to department leadership. The Lead
40 Assistant City Clerk position also establishes a clear advancement opportunity
41 for existing staff, supporting both professional development and employee
42 retention.
43

44 **VII.** Retitle the Grade 8, LPASE-affiliated position of Field Inspector to Building
45 Official & Health Officer I.
46

47 **VIII.** Retitle the Grade 9, LPASE-affiliated position of Code Health Inspector to
48 Building Official & Health Officer II.
49

1 IX. Add an LPASE designation to the following positions:

- 2
3 a. System Administrator – Grade 11
4 b. Prosecuting Attorney – Grade 12
5 c. Cyber Security Analyst – Grade 13
6 a. Systems and Operations Administrator – Grade 13

7 **3. Amend Article II – Section B – Seasonal/Temporary & Stipend Employees**

8 I. Add the non-exempt position of Assistant Moderator to “Election Positions.”

9
10 The Assistant Moderator position will provide additional Election Day support,
11 focusing on absentee ballot processing and supervision of Ballot Clerks.

12
13 Currently, Moderators often manage these duties alone, as Ward Clerks are
14 occupied assisting voters. Establishing the Assistant Moderator position will
15 streamline Election Day operations, ensure timely absentee ballot processing,
16 and strengthen overall election management.

17
18 II. Implement a wage adjustment, beyond the 3% GWI, to the Outdoor Educator
19 position, located within Recreation, Arts & Parks positions, to attract and
20 retain qualified personnel.

21
22 III. Retitle Asst. Pool Director, within Recreation, Arts & Parks positions, to
23 Assistant Pool Director.

24 IV. Remove Asterix (*) from Communications Specialists, within Police
25 Department Positions.

26
27 V. Remove Asterix (*) from Assistant City Clerks, within City Clerk Positions.
28

29 **4. Amend Article III – Section A – AFSCME Local #1348/Council 93 AFL-CIO**

30 As a part of Strategic Objective 1.2, High Performing Government, in the City of
31 Lebanon’s 2026-2029 Strategic Plan (KPI - 1.2.1: Attract, retain, engage, develop a
32 diverse competitive workforce), the Human Resources Department completed a Wage
33 Classification Study for Lebanon Public Works Employees’ Union, AFSCME Local
34 #1348/Council 93 AFL-CIO. The study, aimed at reaching the 60th percentile of the
35 market by 2026, has now been completed. As a result, the following reclassifications
36 are proposed:

37
38 I. Retitle Section to Lebanon Public Works Employees’ Union, AFSCME
39 Local #1348, Council 93 AFL-CIO throughout.

40 II. Reclassify the Grade 3 position of Recycling Attendant to Grade 4.

41 III. Reclassify the Grade 3 Scale Technician to Grade 4.

42 IV. Reclassify the Grade 5 position of Maintainer (Cemetery Crew Leader) to Grade 6.

43 V. Reclassify the Grade 6 position of Water Treatment Plant Operator to Grade 7.

44 VI. Reclassify the Grade 6 position of Wastewater Treatment Plant Operator to Grade 7.

45 VII. Reclassify the Grade 7 position of Engineering Technician to Grade 8.
46

5. Amend Article III – Section C – Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA)

I. Add Communications Specialist position to Bargaining Unit.

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2026.

REGULAR FULL-TIME/REGULAR PART-TIME NON-AFFILIATED, LPASE & NEWLY CERTIFIED BARGAINING UNIT EMPLOYEES 2026 SALARY & GRADES TO INCLUDE 3% GWI					
Grade	Position Title	Hourly		Weekly	
		Minimum	Maximum	Minimum	Maximum
1	<i>General Intern</i>	\$19.29	\$28.19	-	-
2	Custodian □	\$21.67	\$29.26	-	-
	Department Secretary □	-	-	-	-
3	Airport Maintenance Worker □	\$22.99	\$31.02	-	-
	Custodian I □	-	-	-	-
	Accounting Clerk □	-	-	-	-
4	Youth Services Library Assistant □	\$24.35	\$32.87	-	-
	Technical Services Library Assistant □				
	Custodial Supervisor □				
	Facilities Maintenance Specialist □	-	-	-	-
5		\$25.80	\$34.86	-	-
6		\$27.34	\$37.33	-	-
7	Administrative Secretary □	\$29.00	\$41.02	-	-
	Assessing Clerk □	-	-	-	-
	Assistant City Clerk □	-	-	-	-
	Assistant Human Services Director	-	-	-	-
	Communications Specialist	-	-	-	-
	Library Administrative/Technical Assistant □	-	-		-
8	Accounting Clerk III □	\$31.90	\$43.05	-	-
	Administrative Assistant □	-	-	-	-
	Benefits Specialist □	-	-	-	-
	Payroll Specialist □	-	-	-	-
	Police Communications Assistant Supervisor*				
	Deputy City Clerk ‡	-	-	-	-
	Deputy Tax Collector ‡	-	-	-	-
	Deputy City Clerk/Deputy Tax Collector	-	-	-	-
	Field Inspector*				
	Building Official & Health Officer I*	-	-	-	-
	Electrical Inspector*	-	-	-	-
	Lead Assistant City Clerk* (New)				
	Utility Billing Clerk □	-	-	-	-
	Outreach Librarian □	-	-	\$1,275.88	\$1,722.38
	Children's Librarian □	-	-	-	-
9	Code Health Inspector* Building Official & Health Officer II*	\$35.08	\$47.37	-	-

1

	Executive Assistant □	-	-	-	-
	Public Relations Coordinator □	-	-	-	-
	Digital Media Officer □	-	-	-	-
	Deputy Assessor ‡	-	-	-	-
	Cyber Services Technical Specialist □	-	-	-	-
	Real Estate Appraiser II*	-	-	-	-
	Solid Waste Supervisor*				
	Cemetery Supervisor*	-	-	-	-
	Associate Planner*	-	-	\$1,403.45	\$1,894.92
	Deputy City Clerk/Deputy Tax Collector ‡				
	Deputy Human Services Director ‡				
10	Asset Manager*	\$38.64	\$52.15		-
	Assistant City Engineer*			-	-
	Financial Analyst □	-	-	-	-
	Community Nurse □	-	-	-	-
	Police Communications Supervisor ‡	-	-	-	-
	Recreation Program Coordinator*	-	-	\$1,545.61	\$2,086.13
	Youth Services Librarian □	-	-	-	-
11	Technical Advisor I □	\$40.95	\$55.27	-	-
	Cemetery Sexton*	-	-	-	-
	Fleet Maintenance Supervisor*	-	-	-	-
	Maintenance Superintendent*	-	-	-	-
	Utilities Maintenance Superintendent*	-	-	-	-
	System Administrator*	-	-	-	-
	Airport Operations Supervisor*	-	-	\$1,638.07	\$2,210.82
	Assistant Recreation Director*	-	-	-	-
	Code Enforcement Director*	-	-	-	-
	Director of Public Engagement and Communications †				
	Fire Marshall*	-	-	-	-
	Planner/GIS Coordinator*	-	-	-	-
	Senior Planner*	-	-	-	-
	Systems Librarian □	-	-	-	-
	Information Technology Librarian □	-	-	-	-
12	Wastewater Treatment Superintendent*	\$43.40	\$58.60	-	-
	Water Treatment Superintendent*	-	-	-	-
	Administrative Services Manager*	-	-	\$1,735.99	\$2,343.55
	City Assessor*	-	-	-	-
	City Engineer*	-	-	-	-
	City Planner*	-	-	-	-
	Deputy Library Director ‡	-	-	-	-
	Energy & Facilities Manager*	-	-	-	-
	Police Lieutenant*	-	-	-	-
	Prosecuting Attorney*	-	-	-	-
	Solid Waste Manager □	-	-	-	-
13	Chief Innovation and AI Officer †	-	-	\$1,840.17	\$2,484.24

	City Clerk/Tax Collector †				
	Cyber Security Analyst*	-	-	-	-
1					
	<i>Deputy Finance Director</i>	-	-	-	-
	<i>Deputy Human Resources Director</i>	-	-	-	-
	Human Services Director †				
	Information Systems Manager*	-	-	-	-
	Maintenance Manager ‡	-	-	-	-
	Police Captain*	-	-	-	-
	Deputy Planning and Development Director ‡	-	-	-	-
	Systems and Operations Administrator*	-	-	-	-
	Chief Building Official & Health Officer ‡				
14	<i>Human Resources Specialist</i>	\$48.77	\$65.84	-	-
	Airport Manager †	-	-	\$1,950.68	\$2,633.21
	Assistant Director/Public Works ‡	-	-	-	-
	Chief Assessor †	-	-	-	-
	<i>Human Resources Director</i>	-	-	-	-
	Library Director †	-	-	-	-
	Lead Network Infrastructure Engineer ‡	-	-	-	-
	Recreation, Arts & Parks Director †	-	-	-	-
15	Deputy Police Chief ‡	-	-	\$2,191.47	\$2,791.02
	Deputy Fire Chief ‡				
16	<i>Technical Advisor II</i>	\$60.02	\$75.95	-	-
	Chief of Police †	-	-	\$2,400.51	\$3,038.04
	Planning and Development Director †	-	-	-	-
	Public Works Director †	-	-	-	-
	<i>Finance Director</i>	-	-	-	-
	Fire Chief †	-	-	-	-
	Cyber Services Director †	-	-	-	-
	<i>Deputy City Manager</i>	-	-	-	-

2
3 *Italicized* positions denote Non-Affiliated employees, for which the January 1, 2026, GWI shall be based
4 on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%),
5 nor greater than three percent (3%).

6 * Denotes LPASE employees for which the January 1, 2026, GWI shall be based on the Northeast Region
7 CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three
8 percent (3%).

9 † Denotes City of Lebanon (Department Heads) – State of New Hampshire, Public Employee Labor
10 Relations Board (PELRB) – Case No. G-0346-1, Decision No. 2025-155 employees, for which the January
11 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be
12 less than one percent (1%), nor greater than three percent (3%).

13 ‡ Denotes City of Lebanon (City Assistants, Deputies, and Others) – State of New Hampshire – Public
14 Employee Labor Relations Board (PELRB) – Case No. G-0343-2, Decision No. 2025-251 employees, for
15 which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025,
16 but in no case shall be less than one percent (1%), nor greater than three percent (3%).

1 □ Denotes City of Lebanon (Various City Employees) – State of New Hampshire, Public Employee Labor
2 Relations Board (PELRB) - Case No. G-0345-1, Decision No. 2025-157 employees, for which the January
3 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall
4 be less than one percent (1%), nor greater than three percent (3%).

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

POSITION TITLE	HOURLY	
ELECTION POSITIONS (HOURLY)		
Assistant Moderator (New)		\$29.00
Ballot Clerk	-	\$21.22
Election Assistant	-	\$16.58
Moderator	-	\$31.83
Ward Clerk	-	\$28.64
Chair Supervisor of the Checklist	-	\$28.64
Supervisor of the Checklist	-	\$26.52
FIRE DEPARTMENT POSITIONS		
Call Firefighter	\$13.33	\$33.79
RECREATION, ARTS & PARKS POSITIONS		
Front Desk Attendants – Pool	\$12.01	\$18.06
Lifeguards	\$12.01	\$20.72
Head/Lead Counselors	\$15.64	\$19.22
Head & WSI Lifeguards	\$14.42	\$21.61
Head Front Desk Attendant - Pool	\$14.42	\$18.04
Outdoor Adventurer - Educator	\$22.00	\$28.00
Day Camp Counselors	\$12.01	\$18.06
Arts & Craft Director	\$15.64	\$20.13
Farmers Market Coordinator	\$16.83	\$21.63
Market Assistant	\$14.42	\$18.04
Tennis Instructor	\$18.04	\$22.84
Stomp & Romp	\$18.04	\$22.84
Pool Operations Manager	\$18.04	\$24.85
Assistant Pool Director	\$18.04	\$24.85
Assistant Camp Director	\$18.04	\$24.85
Pool Director	\$19.22	\$28.41
Camp Director	\$19.22	\$28.41
RECREATION, ARTS & PARKS STIPEND POSITIONS:		
Sport Coaches – Seasonally (Lacrosse, Track, Youth – Basketball, Field Hockey, Football, Cheerleader Coach etc. – may vary due to Programs)	\$242.67	\$846.39
Softball Coordinator - Stipend	\$2,101.64	\$2,691.29

LIBRARY POSITIONS		
Library Clerk I	\$19.29	\$28.19
Library Custodian Substitutes	\$21.67	\$29.26
Library Clerk II	\$22.99	\$31.02
PUBLIC WORKS POSITIONS		
Engineering Clerk	\$13.23	\$16.83
GIS Clerk – (or Intern)	\$18.04	\$20.44
Seasonal Laborers – Summer & Fall DPW, Parks & Rec.& Airport	\$19.22	\$24.30
Tree Warden	\$24.40	\$27.58

1	CDL Seasonal Drivers	\$27.00	\$59.18
	PLANNING POSITIONS		
	Park Ranger	\$18.04	\$20.44
	POLICE DEPARTMENT POSITIONS		
	Crossing Guard		\$19.57
	*Communications Specialist	\$29.00	\$41.02
	Police Administrative Aide	\$24.04	\$27.63
	Parking Control Officer	\$24.04	\$27.63
	Police Officers	\$31.13	\$41.14
	CITY CLERK POSITIONS		
	*Assistant City Clerks (Part-Time/Temp. <20)	\$29.00	\$41.02
	Lead Recording Secretary	\$27.01	\$32.87
	Recording Secretary	\$25.83	\$28.23
	Recording Secretary Coordinator	\$27.01	\$28.85
	SHARED POSITION		
	General Intern I	\$15.64	\$19.83

A. LEBANON PUBLIC WORKS EMPLOYEES' UNION, AFSCME LOCAL #1348/COUNCIL 93 AFL-CIO

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City and Lebanon Public Works Employees' Union, AFSCME (American Federation of State, County and Municipal Employees) Local #1348/Council 93 AFL-CIO, (effective January 1, 2025 to December 31, 2027) shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2026, through the last pay period of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.

LEBANON PUBLIC WORKS EMPLOYEES' UNION – AFSCME - POSITIONS	
GRADE	POSITION(s)
1	Laborer
2	Utility Operator Trainee
3	Operator; Recycling Attendant ; Construction Utility Operator I; Meter/Backflow Technician; Scale Technician
4	Light Equipment Operator; Airport Maintenance Technician; Recycling Attendant ; Scale Technician

5	Heavy Equipment Operator; Utilities Operator I; Airport Maintenance Specialist; Maintainer (Cemetery Crew Leader) ; Utilities Operator I;
6	Maintainer (Cemetery Crew Leader) ; Mechanic; Water Treatment Plant Operator ; Wastewater Treatment Plant Operator ;
7	Laboratory Technician/ Utilities Plant Operator; Airport Maintenance Supervisor; Utilities Maintenance Mechanic; Engineering Technician ; Public Works Crew Leader; Water Treatment Plant Operator ; Wastewater Treatment Plant Operator
8	Supervisor; Parks & Grounds Crew Supervisor; Engineering Technician
9	Chief of Quality Assurance, Electrician

1

LEBANON PUBLIC WORKS EMPLOYEES' UNION, AFSCME LOCAL 1348 2026 SALARY GRADES 3% GWI							
	Minimum						Maximum
<u>Grade</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
1	\$21.18	\$21.77	\$22.40	\$23.04	\$23.63	\$24.36	\$25.11
2	\$22.85	\$23.50	\$24.18	\$24.84	\$25.50	\$26.29	\$27.11
3	\$24.67	\$25.41	\$26.15	\$26.85	\$27.62	\$28.49	\$29.37
4	\$26.64	\$27.47	\$28.25	\$29.07	\$29.92	\$30.84	\$31.81
5	\$28.87	\$29.74	\$30.62	\$31.50	\$32.42	\$33.43	\$34.46
6	\$31.25	\$32.19	\$33.23	\$34.25	\$35.29	\$36.34	\$37.33
7	\$33.87	\$34.93	\$36.03	\$37.13	\$38.24	\$39.39	\$40.45
8	\$35.57	\$36.69	\$37.85	\$39.02	\$40.27	\$41.50	\$43.12
9	\$38.61	\$39.83	\$41.13	\$42.42	\$43.72	\$45.02	\$46.88

2 The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but
3 in no case shall be less than one percent (1%) nor greater than three percent (3%).

4

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

7

8 Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City
9 and Lebanon Permanent Firefighters' Association Local 3197/International Association of Fire Fighters
10 (IAFF), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the
11 accompanying pay plan covering the time period of the first pay period of 2026, through the last pay period
12 of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.
13
14

LEBANON PERMANENT FIREFIGHTERS/IAFF 2026 SALARY GRADES 3% GWI							
	Minimum						Maximum
<u>Position Title</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
Firefighter - EMT	\$27.38	\$28.26	\$29.13	\$30.05	\$30.90	\$31.79	\$32.76
Firefighter - Paramedic	\$31.01	\$31.94	\$32.93	\$33.84	\$34.75	\$35.71	\$36.70

Fire Alarm Technician	\$38.13	\$38.92	\$39.72	\$40.47	\$41.27	\$42.02	\$42.79
Lieutenant	\$36.86	\$37.37	\$37.89	\$38.43	\$38.94	\$39.45	\$39.97
Fire Inspector	\$38.43	\$39.04	\$39.71	\$40.32	\$40.98	\$41.61	\$42.30
Lieutenant - Paramedic	\$40.04	\$40.57	\$41.09	\$41.61	\$42.17	\$42.66	\$43.21
Captain	\$44.82	\$45.27	\$45.80	\$46.28	\$46.76	\$47.28	\$47.75
Inspector - Paramedic	\$39.81	\$40.42	\$41.02	\$41.66	\$42.27	\$42.87	\$43.56
Captain - Paramedic	\$45.97	\$46.45	\$46.92	\$47.40	\$47.90	\$48.36	\$48.90

The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

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

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City of Lebanon and the Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2026, through the last pay period of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.

LEBANON POLICE BENEVOLENT ASSOCIATION 2026 SALARY GRADES 3% GWI							
Minimum				Maximum			
<u>Position Title</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
Patrol Officer	\$31.13	\$32.94	\$34.07	\$35.76	\$37.55	\$39.46	\$41.14
Corporal	\$42.33	-	-	-	-	-	-
Sergeant	\$42.33	\$43.22	\$44.32	\$45.46	\$46.57	\$47.68	\$48.84
	Minimum	Hourly Range					Maximum
Communications Specialist	\$29.00						\$41.02

The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

Amendment Process

Amending Ordinance #18 requires three separate presentations (see City Charter subsections §3.07, §3.09, §3.10, §8.03), followed by a Public Hearing, and the vote of at least two-thirds (2/3) of all members of the City Council - six (6) members - to adopt.

The Council was asked to recognize the first of three presentations on November 19, 2025, and to schedule a public hearing for December 17, 2025, to amend the Ordinance. The second and third

1 presentations will occur on December 3, 2025, and December 17, 2025, respectively.

2
3 **Council/Staff Comments:**

4 Councilor McNamara asked if the grade changes and the financial impacts associated with them are built
5 within the current budget. Director Lauzon said yes. He also asked if we know the number of folks
6 involved whose position will be regraded. Deputy Director Vivian said the total number of employees that
7 this would effect is ten (10) just for ASCME. We reclassified the City Clerk/Tax Collector position.
8 There is an engineering position in ASCME that is actually a vacant position that was included in the
9 study because it was an ASCME position and we evaluate all positions.

10
11 Mayor Whittlesey noted that in the DPW Union it looked like the steps themselves are not changing, but
12 the grades themselves are just being moved into the correct range on the step chart. Deputy Director
13 Vivian noted that part of the process is to make sure they are the most accurate and up to date by
14 comparing them to the market. The Recycling Scale Technician had a job description change, which
15 prompted a regrade that raised the classification from a 3 to a 4. The same happened with the Engineering
16 Technician, and the Water/Wastewater Treatment Plant Operator were within the 60% wage range, but
17 the ending wages were not within the 60% goal, so those were raised to next grade in order to meet that
18 goal.

19
20 In response to Councilor Simon's question regarding what the 60% goal was, Deputy Director Vivian
21 noted they have seven (7) comparables with other cities and towns and within the private sector, so it
22 takes the minimum/maximum wages of those and where the 60% lands is the wage we are looking to
23 meet.

24
25 **ACTION:**

26
27 **1. ACKNOWLEDGE FIRST PRESENTATION:**

28 *Assistant Mayor Wilkie MOVED, that the Lebanon City Council acknowledges the first of three*
29 *presentations to amend Ordinance #18, Salary Plan, as fully described and contained in the November*
30 *19, 2025, City Council Agenda Packet.*

31
32 **2. SCHEDULE PUBLIC HEARING:**

33 *Assistant Mayor Wilkie FURTHER MOVED, that the Lebanon City Council hereby schedules a public*
34 *hearing for Wednesday, December 17, 2025, beginning at 6:00 PM, at the Lebanon High School*
35 *Gymnasium, 195 Hanover Street Extension, Lebanon, and Remote via City's Virtual Platform, for the*
36 *purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, as fully*
37 *described and contained in the November 19, 2025, City Council Agenda Packet.*
38 *Seconded by N. Ford Burley.*

39
40 **The Vote on the MOTION was approved (7-0)*

41
42 **B. Review and Adoption of Revised Allowable Levels of Assistance Set Forth in Appendix**
43 **A of the General Assistance Program Guidelines**

44
45 Included in the agenda packet: (All supportive documents and detailed information can be found on pages
46 43-48, Council agenda packet)

- 47 1. Proposed Allowable Levels of Assistance for the City of Lebanon, General
48 Assistance Program Guidelines, Appendix A

- 1 2. Housing and Food Allowances – Supporting Data Not available included but available:
2 3. City of Lebanon, NH, General Assistance Program Guidelines, Adopted: March 12, 2007,
3 Last Revised: November 15, 2023
4

5 Human Services Director Lynne Goodwin reviewed the background and wanted to formally present the
6 increased allowances for shelter housing, as well as food allowances, which were last adopted November
7 2023. She noted they have been raised annually based on HUD's Fair Market rents for Grafton County,
8 and in Lebanon and West Lebanon as of December 1, 2024, when small fair market rents became
9 supplements. We also annually look at the increases to food stamps and adjust our allowances so that the
10 maximum amount of food benefits is followed during the year. Residents of Lebanon have not been
11 shortchanged since the last formally adopted allowances. Human Services have made adjustments
12 annually based on SNAP increases and would like the City Council to formally adopt the increased
13 allowances.
14

15 **BACKGROUND**

16 The City's General Assistance Program is governed by NH RSA 165, Aid to Assisted Persons. RSA
17 165:1, Who Entitled; Local Responsibility, states in part:

- 18 II. The local governing body, as defined in RSA 672:6, of every town and city in
19 the state shall adopt written guidelines relative to general assistance. The
20 guidelines shall include, but not be limited to, the following:
21 (a) The process for application for general assistance.
22 (b) The criteria for determining eligibility.
23 (c) The process for appealing a decision relative to the granting of general assistance.
24 (d) The process for the application of rents under RSA 165:4-b, if the
25 municipality uses the offset provisions of RSA 165:4-a.
26 (e) A statement that qualified state assistance reductions under RSA 167:82,
27 VIII may be deemed as income, if the local governing body has permitted
28 the welfare administrator to treat a qualified state assistance reduction as
29 deemed income under RSA 165:1-e.

30 RSA 165 also requires that municipalities adopt Payment Levels of Allowable Expenses. The Allowable
31 Levels of Assistance are included in Appendix A of the City's General Assistance Program Guidelines.
32 Monthly shelter allowances are proposed to be updated based on the U.S. Department of Housing and Urban
33 Development's (HUD's) authorization to allow Lebanon to utilize the Small Area Fair Market Rent
34 calculation procedures in FY2026. Updates to shelter allowances were last adopted in November 2023.
35 Human Services has made adjustments annually based on Fair Market Rents for Grafton County.
36

37 Food and Non-food allowances were last adopted in November 2023. Food allowances are intended to
38 coincide with the current data available from the Supplemental Nutrition Assistance Program (SNAP;
39 formerly known as "Food Stamps"). Human Services have made adjustments annually based on SNAP
40 increases. Non-food allowances are meant to cover basic expenses for toiletries, paper products, and
41 personal items. Monthly Non-food allowances are not proposed to be changed at this time.

42 Human Services Director Lynne Goodwin discussed the chart (*as listed on page 45, agenda packet*), that
43 shows the allowable levels of assistance for the City of Lebanon as highlighted in **red**. (Note: The
44 headings on chart 1 should be from left to right: Number in Household, Monthly amount for Food and
45 monthly amount for Non-Food Allowances). This became effect on October 1, 2025. The Department of
46 Health and Human Services will determine how much a household is eligible for SNAP benefit.
47

(Please review the 2026 Fair Market Rent Documentation System description on pages 46-48 for more detailed charts.)

Council/Staff Comments:

Councilor Stavis spoke about the State Legislation that is now moving through the House, which would fundamentally change RSA 165. This will be voted on in early January. Director Goodwin was aware of this, noting it would not be a fair system, would gut local welfare, and would not support people with housing.

Councilor Zook questioned what excess shelter was under SNAP Deductions. Ms. Goodwin was uncertain, but she used the State's chart. Councilor Zook also questioned the change to the food increases and asked if this increase was meeting the needs of the people. Director Goodwin noted that most people are having to supplement their food costs by visiting a Food Pantry, which includes the LISTEN Center and The Haven Community Market. Several Churches also do a food pantry.

ACTION:

Councilor N. Ford Burley MOVED, that the Lebanon City Council hereby adopts the amended Allowable Levels of Assistance set forth in Appendix A of the General Assistance Program Guidelines, as presented in the November 19, 2025 City Council Agenda Packet. Seconded by Councilor Stavis.

****The Vote on the Motion was approved (7-0)***

C. Discussion and Set Public Hearing for December 3, 2025: Acceptance of a Donation of Rutter Property, a +/-23-Acre Parcel of Conservation Land on Stevens Road, Lebanon
Included in the agenda packet: *(All supportive documents and detailed information can be found on pages 49-52, Council agenda packet)*

1. Lebanon Conservation Commission, Special Meeting Minutes, May 8, 2025
2. Lebanon Conservation Commission, Meeting Minutes Excerpt, October 9, 2025

Mr. Craig Privett UVLT (Upper Valley Land Trust), Conservation Project Manager, reviewed the background and gave a PowerPoint presentation regarding the Rutter-Signal Hill's 22.8 +/- Acres as a donated free gift and conservation easement that included water resources, important wildlife habitat, significant ecological area and scenic benefits to the public. He also spoke about and showed the area that was identified as a Lebanon Wildlife Corridor in a report (2016), noting the significant land protection opportunity.

BACKGROUND

Sally and Jerry Rutter are proposing to donate a +/-23-acre parcel of land (Tax Map 28, Lot 14) to the Upper Valley Land Trust (UVLT) for conservation purposes. UVLT would, in turn, like to donate ownership of the Rutter parcel to the City, while retaining the conservation easement.

The Rutter parcel is located adjacent to the intersection of Stevens Road and Alden Road and is situated near the parking lot and trailhead for the Signal Hill Conservation Area. UVLT envisions that a conservation easement on the Rutter property will be similar to the easement for Signal Hill, and that the parcel will be managed similarly to Signal Hill.

On May 8, 2025, the Lebanon Conservation Commission held a public hearing to receive public input on a

1 proposal to expend up to \$21,000 from the Lebanon Open Space Trust (L.O.S.T.) Fund as a contribution to
2 UVLT to facilitate the acquisition and permanent protection of the Rutter property. At the conclusion of the
3 public hearing, the Commission voted unanimously to authorize the expenditure subject to the execution of
4 a grant agreement between the City and UVLT.

5
6 On October 9, 2025, the Conservation Commission voted to recommend that the Lebanon City Council
7 accept the proposed donation of ownership of the Rutter parcel from UVLT, subject to the conservation
8 easement to be held by UVLT. Excerpts of minutes from both Conservation Commission meetings are
9 included in the agenda packet for review.

10
11 The legal authority to acquire or dispose of real property interests ultimately rests with the City Council.

12
13 **Council/Staff Comments:**

14 In response to Councilor Simon's question regarding what would happen if the City denied this offer, Mr.
15 Privett noted that in this case the UVLT would, in the foreseeable future, maintain the ownership for
16 conservation purposes. It would be subject to a Conservation Easement at that point because they would
17 own the interest in the land, but it would be guided by a Board Resolution and a management plan that
18 would maintain it for conservation purposes. It would not be going back into the open market.

19
20 In response to Councilor Zook's question regarding safety concerns around an old barn located on the
21 property, Mr. Privett stated he believed there was not an old barn on the property, it might be a
22 foundation.

23
24 In response to Councilor Stavis' question regarding whether any of this land is served by City
25 water/sewer, Mr. Privett said he did not believe so.

26
27 **ACTION:**

28 ***Councilor N. Ford Burley MOVED, that the Lebanon City Council hereby schedules a public hearing***
29 ***for Wednesday, December 3, 2025, beginning at 7:00pm, in the Lebanon High School Gymnasium,***
30 ***195 Hanover Street Extension, and Remote via the City's Virtual Platform, for the purpose of receiving***
31 ***public input and taking action to accept a proposed donation of a +/-23-acre parcel of conservation***
32 ***land (Tax Map 28, Lot 14) along Stevens Road from the Upper Valley Land Trust, subject to a***
33 ***conservation easement to be held by the Land Trust, as presented in the November 19, 2025 City***
34 ***Council Agenda Packet.***

35 ***Seconded by Councilor Stavis.***

36
37 ****The Vote on the Motion was approved (7-0)***

38
39 **D. Authorization for City Manager to Execute Extension of Existing Lease Agreement with**
40 **Green Mountain Power Corporation for Glen Road Hydroelectric Facility**
41 **Included in the agenda packet: [\(All supportive documents and detailed information can be found on pages](#)**
42 **[53-56, Council agenda packet](#))**

43 **1. Proposed Second Amendment to Lease Agreement**

44 Deputy City Manager Brooks reviewed the background, specifically noting that back in 1988 this facility
45 was tax exempt, but it is no longer tax exempt as those laws have changed so we will be getting rid of the
46 Pilot Agreement and just continuing with the lease. The lease value and the property valuation for tax
47 purposes are directly intertwined. As the lease cost goes up, the value of the property goes down for tax

1 purposes and vice versa. It is really important to allow Green Mountain Power to get through the FERC
2 relicensing process because that could dramatically impact the property. If we sign an agreement now, we
3 would probably have to renegotiate as soon as that FERC license comes through.

4 5 **BACKGROUND**

6 In September 1988, the City entered into a Lease Agreement with Mascoma Hydro Corporation for the
7 use of certain real estate and other property for the redevelopment and operation of the Glen Road
8 Hydroelectric Facility on the Mascoma River. The original Lease Agreement had a term of 40 years
9 from its effective date with an expiration of June 2025.

10 Earlier this year, Green Mountain Power Corporation (GMP), as successor-in-interest to Mascoma
11 Hydro, contacted the City to begin negotiations for the renewal of the existing Lease Agreement. Since
12 the original Lease Agreement was signed, applicable laws, regulations, and practices have changed,
13 and additional time was required for the parties to negotiate the terms and conditions of a new Lease
14 Agreement. On June 18, 2025, the City Council granted a six-month extension, until December 31,
15 2025, to negotiate the terms and conditions of a new Lease Agreement.

16 GMP is also currently pursuing relicensing of the Glen Road Hydro Facility from the Federal Energy
17 Regulatory Commission (FERC) for an additional 40-year term. The current FERC license expires on
18 March 1, 2027. GMP has requested that the new Lease Agreement with the City should run concurrently
19 with the term of the anticipated new FERC license.

20 At this time, GMP and the City are proposing a second extension of the existing Lease Agreement to the
21 earlier of a date that is six months after FERC's issuance of a subsequent license for the facility or
22 September 1, 2027.

23 **Council/Staff Comments:**

24 Councilor McNamara noted these (agreements) are very complicated. To him, the extension makes
25 perfectly good sense and further explained his reasons.

26 27 **ACTION:**

28 *Councilor McNamara MOVED that the Lebanon City Council hereby authorizes the City Manager to*
29 *execute the Second Amendment to Lease Agreement with Green Mountain Power Corporation for the*
30 *use of certain real estate and other property for the redevelopment and operation of the Glen Road*
31 *Hydroelectric Facility, as presented in the November 19, 2025 City Council Agenda Packet, for the*
32 *purpose of extending the term of the existing Lease Agreement to the earlier of the date that is six (6)*
33 *months after the Federal Energy Regulatory Commission's (FERC's) issuance of a subsequent license*
34 *for the hydroelectric facility, or September 1, 2027.*
35 *Seconded by Councilor Simon.*

36
37 **The Vote on the Motion was approved (7-0).*

38 39 **E. Discussion of Potential Establishment of Social Districts per NH RSA 178:33-38, et. seq.**

40
41 Included in the agenda packet: [\(All supportive documents and detailed information can be found on pages](#)
42 [57-60, Council agenda packet\)](#)

43 1. NH RSA 178:33-38, et. seq.

44 Deputy City Manager Brooks reviewed the background.

1
2 **BACKGROUND**

3 On September 5, 2025, new state legislation took effect allowing communities to designate “social districts”
4 subject to local voter approval. In the statute, social districts are defined as outdoor areas in which a person
5 may consume alcoholic beverages sold by a licensee that is located within or contiguous to the social
6 district.

7
8 If authorized, social districts must be marked with conspicuous signage; boundary maps, management
9 plans, and days and hours of operation of the district must be posted on the City’s website; and clearly
10 labeled containers specific to the licensee and the district must be used. Individuals would not be permitted
11 to bring outside alcohol into the districts and may not carry alcohol outside the district.

12
13 To allow the operation of a social district, the City Council may vote to place the question on the official
14 ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot
15 for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent
16 of the registered voters. If placed on the official ballot, the City Council shall hold a public hearing on the
17 question at least 15 days, but not more than 30 days, before the question is to be voted on. If the Council
18 chooses to put this question on the March ballot they would need to hold a Public Hearing sometime in
19 February 2026.

20
21 The Economic Development Commission discussed social districts during its October meeting and
22 recommended the City Council consider the idea further.

23
24 **Council/Staff Comments:**

25 Councilor Simon noted that back in October the EDC (Economic and Development Commission) talked
26 about this. The general consensus was that they thought this could be an opportunity for the Downtown
27 businesses, not only the ones who would be involved with the sale of alcoholic beverages, but there could
28 also be other businesses (i.e., shopping, etc.). They talked about areas of the Mall because configuration
29 would be a reasonable, likely, starting point. There was an interest in expanding the zone but felt this
30 would come up in other conversations down the line if this moves forward and further explained his
31 reasons.

32
33 Councilor McNamara concurred with Councilor Simon, noting a couple things they talked about was how
34 the tents were keeping the street from being utilized, and the how the usage of the parking lot in front of
35 the Old National Bank building and Salt hill has gone down. We still get a fair number of complaints
36 about parking, and their thought was that if we expanded this to the Mall, that is an area that is easily
37 controlled and would allow us to open those areas up and not have to block them off seasonally. There
38 was some discussion by the EDC about extending this proposal into Colburn Park and he had mixed
39 emotions about this.

40
41 Councilor Zook noted the last time the Council voted on Court Street it was an arrangement with the
42 owner of the restaurant there for maybe three (3) years and understands this would not be bad news for
43 them.

44
45 Assistant Mayor Wilkie questioned (for clarification) that if the Council agrees with this we are not taking
46 the step of defining the Social Districts. What we are doing here is deciding to send this to the voters, the
47 voters would decide whether they want to allow Social Districts, and it is only after that vote that the
48 Council would actually be working to define the boundaries of the Social District. In the future we

1 (Council) could adjust the Social Districts. Do we want to continue this and deciding whether or not to
2 include certain spaces or is this something we could do later?

3
4 Deputy City Manager Brooks noted the statute reads that this can certainly be a two-step process. He will
5 look back, and investigate, if the Council wishes to move forward with this proposal, but thought that
6 Laconia and Concord voted to approve Social Districts, but thought Nashua, Portsmouth and Keene voted
7 against Social Districts. He was uncertain how the two municipalities put their Social Districts together
8 and whether or not it was a one-step or two-step process.

9
10 Mayor Whittlesey noted that in RSA: 1(c) the wording of the question on the ballot shall be substantiated
11 as follows: Shall we allow the operation of Social Districts within the city? Generally speaking, he would
12 prefer to do a 2 (Two) step process and explained his reasoning. This would add more flexibility for the
13 Council to review the areas where Social Districts should/should not be placed. Assistant Mayor Wilkie
14 concurred.

15
16 Councilor Stavis spoke about her reasons why she felt this should be a two-step approach and questioned
17 whether or not West Lebanon was ever considered as a potential location for a Social District and if not,
18 why not. Councilor Simon said not really but he could think of a couple of places, noting that with a two-
19 step approach this would give us the opportunity, if the public wants to do this, to review potential
20 locations and further explained his reasoning.

21
22 Councilor McNamara noted he thought this needs to have a thorough explanation on the ballot. The
23 reason we talked about the Mall was 1) it was City property, 2) it is directly adjacent to several businesses
24 that already serve alcohol, and 3) it is contained.

25
26 Assistant Mayor Wilkie spoke about the use of public lands, and if there is a way this can be structured in
27 so Food Truck Vendors could be licensed vendors in a Social District. Councilor McNamara was
28 uncertain if Food Truck vendors could get a liquor license.

29
30 Deputy City Manager read Section 178:33 where it references licensees, noting this section seems to
31 suggest a reference to a brick and mortar-type building. He will take look deeper into this section to see
32 what other opportunities there may be.

33
34 After further discussions ensued, Deputy City Manager Brooks noted that if the Council wants this item
35 on the ballot in March, they would have to take action during their 2nd meeting in January and suggested
36 bringing this back at a future meeting so further research could be done.

37
38 This will come back to the Council on January 21, 2026 for further discussions.

39
40 **ACTION: No Action taken by the Council. Needs more review.**

41
42 **12. City Manager Report:**

43 City Manager Hosmer updated the Council on the following:

- 44 • Updated tax information
- 45 • Fire Station: He had a conversation with Fire Chief Wheatley who wanted to convey to the
46 Council and public that the Fire Station is on schedule to open up this winter and is on budget.

- The High Street Roundabout: The bids for the project were received on November 13, 2020. There were three (3) submissions, but they came in higher than anticipated. The lowest bid was \$3.8M, which means the project will require an additional \$1.1M to complete. The good news is that this project qualifies for the 80/20 funding split, so the City's share of the additional cost would be +/- \$230K. This amount can be funded through the Downtown TIF. The funding adjustment will be part of an amendment to the CIP Budget at the December 17, 2025 Public Hearing. Department of Public Work's estimated start date would be in early spring.
- He passed out the official City Tax Rate information to Council members. This will also be published as a News Flash on the City's Website. The Official Tax Rate will be \$8.10 per thousand. Local/State Education total tax rate is \$21.53.

13. NON-PUBLIC SESSION: NONE

14. ADJOURNMENT:

Councilor McNamara MOVED for adjournment.
Seconded by Councilor Simon.

**The Vote on the MOTION was unanimously approved (7-0)*

The meeting was adjourned at 8:25 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary

Agenda
Lebanon City Council
December 3, 2025

8. Appointments:

Appointments

Board/Committee Appointments as presented by City Clerk/Tax Collector Jaseya Ewing

- Arts and Culture Commission, Jennifer Chambers (Arts Organization Representative)
- Lebanon Energy Advisory Committee, Henry Bromberg (Reappointment as Citizen Representative)

Included in this Section:

1. Memo from City Clerk/Tax Collector Jaseya Ewing dated December 3, 2025.



MEMORANDUM

DATE: December 3, 2025
TO: The Honorable Mayor & City Council
FROM: Jaseya Ewing, City Clerk & Tax Collector
RE: **Appointments Proposed for Council Discussion/Action:**

If the Council wishes to proceed with action on the appointments below, a nomination should be made and voted on for each appointment.

Note: nominations do not need to be seconded.

Arts & Culture Commission

1. **Jennifer Chambers** – Appointment as an Arts Organization Representative of the Arts & Culture Commission for a one-year term.

Term: 12/2025 – 12/2026

Lebanon Energy Advisory Committee

2. **Henry Bromberg** – Reappointment as a Citizen Representative of the Lebanon Energy Advisory Committee for a two-year term.

Term: 12/2025 – 12/2027

Applicant Information

First Name

Jennifer

Last Name

Chambers

Contact Phone Number

Contact Email

Mailing Street Address

Mailing City, State, Zip

How long have you resided in Lebanon?

0-1 Year

--

2-5 years

6-15 years

--

--

15 or more years

--

Board/Committee/Commission Information

Is this application for a reappointment?

Yes, this is for reappointment.

--

No, this is not for a reappointment.

true

For which board, committee, or commission are you applying?

Please note that City Council positions are elected positions. Those interested in serving on the City Council must file with the City Clerk's office during the designated filing period prior to the March election of each year. The filing period information will be listed on the Elected Position Filing Information (<https://lebanonnh.gov/1835/Elected-Position-Filing-General-Informat>) page.

Arts & Culture Commission

Board of Cemetery Trustees

true

--

Class VI Roads Advisory Committee

Conservation Commission

--

--

Diversity, Equity, and Inclusion Commission

Economic Development Commission

--

--

Downtown Lebanon TIF Advisory Board

Heritage Commission

--

--

Lebanon Airport-Tech Park TIF Advisory Board

Lebanon Energy Advisory Committee

--

--

Library Board of Trustees

Pedestrian & Bicyclist Advisory Committee

--

--

Planning Board

Tree Advisory Board

--

--

West Lebanon Revitalization Advisory Committee

Zoning Board of Adjustment

--

--

Interest to Volunteer

Briefly describe your qualifications and your reasons for seeking an appointment to this board/committee/commission

I am the Head of School and one of the founding members for New England School of the Arts in Lebanon NH. I would love to be on the Arts and Culture Commission as our school is eager to give back artistically to the Lebanon community and this will be a wonderful way to learn of the various initiatives and hopes the City has for the future!

Policy Acknowledgement

If appointed as a member of a City of Lebanon Board, Committee or Commission, I acknowledge I have read and understand City Council Policy, CC-108, Ethics and Conflict-of-Interest for Elected and Appointed Officials.

true

If appointed as a member of a City of Lebanon Board, Committee or Commission, I acknowledge I have read and understand City Council Policy, CC-104 and City Code Chapter 185, Welcoming Lebanon.

true

Signature

Basic Requirements to Volunteer on a Board/Committee/Commission:

Lebanon/West Lebanon resident (except for those boards/committees/commissions whose membership makeup includes non-resident)

Willingness to learn

Commitment to attend meetings

Treat people fairly

Consider the best interest of the community as a whole when making decisions

Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board

I hereby certify that I meet the basic requirements for applying to a City of Lebanon board/committee/commission.

Signature

true

Councilor Interview Report Form

Councilor Name: Nicole Ford Burley Date of Interview: 11/7/2025

Applicant Name: Jennifer Chambers

Board(s) to Which Applied: Arts & Culture Commission

☒ Regular Seat ☐ Alternate Seat

Has Applicant Attended Meeting of Board to Which Applying? ☒ Yes ☐ No

(If yes, indicate date of meeting.) Date: _____

Recommend Appointment: ☒ Yes ☐ No

☒ Regular Seat ☐ Alternate Seat

General Comments:

Jenny is a leader of a local arts organization, and her enthusiasm for and familiarity with the arts in Lebanon would make her a great addition to the A&CC.

(PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.)

Standard Questions for All Applicants:

1) What do you believe is the purpose of this Board/Committee?

To capture and promote current arts and culture activities in the city and to spearhead projects that give back to the community.

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Yes and yes

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

Yes, she has served on multiple boards and in non-profit leadership positions in New Hampshire. She hasn't yet served on any city boards.

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

Yes

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons?

No

6) What do you think are the key challenges for this Board/Committee?

Finding funding for projects and initiatives, maintaining momentum on projects, and gaining commitment and support stakeholders.

7) What do you think are the key opportunities for this Board/Committee?

It's really great that the city has this commission. There are almost limitless opportunities, including collaboration with the many leaders of arts organizations within the community. There are great opportunities for community projects like the tunnel mural.

8) What would you like to see this Board/Committee accomplish in the next year?

Longer term, would like to see the community's need for a smaller performance venue addressed. It's important to make people aware of arts events and opportunities, and would like to see increased accessible and free arts experiences. The board should also explore grant opportunities.

Specific Questions for Applicants to Land-Use Boards:

Zoning Board of Adjustment:

1) Have you ever appeared before a zoning board, personally or through a representative?

2) Do you have any personal or professional knowledge or background in the area of zoning law?

3) Do you believe you can set aside your personal opinions and make impartial decisions based on the City's adopted Zoning Ordinance?

4) Zoning Board decisions can be controversial. The Board is bound by law to work within the current zoning regulations. Do you believe you can tolerate possible criticism from your friends and neighbors as a result of how you may have voted?

Planning Board:

1) Have you ever appeared before a planning board, personally or through a representative?

2) Do you have any personal or professional knowledge or background in the area of planning law?

3) Do you believe you can set aside your personal opinions and make impartial decisions based on the City's adopted site plan and subdivision regulations, as well as the Zoning Ordinance?

4) Planning Board decisions can be controversial. The Board is bound by law to work within the current site plan and subdivision regulations. Do you believe you can tolerate possible criticism from your friends and neighbors as a result of how you may have voted?

Conservation Commission:

- 1) Have you ever appeared before a conservation commission, personally or through a representative?

- 2) The Conservation Commission's advisory role in New Hampshire environmental permitting can be controversial. Do you believe you can tolerate possible criticism from your friends and neighbors as a result of how you may have voted?

Applicant Information

First Name

Henry

Last Name

Bromberg

Contact Phone Number

Contact Email

Mailing Street Address

Mailing City, State, Zip

How long have you resided in Lebanon?

0-1 Year

--

2-5 years

6-15 years

true

15 or more years

Board/Committee/Commission Information

Is this application for a reappointment?

Yes, this is for reappointment.

true

No, this is not for a reappointment.

For which board, committee, or commission are you applying?

Please note that City Council positions are elected positions. Those interested in serving on the City Council must file with the City Clerk’s office during the designated filing period prior to the March election of each year. The filing period information will be listed on the Elected Position Filing Information (<https://lebanonnh.gov/1835/Elected-Position-Filing-General-Informat>) page.

Arts & Culture Commission

Board of Cemetery Trustees

Class VI Roads Advisory Committee

Conservation Commission

Diversity, Equity, and Inclusion Commission

Economic Development Commission

Downtown Lebanon TIF Advisory Board

Heritage Commission

Lebanon Airport-Tech Park TIF Advisory Board

--

Library Board of Trustees

--

Planning Board

--

West Lebanon Revitalization Advisory Committee

--

Lebanon Energy Advisory Committee

true

Pedestrian & Bicyclist Advisory Committee

--

Tree Advisory Board

--

Zoning Board of Adjustment

--

Interest to Volunteer

Briefly describe your qualifications and your reasons for seeking an appointment to this board/committee/commission

I am requesting to be reappointed to LEAC. I've served as a member for 2 years and as Chair for this past year.

I am committed to the committee's work in helping to guide the City in it's stated goals of being a regional leader in energy efficiency, renewable energy, equity and inclusion, innovation and fiscal responsibility.

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true

If appointed as a member of a City of Lebanon Board, Committee or Commission, I acknowledge I have read and understand City Council Policy, CC-104 and City Code Chapter 185, Welcoming Lebanon.

true

Signature

Basic Requirements to Volunteer on a Board/Committee/Commission:

Lebanon/West Lebanon resident (except for those boards/committees/commissions whose membership makeup includes non-resident)

Willingness to learn

Commitment to attend meetings

Treat people fairly

Consider the best interest of the community as a whole when making decisions

Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board

I hereby certify that I meet the basic requirements for applying to a City of Lebanon board/committee/commission.

Signature

true

Agenda

Lebanon City Council

December 3, 2025

9. Public Hearing Items:

9.A – Acceptance of a Donation of Rutter Property, a +/-23-Acre Parcel of Conservation Land on Stevens Road, Lebanon, from the Upper Valley Land Trust

A public hearing for the purpose of receiving public input and taking action to accept a proposed donation of a +/-23-acre parcel of conservation land (Tax Map 28, Lot 14) along Stevens Road from the Upper Valley Land Trust, subject to a conservation easement to be held by the Land Trust.

The City Council scheduled this public hearing at its November 19, 2025 regular meeting. The public hearing was properly noticed in the *Valley News* on November 22, 2025 in accordance with City Code and State Law.

Background

Sally and Jerry Rutter are proposing to donate a +/-23-acre parcel of land (Tax Map 28, Lot 14) to the Upper Valley Land Trust (UVLT) for conservation purposes. UVLT would, in turn, like to donate ownership of the Rutter parcel to the City, while retaining a conservation easement over the property.

The Rutter parcel is located adjacent to the intersection of Stevens Road and Alden Road, and is situated near the parking lot and trailhead for the Signal Hill Conservation Area. UVLT envisions that a conservation easement on the Rutter property will be similar to the easement for Signal Hill, and that the parcel will be managed similarly to Signal Hill.

On May 8, 2025, the Lebanon Conservation Commission held a public hearing to receive public input on a proposal to expend up to \$21,000 from the Lebanon Open Space Trust (L.O.S.T.) Fund as a contribution to UVLT to facilitate the acquisition and permanent protection of the Rutter property. At the conclusion of the public hearing, the Commission voted unanimously to authorize the expenditure subject to the execution of a grant agreement between the City and UVLT.

On October 9, 2025, the Conservation Commission voted to recommend that the Lebanon City Council accept the proposed donation of ownership of the Rutter parcel from UVLT, subject to the conservation easement to be held by UVLT. Excerpts of minutes from both Conservation Commission meetings are attached for review.

The legal authority to acquire or dispose of real property interests ultimately rests with the City Council.

Action:

Should the Council agree to accept the donation of the land with the conservation easement, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby agrees to accept a donation from the Upper Valley Land Trust of a +/-23-acre parcel of conservation land (Tax Map 28, Lot 14) along Stevens Road, Lebanon, subject to a conservation easement to be held by the Land Trust, as presented in the December 3, 2025 City Council Agenda Packet.

Included in this Section:

1. Lebanon Conservation Commission, Special Meeting Minutes, May 8, 2025
2. Lebanon Conservation Commission, Meeting Minutes Excerpt, October 9, 2025
3. UVLT Presentation – Rutter – Signal Hill Property, Stevens Road
4. Notice of Public Hearing as Published in the November 22, 2025 edition of the *Valley News*

FINAL

**LEBANON CONSERVATION COMMISSION
SPECIAL MEETING MINUTES
Remote Via Microsoft Teams
LebanonNH.gov/Live
May 8, 2025
5:30 PM**

MEMBERS PRESENT: Sarah Riley (Chair), Bruce James, (Vice Chair), Susan Almy, Erling Heistad, Barbara Hirai, Chris Johnson, Donald Lacey

MEMBERS ABSENT: Sean Dittrich (Alt.), Ernst Oidtmann*

STAFF PRESENT: Mark Goodwin (GIS Coordinator)

1. CALL TO ORDER:

A. Chair Riley called the meeting to order at 5:35 PM.

*Mr. Ernst Oidtmann, Con Com member, is an audience member today. He has recused himself from his Con Com role today, due to his involvement with the U.V.L.T.

2. PUBLIC HEARING ITEMS:

A. Public hearing for the purposed of discussing the appropriation of \$21,000 from the Lebanon Open Space Trust Fund (L.O.S.T.) to support the purchase of an approximately 22-acre property located on Stevens Road, Lebanon, New Hampshire, Tax Map 28, Lot 14, Lebanon, New Hampshire. The acquisition effort is being led by the Upper Valley Land Trust (U.V.L.T.), with the property to be subject to a permanent conservation easement held by U.V.L.T.

This land is being donated by Sally & Jerry Rutter.

Mr. Craig Privett, Conservation Project Manager, representing the Upper Valley Land Trust, provided some background information about U.V.L.T. as well as this specific land being donated by Mr. & Mrs. Jerry Rutter. He shared a Power Point presentation with maps of the land being donated (Phase 1) detailing that this land is a Significant Ecological Area (SEA), including wildlife habitat, connectivity to other protected lands, wildlife corridor information, scenic benefits to the Public (over 2,000 feet of frontage on Stevens Road), etc. This is also a substantial land protection opportunity for the City of Lebanon.

To help with the costs associated with this transaction, they are seeking contribution from the Lebanon LOST fund. This requires approval of the Lebanon Conservation Commission along with a public hearing.

Ms. Hirai thanked the Rutters, and the U.V.L.T. for their generous gift and for the work that the trust is doing.

Mr. Lacey also thanked the Rutters for this wonderful gift.

Mr. Rutter said there is an archeological site (a barn) on this site. Mr. Rutter taught archeology at Dartmouth College.

Mr. Goodwin also conveyed his appreciation to the Rutters, for their generous donation of this important open space.

Mrs. Sally Rutter shared a story about this land. Many years ago, this land was put up for sale. As soon as she saw the for-sale sign, she rushed home and told her husband Jerry that they had to buy this land, since she knew that there was a big developer wanting to build another big condominium complex there. The Rutters wanted to keep this land “raw”. So, they purchased it and have maintained their vision.

Mr. Donald Lacey MOVED to authorize the expenditure of up to \$21,000 from the Lebanon Open Space Trust (L.O.S.T.) Fund, as a contribution towards the Upper Valley Land Trust’s purchase and permanent protection of the property located on Stevens Road, Lebanon, New Hampshire, Tax Map 29, Lot 14, Lebanon, New Hampshire.

***The expenditure is conditional upon documenting the transaction within a money transfer services agreement signed by the City Manager and the Upper Valley Land Trust.
Seconded by Ms. Barbara Hirai.***

****The MOTION was approved unanimously***

Chair Riley again thanked Mr. Privett, and Mr. & Mrs. Rutter.

Mr. Goodwin explained the next steps of this process will be to have the Conservation Commission request the City Council have a meeting to take the acquisition of this land via a public meeting (Phase 2). It was agreed this will likely be in the fall 2025. Mr. Privett will keep them abreast of the progress of the first phase.

3. ADJOURNMENT

***Ms. Susan Almy MOVED to adjourn the meeting
Seconded by Ms. Barbara Harai***

****The Vote on the MOTION was approved unanimously***

The meeting was adjourned at 5:54 PM by Chair Riley.

Respectfully submitted,
Cinda Mersel
Recording Secretary

DRAFT

**LEBANON CONSERVATION COMMISSION
MEETING MINUTES
Remote Via Microsoft Teams
LebanonNH.gov/Live
October 9, 2025
6:30 PM**

MEMBERS PRESENT: Sarah Riley (Chair), Susan Almy, , Erling Heistad, Barbara Hirai, Bruce James (Vice Chair), Chris Johnson, Donald Lacey

MEMBERS ABSENT: Bruce James, Ernst Oidtmann

STAFF PRESENT: Mark Goodwin (GIS Coordinator)

1. CALL TO ORDER:

A. Chair Riley called the meeting to order at 6:31 PM.

2. APPROVAL OF MINUTES: None

3. OPEN TO THE PUBLIC:

4. PERMIT REVIEW: None

5. STUDY ITEMS:

A. **Proposed Gift of Land** – 22-acre property located on Stevens Rd., Lebanon, NH Tax Map 28, Lot 14

Mr. Craig Privett, Conservation Project Manager, Upper Valley Land Trust introduced himself. He is here today to follow up on the May meeting he had with Con Com, to seek a recommendation that the City Council receive the gift of land from UVLT subject to a conservation easement, similar to the one on Signal Hill. They envision that it will also be managed similarly to Signal Hill.

Ideally, they would like an assurance from the City of Lebanon that they are open to taking this gift of land, as soon as possible, subject to a conservation easement held by the Upper Valley Land Trust.

The goal for this evening is to get the endorsement from the Conservation Commission for this gift.

Mr. Don Lacey MOVED to approve the following:

Seconded by Ms. Susan Almy

The Lebanon Conservation Commission strongly recommends that the Lebanon City Council accept the gift of ownership of the Rutter property (22 acres located on Stevens Rd. Lebanon, NH, Tax Map 28, Lot 14) from Upper Valley Land Trust, subject to a conservation easement, to be held by Upper Valley Land Trust.

****The MOTION was approved (6-0).***



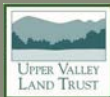
Rutter – Signal Hill Property Stevens Road



The Upper Valley Land Trust helps people and communities protect land forever.

We provide conservation leadership, tools and expertise to permanently protect working farms, forested ridges, wildlife habitat, water resources, trails and scenic landscapes.

1



Land Protection Tools

- **Fee Ownership**
 - Purchased
 - Donated
- **Conservation Easement**
 - Purchased
 - Donated



2



Rutter – Signal Hill – 22.8 +/-Acres Stevens Road

- 22.8 acres – *Donated Fee Gift and Conservation Easement*

- Water Resources** – Frontage along Blodgett Brook as well as an unnamed intermittent stream.

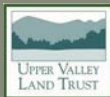
- Important Wildlife Habitat** – NHWAP, 2017 Lebanon Wildlife Corridor Report lists the Rutter property as a priority for conservation.

- Significant Ecological Area (SEA)**
 - 2010 Lebanon Natural Resource Inventory

- Highly Scenic** - Significant frontage on Stevens Road, the first road designated by the City of Lebanon in 1989.



3



Water Resources

1,500± Feet of Frontage along Blodgett Brook
960± Feet of Frontage along Intermittent Stream

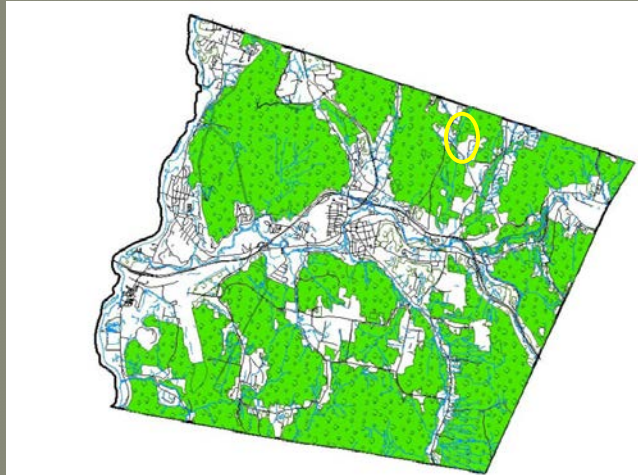


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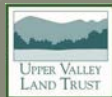


Wildlife Habitat

Contributes to a 1700 acre
block of Unfragmented Land



5



Wildlife Habitat

Connectivity to other Protected Lands



- New Hampshire Wildlife Action Plan (WAP) 2020
 - Grasslands &
 - Hemlock/Hardwood Forest
- Across Stevens Road from Signal Hill Natural Area

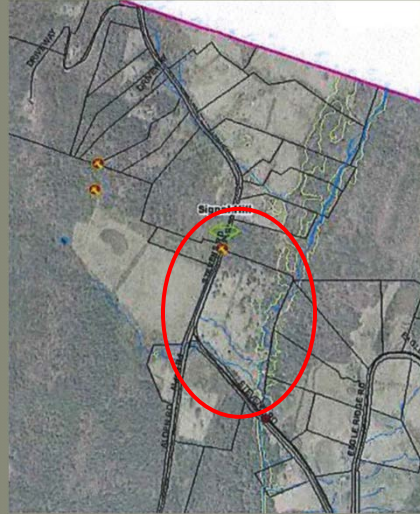
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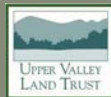
Wildlife Habitat Connectivity to other Protected Lands

Lebanon Wildlife Corridor Report (2016):

- Identifies a major wildlife crossing just north of the Rutter property;
- Deer habitat identified on-site;
- Lists the Rutter property among those for which conservation agreements are recommended to be sought.

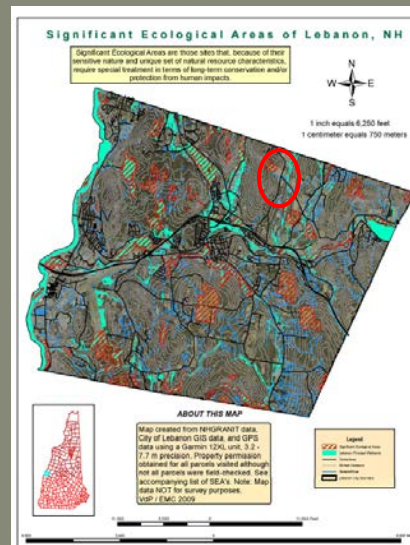


7



Significant Ecological Area (SEA)

- Includes a Significant Ecological Area identified in Lebanon's 2010 Natural Resource Inventory
- Important openland habitat
- Area of significant # of natural resources co-occurrences



8

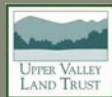


Scenic Benefits to the Public



- Long range views from Stevens Road – a town-designated scenic road
- More than 2000 feet of frontage on Stevens Road

9



Significant Land Protection Opportunity

- Donation of the Fee-Interest gift, temporarily, to the Upper Valley Land Trust, with the hope that the City of Lebanon will accept a gift of land, subject to a UVLT conservation easement, is a generous gift to Lebanon and the Upper Valley from the Rutter family
- Lebanon Conservation Commission has supported the project through a contribution from the Lebanon Conservation Fund (LOST Fund) following a public hearing in May of 2025; and through a vote to recommend that the City Council accept the gift of land in October of 2025.



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November 24, 2025

The foregoing notice was published in the Valley News, a newspaper of general circulation in the City of Lebanon, in accordance with the City's code, on Saturday, November 22, 2025.

Jaseya Ewing

Jaseya Ewing
City Clerk



**LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARING**
Wednesday, December 3, 2025
- 7:00pm Lebanon High School
Gymnasium, 195 Hanover
Street, Lebanon or REMOTE
VIA VIRTUAL PLATFORM
LebanonNH.gov/LIVE

The Lebanon City Council will hold a public hearing on December 3, 2025, beginning at 7:00pm for the following:

A. Acceptance of a Donation of a +/-23-Acre Parcel of Conservation Land on Stevens Road

The December 3, 2025 City Council agenda packet and documents pertaining to the above-described public hearing will be available on the City's website beginning November 26, 2025: LebanonNH.gov/Agendas

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

NE-477057

Agenda

Lebanon City Council

December 3, 2025

10. Old Business:

10.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.

Background

Ordinance No. 18 formally establishes the City of Lebanon's comprehensive Salary Plan, governing non-affiliated employees, bargaining unit personnel, and designated classifications of municipal staff. It defines the organizational framework for employee compensation by establishing salary grades, pay ranges, and the classification of all official job titles within the City's workforce structure. The Salary Plan currently encompasses four collective bargaining units, each governed by Collective Bargaining Agreements effective from January 1, 2025, through December 31, 2027, including the following:

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

In addition, three (3) new bargaining units have been certified by the State of New Hampshire Public Employee Labor Relations Board (PELRB) and are currently engaging in negotiations for their initial Collective Bargaining Agreements. These are:

- City of Lebanon (Department Heads)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0346-1, Decision No. 2025-155
- City of Lebanon (City Assistants, Deputies, and Others)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0343-2, Decision No. 2025-251
- City of Lebanon (Various City Employees)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0345-1, Decision No. 2025-157

Under the City Council/City Manager form of government, the City Manager is responsible for administering the affairs of the City, including maintenance of the City's Salary Plan and negotiation of Labor Agreements with all collective bargaining units.

Under Ordinance No. 18, compensation for exempt (salaried) and non-exempt (hourly) employees is defined by a system of steps or by minimum and maximum grade ranges—expressed as hourly rates for non-exempt employees and weekly rates for exempt employees.

Progression within these ranges is achieved through annual General Wage Increases and performance-based merit adjustments ranging from one (1) to three (3) percent, or through automatic step increases. The granting of merit or step adjustments is subject to the terms and conditions outlined in the Non-Bargaining Employee Handbook (for non-affiliated employees), or the applicable Collective Bargaining Agreement. Step or merit-based adjustments only occur provided the employee has not reached their top step or the maximum of their salary range.

To ensure the Salary Plan remains equitable and competitive with the external labor market, the City's Salary Plan must be kept current. This is achieved by regularly adjusting compensation ranges through General Wage Increases and by systematically reviewing positions with both external labor market comparisons and internal equity among positions.

The City's standard practice for determining General Wage Increases is to apply the percentage change in the Northeast Region Consumer Price Index (CPI) for June, measured over the preceding twelve months. This adjustment typically includes a minimum increase of one percent (1%) and a maximum increase of three percent (3%) and applies equally to non-affiliated employees and members of the City's collective bargaining units.

Action

The City Council is asked to take action to amend Ordinance No. 18, as follows:

1. General Wage Increase – 2026

The Northeast Region Consumer Price Index (CPI) increased by 3% between June 2024 and June 2025. Accordingly, the City Council is requested to implement a 3% General Wage Increase for all employees, as part of the 2026 City of Lebanon Budget. This adjustment would take effect as of the first pay period of 2026.

2. Amend Article II – Non-Affiliated and LPASE Employees:

Section A – Regular Full-Time and Part-Time Benefit Eligible Positions

- I.** Integrate newly certified positions and the associated denotations of the following Bargaining Units:
 - a. City of Lebanon (Department Heads)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0346-1, Decision No. 2025-155
 - b. City of Lebanon (City Assistants, Deputies, and Others)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0343-2, Decision No. 2025-251
 - c. City of Lebanon (Various City Employees)
State of New Hampshire – Public Employee Labor Relations Board
Case No. G-0345-1, Decision No. 2025-157
- II.** Integrate denotation of italicized text to all non-affiliated positions to include:

- a. General Intern
- b. Deputy Finance Director
- c. Deputy Human Resources Director
- d. Human Resources Specialist
- e. Human Resources Director
- f. Technical Advisor II
- g. Finance Director
- h. Deputy City Manager

III. Relocate the Grade 7 position of Communications Specialist to Article III, Bargaining Unit Employees, Section C – Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA).

IV. Retitle and reclassify the non-exempt, Assistant Human Services Director, currently located in Grade 7, to Grade 9, and retitle to Deputy Human Services Director, with an exempt classification.

V. Reclassify the non-exempt Deputy City Clerk/Tax Collector from Grade 8 to Grade 9, with an exempt classification.

As part of an effort to combine the current separate roles of Deputy City Clerk and Deputy Tax Collector positions into a dual role, the Deputy City Clerk/Tax Collector position's job description has been revised and regraded.

VI. Add the non-exempt position of Lead Assistant City Clerk to Grade 8, with a proposed affiliation of LPASE

The creation of the Lead Assistant City Clerk position is part of an organizational restructuring within the City Clerk/Tax Collection Department. Currently, overlapping supervisory responsibilities exist within the department. The restructured model consolidates supervision, streamlines operations, and enhances training for the Deputy City Clerk/Tax Collector. This role will oversee counter operations to ensure consistent customer service delivery and provide daily support to department leadership. The Lead Assistant City Clerk position also establishes a clear advancement opportunity for existing staff, supporting both professional development and employee retention.

VII. Retitle the Grade 8, LPASE-affiliated position of Field Inspector to Building Official & Health Officer I.

VIII. Retitle the Grade 9, LPASE-affiliated position of Code Health Inspector to Building Official & Health Officer II.

IX. Add a LPASE designation to the following positions:

- a. System Administrator – Grade 11
- b. Prosecuting Attorney – Grade 12
- c. Cyber Security Analyst – Grade 13
- d. Systems and Operations Administrator – Grade 13

3. Amend Article II – Section B – Seasonal/Temporary & Stipend Employees

I. Add the non-exempt position of Assistant Moderator to “Election Positions.”

The Assistant Moderator position will provide additional Election Day support, focusing on absentee ballot processing and supervision of Ballot Clerks.

Currently, Moderators often manage these duties alone, as Ward Clerks are occupied assisting voters. Establishing the Assistant Moderator position will streamline Election Day operations, ensure timely absentee ballot processing, and strengthen overall election management.

II. Implement a wage adjustment, beyond the 3% GWI, to the Outdoor Educator position, located within Recreation, Arts & Parks positions, to attract and retain qualified personnel.

III. Retitle Asst. Pool Director, within Recreation, Arts & Parks positions, to Assistant Pool Director.

IV. Remove Asterix (*) from Communications Specialists, within Police Department Positions.

V. Remove Asterix (*) from Assistant City Clerks, within City Clerk Positions.

4. Amend Article III – Section A – AFSCME Local #1348/Council 93 AFL-CIO

As a part of Strategic Objective 1.2, High Performing Government, in the City of Lebanon’s 2026-2029 Strategic Plan (KPI - 1.2.1: Attract, retain, engage, develop a diverse competitive workforce), the Human Resources Department completed a Wage Classification Study for Lebanon Public Works Employees’ Union, AFSCME Local #1348/Council 93 AFL-CIO. The study, aimed at reaching the 60th percentile of the market by 2026, has now been completed. As a result, the following reclassifications are proposed:

- I. Retitle Section to Lebanon Public Works Employees’ Union, AFSCME Local #1348, Council 93 AFL-CIO throughout.
- II. Reclassify the Grade 3 position of Recycling Attendant to Grade 4.
- III. Reclassify the Grade 3 Scale Technician to Grade 4.
- IV. Reclassify the Grade 5 position of Maintainer (Cemetery Crew Leader) to Grade 6.
- V. Reclassify the Grade 6 position of Water Treatment Plant Operator to Grade 7.
- VI. Reclassify the Grade 6 position of Wastewater Treatment Plant Operator to Grade 7.
- VII. Reclassify the Grade 7 position of Engineering Technician to Grade 8.

5. Amend Article III – Section C – Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA)

I. Add Communications Specialist position to Bargaining Unit.

The tables below reflect all changes (as shown in **red** text), to include the addition of new positions, changes in position titles and/or classification, as well as the 3% General Wage Increase. These changes would be effective as of the first pay period of 2026.

REGULAR FULL-TIME/REGULAR PART-TIME
NON-AFFILIATED, LPASE & NEWLY CERTIFIED BARGAINING UNIT EMPLOYEES
2026 SALARY & GRADES TO INCLUDE 3% GWI

Grade	Position Title	Hourly		Weekly	
		Minimum	Maximum	Minimum	Maximum
1	General Intern	\$19.29	\$28.19	-	-
2	Custodian □	\$21.67	\$29.26	-	-
	Department Secretary □	-	-	-	-
3	Airport Maintenance Worker □	\$22.99	\$31.02	-	-
	Custodian I □	-	-	-	-
	Accounting Clerk □	-	-	-	-
4	Youth Services Library Assistant □	\$24.35	\$32.87	-	-
	Technical Services Library Assistant □				
	Custodial Supervisor □				
	Facilities Maintenance Specialist □	-	-	-	-
5		\$25.80	\$34.86	-	-
6		\$27.34	\$37.33	-	-
7	Administrative Secretary □	\$29.00	\$41.02	-	-
	Assessing Clerk □	-	-	-	-
	Assistant City Clerk □	-	-	-	-
	Assistant Human Services Director	-	-	-	-
	Communications Specialist	-	-	-	-
	Library Administrative/Technical Assistant □	-	-	-	-
8	Accounting Clerk III □	\$31.90	\$43.05	-	-
	Administrative Assistant □	-	-	-	-
	Benefits Specialist □	-	-	-	-
	Payroll Specialist □	-	-	-	-
	Police Communications Assistant Supervisor*				
	Deputy City Clerk ‡	-	-	-	-
	Deputy Tax Collector ‡	-	-	-	-
	Deputy City Clerk/Deputy Tax Collector	-	-	-	-
	Field Inspector*				
	Building Official & Health Officer I*	-	-	-	-
	Electrical Inspector*	-	-	-	-
	Lead Assistant City Clerk* (New)				
	Utility Billing Clerk □	-	-	-	-
	Outreach Librarian □	-	-	\$1,275.88	\$1,722.38
	Children's Librarian □	-	-	-	-
9	Code Health Inspector*				
	Building Official & Health Officer II*	\$35.08	\$47.37	-	-
	Executive Assistant □	-	-	-	-
	Public Relations Coordinator □	-	-	-	-
	Digital Media Officer □	-	-	-	-
	Deputy Assessor ‡	-	-	-	-
	Cyber Services Technical Specialist □	-	-	-	-
	Real Estate Appraiser II*	-	-	-	-
	Solid Waste Supervisor*				

	Cemetery Supervisor*	-	-	-	-
	Associate Planner*	-	-	\$1,403.45	\$1,894.92
	Deputy City Clerk/Deputy Tax Collector ‡				
	Deputy Human Services Director ‡				
10	Asset Manager*	\$38.64	\$52.15		-
	Assistant City Engineer*			-	-
	Financial Analyst □	-	-	-	-
	Community Nurse □	-	-	-	-
	Police Communications Supervisor ‡	-	-	-	-
	Recreation Program Coordinator*	-	-	\$1,545.61	\$2,086.13
	Youth Services Librarian □	-	-	-	-
11	Technical Advisor I □	\$40.95	\$55.27	-	-
	Cemetery Sexton*	-	-	-	-
	Fleet Maintenance Supervisor*	-	-	-	-
	Maintenance Superintendent*	-	-	-	-
	Utilities Maintenance Superintendent*	-	-	-	-
	System Administrator*	-	-	-	-
	Airport Operations Supervisor*	-	-	\$1,638.07	\$2,210.82
	Assistant Recreation Director*	-	-	-	-
	Code Enforcement Director*	-	-	-	-
	Director of Public Engagement and Communications †				
	Fire Marshall*	-	-	-	-
	Planner/GIS Coordinator*	-	-	-	-
	Senior Planner*	-	-	-	-
	Systems Librarian □	-	-	-	-
	Information Technology Librarian □	-	-	-	-
12	Wastewater Treatment Superintendent*	\$43.40	\$58.60	-	-
	Water Treatment Superintendent*	-	-	-	-
	Administrative Services Manager*	-	-	\$1,735.99	\$2,343.55
	City Assessor*	-	-	-	-
	City Engineer*	-	-	-	-
	City Planner*	-	-	-	-
	Deputy Library Director ‡	-	-	-	-
	Energy & Facilities Manager*	-	-	-	-
	Police Lieutenant*	-	-	-	-
	Prosecuting Attorney*	-	-	-	-
	Solid Waste Manager □	-	-	-	-
13	Chief Innovation and AI Officer †	-	-	\$1,840.17	\$2,484.24
	City Clerk/Tax Collector †				
	Cyber Security Analyst*	-	-	-	-
	Deputy Finance Director	-	-	-	-
	Deputy Human Resources Director	-	-	-	-
	Human Services Director †				
	Information Systems Manager*	-	-	-	-
	Maintenance Manager ‡	-	-	-	-
	Police Captain*	-	-	-	-
	Deputy Planning and Development Director ‡	-	-	-	-

	Systems and Operations Administrator*	-	-	-	-
	Chief Building Official & Health Officer ‡				
14	<i>Human Resources Specialist</i>	\$48.77	\$65.84	-	-
	Airport Manager †	-	-	\$1,950.68	\$2,633.21
	Assistant Director/Public Works ‡	-	-	-	-
	Chief Assessor †	-	-	-	-
	<i>Human Resources Director</i>	-	-	-	-
	Library Director †	-	-	-	-
	Lead Network Infrastructure Engineer ‡	-	-	-	-
	Recreation, Arts & Parks Director †	-	-	-	-
15	Deputy Police Chief ‡	-	-	\$2,191.47	\$2,791.02
	Deputy Fire Chief ‡				
16	<i>Technical Advisor II</i>	\$60.02	\$75.95	-	-
	Chief of Police †	-	-	\$2,400.51	\$3,038.04
	Planning and Development Director †	-	-	-	-
	Public Works Director †	-	-	-	-
	<i>Finance Director</i>	-	-	-	-
	Fire Chief †	-	-	-	-
	Cyber Services Director †	-	-	-	-
	<i>Deputy City Manager</i>	-	-	-	-

Italicized positions denote Non-Affiliated employees, for which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

* Denotes LPASE employees for which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

† Denotes City of Lebanon (Department Heads) – State of New Hampshire, Public Employee Labor Relations Board (PELRB) – Case No. G-0346-1, Decision No. 2025-155 employees, for which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

‡ Denotes City of Lebanon (City Assistants, Deputies, and Others) – State of New Hampshire – Public Employee Labor Relations Board (PELRB) – Case No. G-0343-2, Decision No. 2025-251 employees, for which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

□ Denotes City of Lebanon (Various City Employees) – State of New Hampshire, Public Employee Labor Relations Board (PELRB) – Case No. G-0345-1, Decision No. 2025-157 employees, for which the January 1, 2026, GWI shall be based on the Northeast Region CPI for June 2024 – June 2025, but in no case shall be less than one percent (1%), nor greater than three percent (3%).

B. Seasonal/Temporary & Stipend Employees

POSITION TITLE	HOURLY	
ELECTION POSITIONS (HOURLY)		
Assistant Moderator (New)		\$29.00
Ballot Clerk	-	\$21.22
Election Assistant	-	\$16.58
Moderator	-	\$31.83

Ward Clerk	-	\$28.64
Chair Supervisor of the Checklist	-	\$28.64
Supervisor of the Checklist	-	\$26.52
FIRE DEPARTMENT POSITIONS		
Call Firefighter	\$13.33	\$33.79
RECREATION, ARTS & PARKS POSITIONS		
Front Desk Attendants – Pool	\$12.01	\$18.06
Lifeguards	\$12.01	\$20.72
Head/Lead Counselors	\$15.64	\$19.22
Head & WSI Lifeguards	\$14.42	\$21.61
Head Front Desk Attendant - Pool	\$14.42	\$18.04
Outdoor Adventurer - Educator	\$22.00	\$28.00
Day Camp Counselors	\$12.01	\$18.06
Arts & Craft Director	\$15.64	\$20.13
Farmers Market Coordinator	\$16.83	\$21.63
Market Assistant	\$14.42	\$18.04
Tennis Instructor	\$18.04	\$22.84
Stomp & Romp	\$18.04	\$22.84
Pool Operations Manager	\$18.04	\$24.85
Assistant Pool Director	\$18.04	\$24.85
Assistant Camp Director	\$18.04	\$24.85
Pool Director	\$19.22	\$28.41
Camp Director	\$19.22	\$28.41
RECREATION, ARTS & PARKS STIPEND POSITIONS:		
Sport Coaches – Seasonally (Lacrosse, Track, Youth – Basketball, Field Hockey, Football, Cheerleader Coach etc. – may vary due to Programs)	\$242.67	\$846.39
Softball Coordinator - Stipend	\$2,101.64	\$2,691.29
LIBRARY POSITIONS		
Library Clerk I	\$19.29	\$28.19
Library Custodian Substitutes	\$21.67	\$29.26
Library Clerk II	\$22.99	\$31.02
PUBLIC WORKS POSITIONS		
Engineering Clerk	\$13.23	\$16.83
GIS Clerk – (or Intern)	\$18.04	\$20.44
Seasonal Laborers – Summer & Fall DPW, Parks & Rec.& Airport	\$19.22	\$24.30
Tree Warden	\$24.40	\$27.58
CDL Seasonal Drivers	\$27.00	\$59.18
PLANNING POSITIONS		
Park Ranger	\$18.04	\$20.44
POLICE DEPARTMENT POSITIONS		
Crossing Guard		\$19.57
*Communications Specialist	\$29.00	\$41.02
Police Administrative Aide	\$24.04	\$27.63
Parking Control Officer	\$24.04	\$27.63

Police Officers	\$31.13	\$41.14
CITY CLERK POSITIONS		
*Assistant City Clerks (Part-Time/Temp. <20)	\$29.00	\$41.02
Lead Recording Secretary	\$27.01	\$32.87
Recording Secretary	\$25.83	\$28.23
Recording Secretary Coordinator	\$27.01	\$28.85
SHARED POSITION		
General Intern I	\$15.64	\$19.83

A. LEBANON PUBLIC WORKS EMPLOYEES' UNION, AFSCME LOCAL #1348/COUNCIL 93 AFL-CIO

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City and **Lebanon Public Works Employees' Union**, AFSCME (American Federation of State, County and Municipal Employees) Local #1348/Council 93 AFL-CIO, (effective January 1, 2025 to December 31, 2027) shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2026, through the last pay period of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.

LEBANON PUBLIC WORKS EMPLOYEES' UNION – AFSCME - POSITIONS	
GRADE	POSITION(s)
1	Laborer
2	Utility Operator Trainee
3	Operator; Recycling Attendant ; Construction Utility Operator I; Meter/Backflow Technician; Scale Technician
4	Light Equipment Operator; Airport Maintenance Technician; Recycling Attendant ; Scale Technician
5	Heavy Equipment Operator; Utilities Operator I; Airport Maintenance Specialist; Maintainer (Cemetery Crew Leader) ; Utilities Operator I;
6	Maintainer (Cemetery Crew Leader) ; Mechanic; Water Treatment Plant Operator ; Wastewater Treatment Plant Operator ;
7	Laboratory Technician/ Utilities Plant Operator; Airport Maintenance Supervisor; Utilities Maintenance Mechanic; Engineering Technician ; Public Works Crew Leader; Water Treatment Plant Operator ; Wastewater Treatment Plant Operator
8	Supervisor; Parks & Grounds Crew Supervisor; Engineering Technician
9	Chief of Quality Assurance, Electrician

LEBANON PUBLIC WORKS EMPLOYEES' UNION, AFSCME LOCAL 1348							
2026 SALARY GRADES							
3% GWI							
	<u>Minimum</u>						<u>Maximum</u>
<u>Grade</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
1	\$21.18	\$21.77	\$22.40	\$23.04	\$23.63	\$24.36	\$25.11
2	\$22.85	\$23.50	\$24.18	\$24.84	\$25.50	\$26.29	\$27.11
3	\$24.67	\$25.41	\$26.15	\$26.85	\$27.62	\$28.49	\$29.37

4	\$26.64	\$27.47	\$28.25	\$29.07	\$29.92	\$30.84	\$31.81
5	\$28.87	\$29.74	\$30.62	\$31.50	\$32.42	\$33.43	\$34.46
6	\$31.25	\$32.19	\$33.23	\$34.25	\$35.29	\$36.34	\$37.33
7	\$33.87	\$34.93	\$36.03	\$37.13	\$38.24	\$39.39	\$40.45
8	\$35.57	\$36.69	\$37.85	\$39.02	\$40.27	\$41.50	\$43.12
9	\$38.61	\$39.83	\$41.13	\$42.42	\$43.72	\$45.02	\$46.88

The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

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

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City and Lebanon Permanent Firefighters' Association Local 3197/International Association of Fire Fighters (IAFF), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2026, through the last pay period of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.

LEBANON PERMANENT FIREFIGHTERS/IAFF 2026 SALARY GRADES 3% GWI							
	<u>Minimum</u>						<u>Maximum</u>
<u>Position Title</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
Firefighter - EMT	\$27.38	\$28.26	\$29.13	\$30.05	\$30.90	\$31.79	\$32.76
Firefighter - Paramedic	\$31.01	\$31.94	\$32.93	\$33.84	\$34.75	\$35.71	\$36.70
Fire Alarm Technician	\$38.13	\$38.92	\$39.72	\$40.47	\$41.27	\$42.02	\$42.79
Lieutenant	\$36.86	\$37.37	\$37.89	\$38.43	\$38.94	\$39.45	\$39.97
Fire Inspector	\$38.43	\$39.04	\$39.71	\$40.32	\$40.98	\$41.61	\$42.30
Lieutenant - Paramedic	\$40.04	\$40.57	\$41.09	\$41.61	\$42.17	\$42.66	\$43.21
Captain	\$44.82	\$45.27	\$45.80	\$46.28	\$46.76	\$47.28	\$47.75
Inspector - Paramedic	\$39.81	\$40.42	\$41.02	\$41.66	\$42.27	\$42.87	\$43.56
Captain - Paramedic	\$45.97	\$46.45	\$46.92	\$47.40	\$47.90	\$48.36	\$48.90

The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

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

Employees covered by the terms and conditions of the Collective Bargaining Agreement between the City of Lebanon and the Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA), (effective January 1, 2025 to December 31, 2027), shall be paid in accordance with the accompanying pay plan covering the time period

of the first pay period of 2026, through the last pay period of 2026, as provided in that Agreement, and as placed on file in the office of the City Clerk.

LEBANON POLICE BENEVOLENT ASSOCIATION 2026 SALARY GRADES 3% GWI							
	<u>Minimum</u>						<u>Maximum</u>
<u>Position Title</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
Patrol Officer	\$31.13	\$32.94	\$34.07	\$35.76	\$37.55	\$39.46	\$41.14
Corporal	\$42.33	-	-	-	-	-	-
Sergeant	\$42.33	\$43.22	\$44.32	\$45.46	\$46.57	\$47.68	\$48.84
	Minimum	Hourly Range					Maximum
Communications Specialist	\$29.00						\$41.02

The January 1, 2026, GWI shall be based on the Northeast Region CPI, for June 2024 – June 2025, but in no case shall be less than one percent (1%) nor greater than three percent (3%).

Amendment Process

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

Amending Ordinance #18 requires three separate presentations (see City Charter subsections §3.07, §3.09, §3.10, §8.03), followed by a Public Hearing, and the vote of at least two-thirds (2/3) of all members of the City Council - six (6) members - to adopt.

The Council is asked to recognize the second of three presentations. The first presentation was on November 19, 2025 and the third presentation and public hearing will be December 17, 2025.

Action

The City Council is asked to recognize the second of three presentations as follows:

1. ACKNOWLEDGE SECOND PRESENTATION:

MOVED, that the Lebanon City Council hereby acknowledges the second of three presentations to amend Ordinance #18, Salary Plan, as fully described and contained in the December 3, 2025, City Council Agenda Packet.

Agenda

Lebanon City Council

December 3, 2025

11. New Business:

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

Background

Lebanon Opera House (LOH) is requesting the City Council grant an alcohol exemption to provide them with the ability to serve alcoholic beverages on certain City property and within City Hall during LOH events and performances. City property outside of City Hall to be included in this request are the alley between City Hall and the neighboring building located at 55 North Park Street (Dutille's Jewelry building), the back parking lot behind City Hall, the sidewalk in front of City Hall, and all other areas immediately surrounding the building. The request is from January 1, 2026, through December 31, 2026.

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

City Administration has no objection to any of the above.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption states that, "Any person, publicly recognized organization, organized group, family group or business may be exempted from the provisions of this article for a short period of time not exceeding 12 hours, upon first obtaining permission from the City Manager after consultation with and approval by the Chief of Police. For a period of time exceeding 12 hours but not exceeding one year, permission must first be obtained from the Lebanon City Council and reviewed on an annual basis." Due to the nature of the business and the desire to continue to serve alcohol on City-owned property, Council approval is required pursuant to §14-5 above.

Action

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

MOVED, that the Lebanon City Council hereby grants an exemption pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to Lebanon Opera House to serve alcoholic beverages during LOH events and performances in areas as described in the December 3, 2025 City Council Agenda Packet. Exemption shall be valid beginning January 1, 2026 and shall expire on December 31, 2026.

Included in this Section:

1. November 17, 2025 email and map from Operations Manager Brian Cook, Lebanon Opera House

From: [Brian Cook](#)
To: [Beth Beraldi](#)
Cc: [Joe Clifford](#)
Subject: [EXTERNAL] Lebanon Opera House proposal and requests
Date: Monday, November 17, 2025 1:18:31 PM
Attachments: [LOH Concessions Planning Map2 \(1\) \(1\).pdf](#)

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

Dear City Manager Hosmer,

Lebanon Opera House is grateful for the City's support the past four years in transforming the alley between City Hall and the neighboring building located at 55 North Park Street into a seasonal gathering place. We ask for the City's support in repeating this plan in 2026.

Lebanon Opera House again requests a one-year Use of Space License for the alley, specifically the area designated in the attached diagram, beginning March 23 and ending November 19, 2026. During this time, LOH would have the option to sell beverages, food, and other concessions during LOH events and performances while offering bistro-style tables and limited seating. When not in use during LOH events and performances, the public will have access to the space.

LOH would again need the City's approval to deny alleyway access to vehicular traffic during the months of our proposed seasonal use. This would be done via the placement of barricades which would continue to allow year-round pedestrian traffic. We thank the City for installing planters to serve as these barricades in that past and would be grateful for their use again in 2026.

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

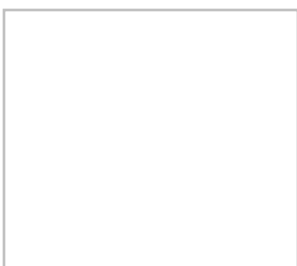
We ask that these requests please be added to the City Council's agenda when it meets on December 3, 2025. If you have any questions, please contact me at (603) 448-0400.

Thank you for your consideration.

Sincerely,

Brian Cook
Operations Manager

--



Brian Cook (He/Him)
Managing Director

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

603.448.0400 x189
www.LebanonOperaHouse.org



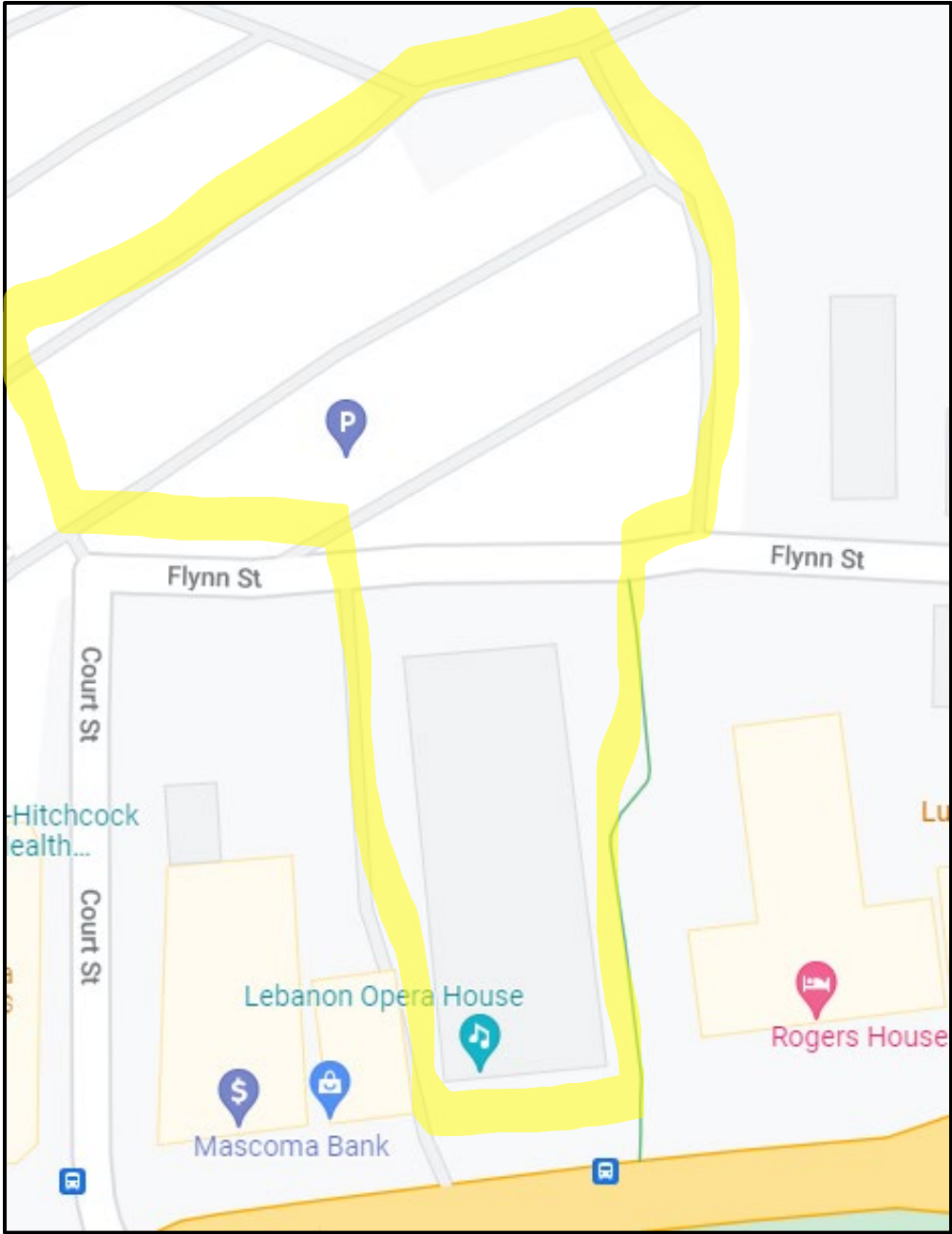


Lebanon Opera House Concessions in Adjoining Alleyway

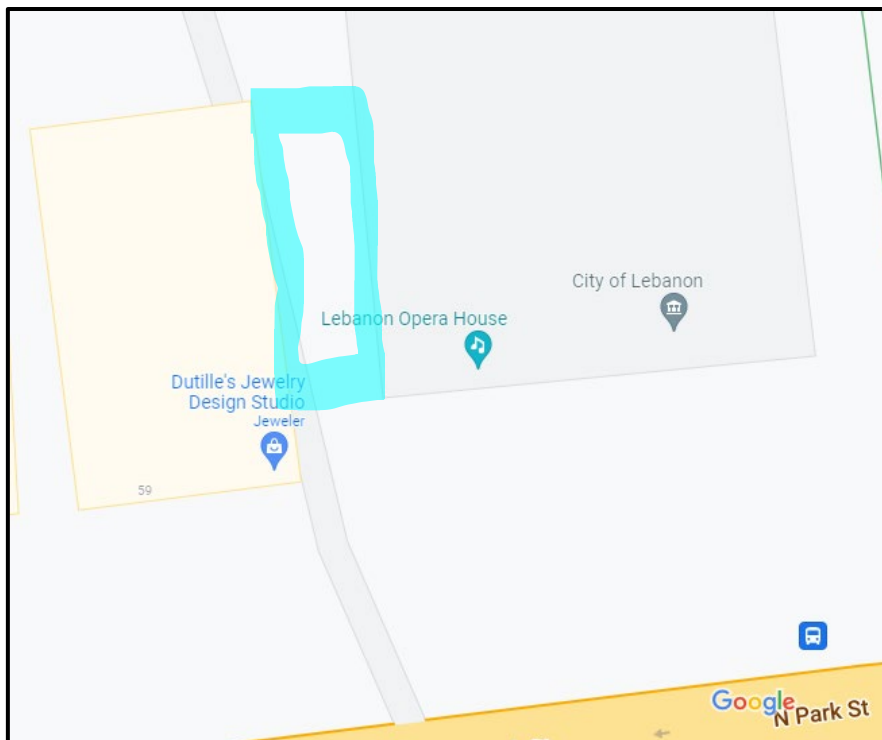
With support from the Lebanon City Manager’s office, LOH is exploring the creation of an outdoor social space in the adjoining alleyway between City Hall and 55 N Park Street, home to Dutille’s Jewelry Design Studio and Mascoma Bank.

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

Highlighted Area = LOH Alcohol Consumption Perimeter



Highlighted Area = LOH seasonal occupancy in the alleyway



Agenda

Lebanon City Council

December 3, 2025

11. New Business:

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

Background

The Lebanon Outing Club (LOC) is requesting an exemption from City Code Chapter 14, Alcoholic Beverages, to allow them to serve alcohol on city-owned property at Storrs Hill Ski Lodge and immediate surrounding areas. Please see the attached email from Lebanon Outing Club President Cory Grant. City Administration has no objection to the request.

City Code Chapter 14, Alcoholic Beverages, §14-5, Exemption, states that, “Any person, publicly recognized organization, organized group, family group or business may be exempted from the provisions of this article for a short period of time not exceeding 12 hours, upon first obtaining permission from the City Manager after consultation with and approval by the Chief of Police. For a period of time exceeding 12 hours but not exceeding one year, permission must first be obtained from the Lebanon City Council and reviewed on an annual basis.” Whereas the current request is for the alcohol exemption/permit to cover a one-year period, Council approval is required pursuant to §14-5 above.

Action

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

MOVED, that the Lebanon City Council hereby grants an exemption pursuant to §14-5 of City Code Chapter 14, Alcoholic Beverages, to Lebanon Outing Club to serve alcoholic beverages on City-owned property at Storrs Hill Ski Lodge and immediate surrounding areas as described in the December 3, 2025 City Council Agenda Packet. Exemption shall be valid beginning January 1, 2026 and shall expire on December 31, 2026.

Included in this Section:

1. November 13, 2025 email from Lebanon Outing Club President, Cory Grant
2. Map of requested areas

From: [Cory Grant](#)
To: [Beth Beraldi](#)
Subject: [EXTERNAL] Alcohol Exemption
Date: Thursday, November 13, 2025 1:21:48 PM

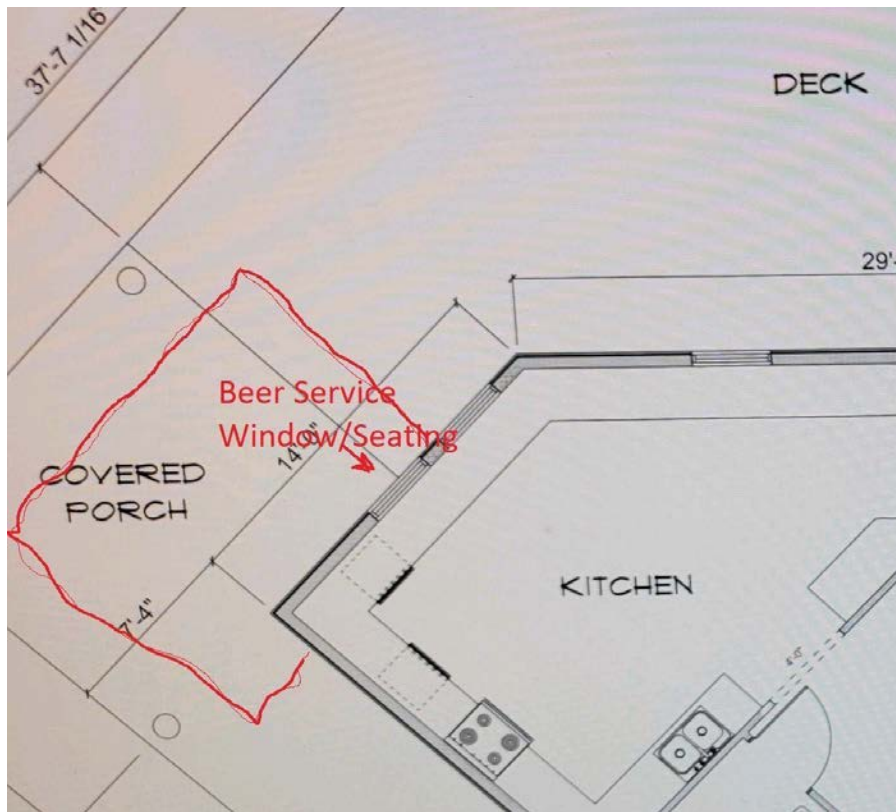
[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

To whom it may concern..

“We respectfully request that the City of Lebanon issue a license to serve alcohol in our designated areas (city property).
Additionally, we request the alcohol exemption/permit for the entire year period, January through December.” Please let me know if you have any questions.

Thanks,
Cory Grant
President LOC

This email has been scanned for spam and viruses by Proofpoint Essentials. Click [here](#) to report this email as spam.



**Agenda
Lebanon City Council
December 3, 2025**

11. New Business:

11.C – Presentation of 2024 Financial Audit Report

Background

Kyle Gingras of Plodzik & Sanderson will be present to discuss the 2024 Financial Audit and to answer any questions.

Action

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

Included In This Section:

1. November 19, 2025 Letter to City Council from Plodzik & Sanderson, P.A.
2. City of Lebanon Annual Financial Report – Fiscal Year Ending December 31, 2024
3. Lebanon Municipal Airport, Passenger Facility Charges Report – Fiscal Year Ending December 31, 2024



Plodzick & Sanderson, P.A.

Certified Public Accountants

*Sheryl A. Pratt, CPA
Michael J. Campo, CPA
Janet L. Spalding, CPA, MST*

November 19, 2025

To the Members of the City Council
City of Lebanon
51 North Park Street
Lebanon, NH 03766

Dear Members of the City Council and City Manager:

We have audited the financial statements of the City of Lebanon as of and for the year ended December 31, 2024, and have issued our report thereon dated November 13, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 30, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Lebanon solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated November 30, 2021.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201 and in conjunction with the Firm's Quality Control Document, we annually review with all engagement staff potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Significant Risks Identified

Our audit process and planning for each individual audit is based upon a risk model which requires us to identify significant risks within the entity and plan appropriate audit procedures to address those risks. A significant risk is defined as an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. We have identified management override of controls and improper revenue recognition as significant risks through our risk assessment procedures.

193 North Main Street, Concord, NH 03301
633 Elm Street, Suite 103, Milford, NH 03055

These risks are identified universally in New Hampshire governmental entity audits performed by our firm. As a result of these risks the engagement team developed an audit approach that specifically addresses these significant risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Lebanon is included in Note 1 to the financial statements. As described in Note 2-D to the financial statements, the City of Lebanon changed accounting principles to change the way the City reports accounting changes and error corrections by adopting Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. In addition, the City also adopted GASB Statement No. 101, *Compensated Absences*, in the fiscal year 2024. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in Note 23, Accounting Changes and Error Corrections. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the capital asset useful lives is based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible property taxes are based on historical data and information known concerning the assessment appeals. We evaluated the key factors and assumptions used to develop the uncollectible property taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the uncollectible ambulance receivables is based on knowledge of past collection rates. We evaluated the key factors and assumptions used to develop the uncollectible ambulance receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued landfill closure and postclosure care costs is based on estimates provided by the Town's engineer. We evaluated the key factors and assumptions used, by the Town's engineer, to develop the accrued landfill closure and postclosure care costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, deferred outflows and inflows of resources related to pensions are based on assumptions of future events, such as employment, mortality and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefit liability, deferred outflows and inflows of resources are based on the assumption of future events, such as employment, mortality, and healthcare cost trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the other postemployment benefits liability, deferred outflows and inflows of resources related to the other postemployment benefits in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

There are no significant or unusual transactions identified during our audit.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. A list of these adjustments for the general fund is attached to this letter. Management has corrected all identified misstatements.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Lebanon's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances That Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances have arisen.

Representations Requested from Management

We have requested certain written representations from management, which are included in the representation letter dated November 13, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Lebanon, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Lebanon's auditors.

Capital Projects (repeat)

The City uses a single capital project fund in the general ledger to record activity for multiple projects across multiple funds. The activity for each individual project is tracked by a supplemental spreadsheet. While the activity in the general ledger for the capital project fund as a whole is properly supported, we recommend the supplemental spreadsheet be reconciled to the general ledger on a regular basis to ensure activity is properly allocated by individual project.

Other Matters

Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, issued in December 2023, will be effective for the City with its fiscal year ended December 31, 2025. The primary objective of this Statement is to provide the users of the financial statements with information about risks related to a City's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, will be effective for the City with its fiscal year ended December 31, 2026. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the City's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued in September 2024, will be effective for the City with its fiscal year ended December 31, 2026. The primary objective is to provide users of governmental financial statements with essential information about certain types of capital assets related to leases and right-to-use assets under GASB Statements Nos. 87 and 96 as well as additional disclosures for capital assets held for sale.

Comment on Cybersecurity Policies and Procedures

For Governance's consideration, conducting regular comprehensive review of the City's cybersecurity policies and procedures is an effective method of maintaining an effective informational technology environment. While no immediate concerns were identified through the audit process, cybersecurity policy and procedure should be viewed as a consistent process. In an evolving digital landscape, robust cybersecurity measures are critical to safeguarding sensitive information and ensuring compliance with regulatory requirements. Key considerations for this review should include:

- *Risk Assessment*: Evaluate potential vulnerabilities and threats, considering the latest developments in cybersecurity risks.
- *Policy Updates*: Ensure that cybersecurity policies are up-to-date and align with industry best practices and applicable regulations.
- *Incident Response Plan*: Confirm that an effective incident response plan is in place, outlining clear protocols for identifying, addressing, and mitigating breaches.
- *Employee Training*: Enhance awareness by establishing a mandatory, ongoing cybersecurity training program for all employees, including regular updates and simulations to help staff identify and respond to phishing attempts and other cyber threats.
- *Regular Testing*: Implement periodic testing, such as penetration tests or simulated attacks, to assess the effectiveness of current measures.

Proactive attention to these areas can strengthen the City's defenses and mitigate the risks associated with data breaches, operational disruptions, and reputational damage.

Restriction of Use

This report is intended solely for the information and use of the members of the City Council, City Manager, and management of the City of Lebanon and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Plodzick & Sanderson

PLODZIK & SANDERSON
Professional Association
Concord, New Hampshire

Attachment:
General Fund Adjusting Journal Entries

CITY OF LEBANON, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

CITY OF LEBANON, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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CITY OF LEBANON, NEW HAMPSHIRE
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APPENDIX

Corrective Action Plan – City of Lebanon



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX- 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major governmental and proprietary fund, and the aggregate remaining fund information of the City of Lebanon, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, as of December 31, 2024, the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the major general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of Lebanon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters – Changes in Accounting Principles

As discussed in Note 2-D to the financial statements, in the year ending December 31, 2024, the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment to GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Also, as discussed in Note 2-D to the financial statements, in the year ending December 31, 2024, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Lebanon's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***City of Lebanon
Independent Auditor's Report***

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the City's Proportionate Share of Net Pension Liability,
- Schedule of City Contributions – Pensions,
- Schedule of the City's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of City Contributions – Other Postemployment Benefits,
- Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lebanon's basic financial statements. The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

***City of Lebanon
Independent Auditor's Report***

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 on our consideration of the City of Lebanon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lebanon's internal control over financial reporting and compliance.

November 13, 2025
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

City of Lebanon, New Hampshire

Management Discussion & Analysis

As the management of the City of Lebanon, we are providing this overview and explanation of the City's financial activities for the fiscal year ending December 31, 2024. This section is meant to help readers better understand the financial statements that follow and the information they contain.

A. Overview of the Financial Statements

This discussion introduces the City's basic financial statements, which include three main parts:

1. The Financial Statements themselves
2. Notes to the Financial Statements
3. Required Supplementary Information

The report also includes other additional information beyond these basic statements.

Government-Wide Financial Statements

The government-wide financial statements give both short-term and long-term information about the City's overall financial position. These statements use accounting methods similar to those used in the private sector.

- **Statement of Net Position:** This shows all of the City's assets (what it owns), liabilities (what it owes), and other financial elements. The difference between what the City owns and owes is called net position. Over time, changes in net position can help show whether the City's financial health is improving or declining.
- **Statement of Activities:** This shows how the City's net position changed during the year. It reports all changes when they occur, even if the related cash is not received or paid until later. For example, taxes owed but not yet collected are included here.

These statements also separate activities that are mainly paid for through taxes and grants (called governmental activities) from those that are mainly paid for through fees and charges (called business-type activities).

- Governmental activities include General Government, Public Safety, Roads and Streets, Welfare, Culture and Recreation, Conservation, and interest on long-term debt.
- Business-type activities include Solid Waste Disposal, Water Treatment and Distribution, Sewage Collection and Disposal, and Municipal Airport Operations.

Fund Financial Statements

A fund is a set of accounts used to keep track of money for specific purposes. Using funds helps ensure the City meets legal and financial requirements. The City's funds are grouped into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

- **Governmental funds:** These track the same services included under governmental activities. However, instead of focusing on long-term financial position, they focus on short-term money coming in and going out, as well as what is left at the end of the year. This information helps assess the City's immediate financial needs. Because governmental funds are narrower in scope, they are compared to the broader government-wide financial statements. The fund statements include reconciliations to help readers understand the differences. The City also adopts an annual budget for its general fund, and a budget comparison statement is provided to show compliance.

- **Proprietary funds:** These track activities supported mainly by fees and charges. The City uses enterprise funds, a type of proprietary fund, to report its business-type activities. These include Solid Waste Disposal, Water Treatment and Distribution, Sewage Collection and Disposal, and Municipal Airport Operations.
- **Fiduciary funds:** These track resources that the City holds on behalf of others. Because the money in these funds cannot be used for the City's own programs, they are not included in the government-wide statements. Accounting for fiduciary funds is similar to accounting used by private businesses.

Notes to the Financial Statements

The notes provide extra details that are necessary to fully understand the information in both the government-wide and fund financial statements.

Required Supplementary Information

After the financial statements and notes, the report includes additional required information. This includes updates on the City's obligations for other post-employment benefits and information about the New Hampshire Retirement System.

Other Information

The report also contains supplementary information required by accounting standards generally accepted in the United States.

B. Financial Highlights

In comparison to the prior year, as of the close of the current fiscal year:

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$167,301,454.
- Governmental funds reported combined ending fund balances of \$31,913,800, an increase of \$12,863,079.
- General fund unassigned fund balance was \$11,843,461 an increase of \$425,039.
- Bonds/notes payable (governmental and business-type activities combined) were \$105,456,658, an increase of \$21,114,504.
- Annual requirements (governmental and business-type activities combined) to amortize all bonds/notes payable (principal and interest) were \$127,743,384, an increase of \$29,866,651.
- Authorized and unissued debt was \$37,837,486, a decrease of \$4,926,263.

C. Government-Wide Financial Analysis

At the end of the current fiscal year, the City's total assets and deferred outflows of resources were greater than its liabilities and deferred inflows of resources by **\$167,301,454**. This is an increase of **\$10,747,336** compared to the previous year.

The largest portion of net position, **\$155,323,160**, represents the City's investment in capital assets such as land, buildings, equipment, and infrastructure, minus the debt still owed on those assets. These capital assets are used to provide services to residents and are not available for future spending. Although the investment in capital assets is reported net of related debt, it is important to note that the money to repay this debt must come from other sources, since the assets themselves cannot be sold to cover the liabilities.

Another portion of net position, **\$16,714,989**, represents resources that are restricted and must be used for specific purposes. The remaining balance of **\$(4,736,695)** is unrestricted. This amount may be used to support the City's day-to-day operations without restrictions from laws, debt agreements, or other requirements.

NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$57,745,938	\$40,027,587	\$42,764,867	\$36,831,169	\$100,510,805	\$76,858,756
Capital Assets	\$130,854,942	\$119,788,257	\$120,520,609	\$117,490,358	\$251,375,551	\$237,278,615
Total Assets	\$188,600,880	\$159,815,844	\$163,285,476	\$154,321,527	\$351,886,356	\$314,137,371
Deferred Outflow s of Resources	\$3,137,293	\$4,533,201	\$344,597	\$623,774	\$3,481,890	\$5,156,975
Long-term Liabilities Outstanding	\$85,892,695	\$68,034,439	\$65,286,324	\$64,092,620	\$151,179,019	\$132,127,059
Other Liabilities	\$25,054,065	\$19,750,174	\$2,548,256	\$1,866,185	\$27,602,321	\$21,616,359
Total Liabilities	\$110,946,760	\$87,784,613	\$67,834,580	\$65,958,805	\$178,781,340	\$153,743,418
Deferred Inflow s of Resources	\$4,018,475	\$3,416,599	\$5,266,977	\$5,580,211	\$9,285,452	\$8,996,810
Net Position:						
Net Investment in Capital Assets	\$83,349,192	\$82,681,565	\$71,973,968	\$70,254,896	\$155,323,160	\$152,936,461
Restricted	\$13,426,907	\$3,472,096	\$3,288,082	\$873,839	\$16,714,989	\$4,345,935
Unrestricted	(\$20,003,161)	(\$13,005,828)	\$15,266,466	\$12,277,550	(\$4,736,695)	(\$728,278)
Total Net Position	<u>\$76,772,938</u>	<u>\$73,147,833</u>	<u>\$90,528,516</u>	<u>\$83,406,285</u>	<u>\$167,301,454</u>	<u>\$156,554,118</u>

CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues --						
Charges for Services	\$2,558,856	\$2,160,046	\$18,926,957	\$16,898,818	\$21,485,813	\$19,058,864
Operating Grants and Contributions	\$2,684,882	\$749,767	\$2,100,544	\$1,605,471	\$4,785,426	\$2,355,238
Capital Grants and Contributions	\$342,082	\$610,799	\$0	\$0	\$342,082	\$610,799
General Revenues --						
Property and Other Taxes	\$29,631,649	\$26,736,349	\$0	\$0	\$29,631,649	\$26,736,349
Licenses & Permits	\$3,983,545	\$4,574,934	\$0	\$0	\$3,983,545	\$4,574,934
Grants and Contributions Not Restricted to Specific Programs	\$1,556,037	\$1,477,658	\$0	\$0	\$1,556,037	\$1,477,658
Other General Revenues	\$2,965,260	\$1,911,087	\$3,369,020	\$2,387,599	\$6,334,280	\$4,298,686
Total Revenues	\$43,722,311	\$38,220,640	\$24,396,521	\$20,891,888	\$68,118,832	\$59,112,528
Contributions to Permanent Funds	\$593	\$675	\$0	\$0	\$593	\$675
Transfers	\$1,608,369	\$2,062,698	(\$1,608,369)	(\$2,062,698)	\$0	\$0
Gain on Sale of Property	\$0	\$0	\$60,075	\$100	\$60,075	\$100
Total Revenues Including Transfers	\$45,331,273	\$40,284,013	\$22,848,227	\$18,829,290	\$68,179,500	\$59,113,303
Expenses:						
General Government	\$13,129,992	\$10,945,734	\$0	\$0	\$13,129,992	\$10,945,734
Public Safety	\$13,904,233	\$11,889,108	\$0	\$0	\$13,904,233	\$11,889,108
Highway and Streets	\$8,797,658	\$5,561,867	\$0	\$0	\$8,797,658	\$5,561,867
Sewage Collection and Disposal	\$0	\$0	\$6,098,775	\$6,197,598	\$6,098,775	\$6,197,598
Solid Waste Disposal	\$0	\$0	\$4,235,610	\$3,465,772	\$4,235,610	\$3,465,772
Water Distribution and Treatment	\$0	\$51,946	\$3,130,522	\$3,278,631	\$3,130,522	\$3,330,577
Welfare (Human Services)	\$866,918	\$691,013	\$0	\$0	\$866,918	\$691,013
Municipal Airport	\$4,887	\$0	\$2,261,089	\$2,351,910	\$2,265,976	\$2,351,910
Culture and Recreation	\$3,628,113	\$3,167,251	\$0	\$0	\$3,628,113	\$3,167,251
Conservation	\$397,969	\$674,494	\$0	\$0	\$397,969	\$674,494
Interest on Long-term Debt	\$976,398	\$878,499	\$0	\$0	\$976,398	\$878,499
Total Expenses	\$41,706,168	\$33,859,912	\$15,725,996	\$15,293,911	\$57,432,164	\$49,153,823
Change in Net Position	\$3,625,105	\$6,424,101	\$7,122,231	\$3,535,379	\$10,747,336	\$9,959,480
Net Position Beginning 1/1	\$73,147,833	\$66,723,732	\$83,406,285	\$79,873,932	\$156,554,118	\$146,597,664
Net effect of prior year restatements	\$0	\$0	\$0	(\$3,026)	\$0	(\$3,026)
Net Position Ending 12/31	<u>\$76,772,938</u>	<u>\$73,147,833</u>	<u>\$90,528,516</u>	<u>\$83,406,285</u>	<u>\$167,301,454</u>	<u>\$156,554,118</u>

Governmental Activities. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental activities for the year resulted in a change (increase) in net position of \$3,625,105.

	<u>Amount</u>
Net change in General Fund fund balance	\$528,950
Net change in Capital Improvements Fund fund balance	\$11,097,200
Net change in other governmental funds fund balance	\$1,236,929
Capital outlays exceed depreciation expense and asset disposals	\$11,066,685
Revenue that does not provide current financial resources	(\$81,615)
Offset the effect of providing/using resources through the issuance/repayment of long-term principal debt	(\$19,671,105)
Change in accrued interest expense, compensated absences payable, pension liability and postemployment benefits payable	(\$551,939)
Total	<u>\$3,625,105</u>

Program revenues of \$5,585,820 covered 13.39% of program expenses. The remaining 86.61% was financed by general revenues including property and other taxes, licenses & permits, grants and contributions not restricted to specific programs, and other general revenues. The primary funding source for governmental activities was taxes \$29,631,649 consisting of property taxes and other taxes. Property taxes comprise about 65.37% of total program revenues.

The General Government function makes up 31.5% of the total governmental activities' expenses, Public Safety 33.3%, Highway and Streets 21.1%, Welfare 2.1%, Culture and Recreation 8.7%, Conservation 1% and Interest on Long-Term Debt 2.3%.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	Amount	%	Amount	%
Governmental Activities:				
General Government	\$13,129,992	31.5%	(\$12,447,220)	34.5%
Public Safety	\$13,904,233	33.3%	(\$11,862,741)	32.8%
Highway and Streets	\$8,797,658	21.1%	(\$8,454,132)	23.4%
Airport	\$4,887	0.0%	(\$4,887)	0.0%
Welfare (Human Services)	\$866,918	2.1%	(\$866,918)	2.4%
Culture and Recreation	\$3,628,113	8.7%	(\$3,168,230)	8.8%
Conservation	\$397,969	1.0%	(\$233,727)	0.6%
Interest on Long-Term Debt	\$976,398	2.3%	(\$964,010)	2.7%
Capital Outlay	\$0	0.0%	\$1,881,517	-5.2%
Total	<u>\$41,706,168</u>	<u>100.0%</u>	<u>(\$36,120,348)</u>	<u>100.0%</u>

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	Amount	%	Amount	%
Business Type Activities:				
Sewage Collection and Disposal	\$6,098,775	38.8%	\$2,519,092	47.5%
Solid Waste Disposal	\$4,235,610	26.9%	\$723,523	13.6%
Water Treatment and Distribution	\$3,130,522	19.9%	\$1,647,099	31.1%
Municipal Airport	\$2,261,089	14.4%	\$411,791	7.8%
Total	<u>\$15,725,996</u>	<u>100.0%</u>	<u>\$5,301,505</u>	<u>100.0%</u>

Business-type Activities. Business-type activities for the year resulted in a change in net position of \$7,122,231.

	<u>Amount</u>
Solid waste disposal operations	\$1,214,452
Water treatment and distribution operations	\$2,441,614
Sewage collection and disposal operations	\$2,346,932
Municipal Airport operations	\$1,119,233
Total	<u>\$7,122,231</u>

D. Financial Analysis of City of Lebanon Funds

The City of Lebanon uses fund accounting to make sure it follows financial rules and requirements. This section focuses on the City's individual funds and fund types, rather than the City as a whole.

Governmental Funds

Governmental funds are used to report money that can be spent in the near term, including inflows (revenues), outflows (expenses), and year-end balances. This information helps identify the City's short-term financial needs. Of particular importance is the **unassigned fund balance**, which represents the portion of resources that is available for general spending at the end of the fiscal year. The unassigned fund balance is the remaining amount in the City's general fund after all other categories of fund balance have been assigned. Because it is not restricted, this balance can be used to cover a wide range of purposes.

At the end of the current fiscal year, the City's governmental funds reported a combined ending balance of **\$31,913,800**, an increase of **\$12,863,079** compared to the prior year.

The City's Fund Balance Policy is designed to ensure there are enough resources to maintain stable government operations and provide services to residents, even during times of uncertainty. These uncertainties may include changes in the economy, unexpected changes in federal or state policies, new state or federal mandates, natural disasters, or other unforeseen circumstances. The policy also helps protect against mistakes in estimating revenues or expenses, financial strain in other funds, or timing differences between when revenues are collected and when expenses must be paid.

While some funds exist to meet specific legal or contractual requirements, the **General Fund** is the City's main operating fund. It has the broadest responsibilities and may also be used to set aside money for future needs or emergencies.

KEY ELEMENTS OF CHANGE IN COMBINED FUND BALANCES

General Fund revenues and transfers in in excess of expenditures and transfers out	\$528,950
Capital Improvements Fund expenditures and transfers out in excess of revenues, transfers in, and bond/note proceeds	\$11,097,200
Other governmental funds revenues and transfers in excess of expenditures and transfers out	<u>\$1,236,929</u>
Net Change in Fund Balances	<u>\$12,863,079</u>
Other Governmental Funds:	
Library Fund expenditures exceed revenue	(\$7,360)
Public Safety Revolving Fund (Police) revenues exceed expenditures	\$54,745
Lebanon Open Space Fund revenues exceed expenditures	\$360,099
Public Safety Revolving Fund (Fire) revenues exceed expenditures	\$5,350
Farmers Market Fund expenditures exceed revenue	(\$906)
Recreation Revolving Fund expenditures exceed revenues	(\$27,214)
Impact Fees revenues exceed expenditures	\$162,324
Cemetery Maintenance revenues	\$9,870
Public Assistance Revolving Fund revenues	\$125,000
Enterprise Property Revolving expenditures exceed revenues	(\$2,883)
Downtown TIF District revenues exceed transfers out	\$392,401
Airport/Tech Park TIF District revenues	\$113
Permanent Fund (cemetery perpetual care) revenues exceed expenditures and transfers out	<u>\$165,390</u>
Net Change in Fund Balances	<u>\$1,236,929</u>

Fund Balance Policy

It is the City's goal to maintain an Unassigned Fund Balance in the General Fund equal to 15% to 19% of the total annual General Fund budgeted expenses.

- A balance below 15% is considered a concern. A balance above 19% is considered higher than necessary, unless special circumstances require it.
- If the balance falls below 15%, steps will be taken in the following years to restore it. If the balance is above 19%, the City will reduce it in the following years or prepare a plan to do so over time. Excess balances may be used to reduce tax rates, fund capital projects, set aside money for future improvements, or for other legal purposes approved by the City Council.
- This policy does not prevent the City from using a portion of the Unassigned Fund Balance during the budget process to help manage the annual tax rate.

<u>UNASSIGNED FUND BALANCE, DECEMBER 31, 2024</u>	
Non-GAAP Budgetary Basis:	
	Unassigned Fund Balance 1/1 <u>\$11,769,741</u>
Percentage of total general fund current year budgeted expenditures	30.6%
Changes:	
Unassigned fund balance used to reduce 2023 tax rate	(\$1,998,026)
Unassigned fund balance voted from surplus	(\$107,000)
Revenue surplus	\$983,933
Unexpended balance of appropriations	\$1,537,292
Increase in nonspendable fund balance	(\$51,865)
Decrease in assigned fund balance (non-encumbrance)	\$10,204
	Unassigned fund balance 12/31 Non-GAAP budgetary basis <u>\$12,144,279</u>
Percentage of total general fund current year budgeted expenditures	29.7%
Reconciliation of Non-GAAP Basis to GAAP Basis:	
Deferral of property taxes not collected within 60 days of year-end	(\$450,818)
Elimination of the allowance for uncollectible taxes	\$150,000
	Unassigned fund balance 12/31 GAAP basis <u>\$11,843,461</u>

At the end of the current fiscal year, the General Fund unassigned fund balance was \$11,843,461 (based on generally accepted accounting principles). The total ending balances for all governmental funds combined were \$31,913,800.

During the fiscal year, the General Fund balance increased by \$374,541. The key reasons for this change include:

- Revenues higher than budget: \$983,933
- Expenditures lower than budget: \$1,537,292
- Use of fund balance as a funding source: (\$2,105,023)
- Increase in non-spendable fund balance: (\$51,865)
- Decrease in assigned fund balance (non-encumbrance): \$10,204

Most departments spent amounts close to their budgets, within a few percentage points. Positive variances were mainly in Human Services and Finance. Because of current job market conditions, some positions remained vacant longer than usual, and others were filled by more junior employees. This resulted in lower labor costs across several departments.

General Fund Budgetary Highlights

The City Charter, Section 419:45, states that once the budget is adopted, money cannot be spent unless it is part of an approved appropriation. Within a department, the department head may transfer funds between accounts with the City Manager's written approval. The City Manager, with approval from the City Council, may also transfer funds between departments.

Transfers in 2024

- **February 21, 2024:** \$125,000 transferred from the General Fund to the Public Assistance Revolving Fund for housing, shelter, food, fuel, utilities, and other welfare needs.
- **August 7, 2024:** \$135,410 transferred from the Finance Department; \$35,410 went to Planning & Development for unexpected expenses, and \$100,000 went to the City Manager's budget for legal costs.
- **December 4, 2024:** \$100,000 transferred from the Finance Department to the City Manager's budget for additional legal costs.
- **December 18, 2024:** \$108,000 transferred from the Finance Department to the Library to replace the HVAC system.

E. Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal year, the City's total investment in capital assets for both governmental and business-type activities was **\$251,375,551** (net of accumulated depreciation).

The **Capital Improvements Fund** is used to plan and pay for the purchase or construction of major facilities and long-term projects. Unlike the City's operating budget, which covers a single year (January 1 to December 31), the capital improvements budget is based on specific projects and timelines.

<u>2024 CAPITAL ASSETS</u>			
	<u>Amount</u>		<u>Amount</u>
<u>Governmental Activities</u>		<u>Business-type Activities:</u>	
Not being depreciated:		Not being depreciated:	
Land	\$8,694,454	Land	\$809,968
Intangible assets	\$725,522	Intangible assets	\$700,540
Construction in progress	\$18,458,412	Construction in progress	\$13,824,583
Total	\$27,878,388	Total	\$15,335,091
Net of depreciation:		Net of depreciation:	
Land Improvements	\$2,923,510	Land Improvements	\$9,333,439
Building and Building Improvements	\$22,231,031	Building and Building Improvements	\$28,808,781
Machinery and Equipment	\$8,958,831	Machinery and Equipment	\$6,885,317
Infrastructure	\$68,863,182	Infrastructure	\$60,157,981
Total	\$102,976,554	Total	\$105,185,518
Net BV value governmental activities capital assets	<u>\$130,854,942</u>	Net BV business-type activities capital assets	<u>\$120,520,609</u>
BV = Book Value		Net BV all capital assets	<u>\$251,375,551</u>

<u>2024 CAPITAL BUDGET</u>			
<u>Purpose:</u>	<u>Amount</u>	<u>Source of Financing:</u>	<u>Amount</u>
Building Improvements	\$46,147,610	Intergovernmental (Grants)	\$6,393,220
Vehicles and Equipment	\$2,146,000	Other	\$20,276,670
Airport Infrastructure	\$3,878,340	Debt Proceeds	\$28,177,840
Other	\$4,177,700	Interfund Transfers	\$1,501,920
	<u>\$56,349,650</u>	Applied Fund Balance	\$0
Total		Total	<u>\$56,349,650</u>
Other Includes:			
Mascoma River Greenway Ext.	\$32,000		
Westboro Park	\$77,000	PFAS Leachate Study	\$568,000
Route 120/Old Etna Rd/Etna Rd Ped Improvement	\$250,000	Civic Park Playground	\$270,000
Lahaye Drive Pedestrial & Bike Improvement	\$540,000	Landfill Gas to Energy	\$724,700
Landfill Phase 3-4 Design & Permitting	\$800,000	Mascoma Lake Watershed Protection	\$100,000
Landfill Site Improvements	\$116,000	South Main St. Bridge	\$250,000
New Water Supply Source Study	\$150,000		
Septage Receiving Upgrade	\$300,000		
		Total	<u>\$4,177,700</u>

Supplemental Appropriations in 2024

- **March 6, 2024:** \$270,000 for new Civic Park playground improvements.
- **April 17, 2024:** \$724,700 for additional funds needed for the Landfill Gas-to-Energy Project.
- **May 15, 2024:** \$568,000 for a PFAS leachate study at the Lebanon Landfill, plus \$100,000 for the Mascoma Lake Watershed Protection Plan.
- **June 5, 2024:** \$1,100,000 for additional funds needed for the Fire Station replacement project.
- **August 7, 2024:** \$250,000 for additional funds needed for the South Main Street Bridge replacement.

Long-Term Debt

At the end of the fiscal year, the City's total bonds and notes payable for both governmental and business-type activities was **\$105,456,658**, an increase of **\$21,114,504** from the prior year.

The total amount required to repay all bonds and notes payable, including both principal and interest, was **\$127,743,384**, which is an increase of **\$29,866,651** compared to the prior year. In addition, the City had **\$37,837,486** in authorized but unissued debt, an increase of **\$4,926,263**.

All of the City's outstanding debt is supported by the full faith and credit of the City.

The annual requirements to amortize all general obligation bonds/notes outstanding as of December 31, 2024, including interest payments, are as follows:

Governmental activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,716,250	\$ 1,990,916	\$ 5,707,166	\$ 552,875	\$ 166,692	\$ 719,567
2026	3,451,250	1,785,179	5,236,429	552,946	154,466	707,412
2027	3,224,150	1,615,274	4,839,424	553,018	142,239	695,257
2028	2,925,499	1,461,552	4,387,051	553,093	130,010	683,103
2029	2,826,961	1,321,387	4,148,348	553,169	117,779	670,948
2030-2034	11,779,405	4,804,737	16,584,142	2,693,021	405,360	3,098,381
2035-2039	10,154,609	2,558,778	12,713,387	1,998,298	144,544	2,142,842
2040-2044	6,362,678	758,701	7,121,379	331,541	7,280	338,821
Totals	<u>\$ 44,440,802</u>	<u>\$ 16,296,524</u>	<u>\$ 60,737,326</u>	<u>\$ 7,787,961</u>	<u>\$ 1,268,370</u>	<u>\$ 9,056,331</u>

Business-type activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,867,349	\$ 908,068	\$ 2,775,417	\$ 2,040,737	\$ 595,988	\$ 2,636,725
2026	1,807,348	814,942	2,622,290	2,046,917	549,564	2,596,481
2027	1,704,348	728,208	2,432,556	1,990,488	502,957	2,493,445
2028	1,562,948	650,603	2,213,551	1,995,773	457,417	2,453,190
2029	1,452,473	579,237	2,031,710	1,922,405	411,730	2,334,135
2030-2034	5,402,491	1,978,266	7,380,757	9,451,322	1,410,377	10,861,699
2035-2039	4,065,882	981,662	5,047,544	5,987,498	448,855	6,436,353
2040-2044	2,447,252	256,179	2,703,431	899,785	30,658	930,443
Totals	<u>\$ 20,310,091</u>	<u>\$ 6,897,165</u>	<u>\$ 27,207,256</u>	<u>\$ 26,334,925</u>	<u>\$ 4,407,546</u>	<u>\$ 30,742,471</u>

<u>LONG-TERM LIABILITIES, DECEMBER 31, 2024</u>				
Governmental activities:				
	<u>Balance 1/1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31</u>
Bonds/notes Payable	\$34,302,538	\$21,368,869	(\$3,442,644)	\$52,228,763
Unamortized Bond Premium	\$2,804,154	\$2,090,236	(\$213,136)	\$4,681,254
Total Bonds/notes Payable	\$37,106,692	\$23,459,105	(\$3,655,780)	\$56,910,017
Compensated Absences Payable	\$2,350,335	\$158,586	(\$88,817)	\$2,420,104
Net Other Postemployment Benefits	\$2,641,362	\$0	(\$97,449)	\$2,543,913
Net Pension Liability	\$25,936,050	\$0	(\$1,917,389)	\$24,018,661
Total	<u>\$68,034,439</u>	<u>\$23,617,691</u>	<u>(\$5,759,435)</u>	<u>\$85,892,695</u>
Business-type activities:				
	<u>Balance 1/1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31</u>
Bonds/notes Payable	\$45,698,183	\$4,934,981	(\$3,988,148)	\$46,645,016
Unamortized Bond Premium	\$1,537,279	\$482,724	(\$118,378)	\$1,901,625
Total Bonds/notes Payable	\$47,235,462	\$5,417,705	(\$4,106,526)	\$48,546,641
Compensated Absences Payable	\$193,162	\$45,176	\$0	\$238,338
Accrued Landfill Closure and Postclosure Care Costs	\$12,728,183	\$855,553	\$0	\$13,583,736
Net Other Postemployment Benefits	\$335,073	\$0	(\$55,448)	\$279,625
Net Pension Liability	\$3,600,740	\$0	(\$962,756)	\$2,637,984
Total	<u>\$64,092,620</u>	<u>\$6,318,434</u>	<u>(\$5,124,730)</u>	<u>\$65,286,324</u>

F. Next Year's Budget and Rates

Next Year's Budgets and Rates

Property Taxes

In **2024**, the City's total net assessed property value, which is the amount used to calculate property tax rates for municipal, county, and local education, was **\$2,727,840,308**. Citywide property revaluations were completed in 2020 and 2022, with another scheduled for 2025. Under New Hampshire law, the appointed Assessor(s) must adjust property assessments each year to ensure they remain fair and proportional across the City, and full reappraisals must be done at least once every five years.

When the total assessed property value increases, the tax rate tends to go down. When the assessed value decreases, the tax rate tends to go up.

The property tax rate fills the gap between non-property tax revenues, overall spending, and statutory tax credits or abatements. The total property tax rate is made up of four parts:

1. Municipal (City services)
2. Local school
3. State education
4. County

Appropriations, or the legal authority to spend money, are approved by legislative bodies. For the City, this is the **Lebanon City Council**. For the school portion, it is the **Lebanon School District annual meeting**, and for the county, it is the **Grafton County delegation** (state representatives from Grafton County).

For 2024, the **Municipal Tax Rate** (excluding school and county portions) was set at **\$9.66 per \$1,000 of assessed property value**.

The New Hampshire Department of Revenue Administration sets the tax rate each October. The process involves subtracting non-property tax revenues and available fund balances from total appropriations. For the municipal tax rate, adjustments are added for tax credits and abatements. The result is divided by the total assessed property value to determine the rate per \$1,000.

Tax bills are mailed around **June 1** and **November 1** each year. Interest at **8%** is charged on unpaid bills after 30 days. Within 18 months of assessment (as of April 1), the Tax Collector places a lien on any property with unpaid taxes. This lien takes priority over others and accrues interest at **12%** per year. If the taxes, penalties, and interest are not paid within two years, the property is transferred to the City. The June bill is an estimate based on half of the prior year's tax rate, while the November bill reflects the current year's final tax rate.

Property taxes collected by the City also include amounts for the Lebanon School District and Grafton County. These funds are passed along as required by law, regardless of any abatements or unpaid balances, since the City is ultimately responsible for collecting them.

Service Rates

Landfill Fees: The tipping fee for 2024 was **\$105.00 per ton**.

Water Service Fees: In 2024, water rates increased by **7.2%**, effective January 1, 2024. The base water rate is **\$4.36 per 100 cubic feet** for up to 1,200 cubic feet, and **\$8.73 per 100 cubic feet** for usage over 1,200 cubic feet. Additional fixed charges apply based on meter size.

Sewer Service Fees: In 2024, sewer rates increased by **5.2%**, effective January 1, 2024. The sewer rate is **\$12.60 per 100 cubic feet**, with fixed charges also based on meter size.

The purpose of these rate increases is to prepare for future costs. By setting aside resources now, the City aims to keep future rate increases moderate and ensure the Water and Sewer Funds can cover projected operating and debt expenses between 2025 and 2030. One major financial pressure on these funds is the Combined Sewer Overflow Separation capital project, which will continue to require significant resources.

Labor Force

The 2024 City Budget included **199.63 active full-time equivalent (FTE) positions**:

- **191 full-time positions**
- **8.63 regular part-time positions** (excluding seasonal workers and call firefighters)

Of these, **125 positions (62.6%)** are represented by one of four unions. Positions may be filled or vacant, funded or unfunded, but they cannot be filled unless they are included in the approved budget.

G. 2024 Budget Summary

The **General Fund** makes up **34.52%** of the 2024 City Budget. Other major funds include:

- Solid Waste Disposal Fund: **4.54%**
- Water Treatment and Distribution Fund: **3.96%**
- Sewage Collection and Disposal Fund: **7.16%**
- Municipal Airport Fund: **1.59%**
- Emergency Management Fund: **0.02%**
- Capital Improvements Fund: **47.53%**
- Downtown Tax Increment Financing District (TIFD): **0.59%**
- Enterprise Revolving Properties Fund: **0.10%**

The **general operations budget**, which excludes capital improvements, debt service, and transfers between funds, makes up **40.23%** of the City Budget, or **\$47,702,280**.

Fund	2024 Budget
General	\$ 40,930,390
Solid Waste Disposal	\$ 5,380,950
Water Treatment & Distribution	\$ 4,689,410
Sewage Collection and Disposal	\$ 8,483,400
Municipal Airport	\$ 1,883,710
Emergency Management	\$ 25,000
Capital Improvements	\$ 56,349,650
Heritage Fund	\$ 400
Downtown TIFD	\$ 700,000
Airport TIFD	\$ 10
Enterprise Properties	\$ 118,020
Total	\$ 118,560,940

Expenditures by Function	2024 Budget
Capital Improvements	\$ 56,349,650
Community Development & Preservation	\$ 885,940
Community Services	\$ 2,951,320
Debt Service	\$ 9,861,790
General Government	\$ 11,788,420
Human Services	\$ 1,008,400
Interfund Transfers	\$ 4,647,220
Municipal Services	\$ 6,396,520
Public Safety	\$ 13,186,650
Sanitation	\$ 6,841,700
Transportation	\$ 2,225,810
Water Resources	\$ 2,417,520
Total	\$ 118,560,940

The **2024 Capital Budget** totals **\$56,349,650** and includes 25 projects financed through four different sources. The projects are distributed as follows:

- Infrastructure: **\$46,147,610**
- Vehicles and Equipment: **\$2,146,000**
- Airport Infrastructure: **\$3,878,340**
- Other Projects: **\$4,177,700**

The **2024 City Budget revenues** total **\$112,296,770**, an increase of **\$15,667,390** compared to 2023. Revenue sources include:

- General Fund: **34.1%**
- Capital Improvements Fund: **47.6%**
- Sewage Collection and Disposal Fund: **7.3%**
- Solid Waste Disposal Fund: **4.8%**
- Water Treatment and Distribution Fund: **4.2%**
- Municipal Airport Fund: **1.3%**
- Emergency Management Fund: **0.0%**

- TIFD: **0.6%**
- Enterprise Properties: **0.1%**

The **2024 Budget surplus** is **\$2,521,225** an increase of **\$570,830** from 2023.

Overall, the City of Lebanon remains in a strong financial position, with growing reserves, responsible debt management, and continued investment in capital projects. The City's long-term strategies aim to balance financial stability with meeting the needs of residents now and in the future.

H. Requests for Information

This financial report provides a general overview of the City of Lebanon's finances. Questions about the information included in this report, or requests for additional details, may be directed to:

Finance Director

City Hall

51 North Park Street

Lebanon, New Hampshire 03766

BASIC FINANCIAL STATEMENTS

EXHIBIT A
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 49,007,908	\$ 22,536,778	\$ 71,544,686
Investments	3,878,242	12,328,449	16,206,691
Taxes receivables (net)	2,697,561	-	2,697,561
Account receivables (net)	508,759	931,650	1,440,409
Intergovernmental receivable	1,554,221	5,479,600	7,033,821
Leases receivable	-	1,448,023	1,448,023
Prepaid items	99,247	40,367	139,614
Capital assets:			
Land and construction in progress	27,878,388	15,335,091	43,213,479
Other capital assets, net of depreciation	102,976,554	105,185,518	208,162,072
Total assets	<u>188,600,880</u>	<u>163,285,476</u>	<u>351,886,356</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,137,293</u>	<u>344,597</u>	<u>3,481,890</u>
LIABILITIES			
Accounts payable	1,512,724	487,506	2,000,230
Accrued salaries and benefits	275,992	45,218	321,210
Retainage payable	534,084	278,602	812,686
Contracts payable	2,466,766	489,379	2,956,145
Accrued interest payable	859,899	840,196	1,700,095
Intergovernmental payable	19,340,252	391,881	19,732,133
Escrow and performance deposits	64,348	15,474	79,822
Long-term liabilities:			
Due within one year	4,763,086	4,242,894	9,005,980
Due in more than one year	81,129,609	61,043,430	142,173,039
Total liabilities	<u>110,946,760</u>	<u>67,834,580</u>	<u>178,781,340</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,018,475</u>	<u>5,266,977</u>	<u>9,285,452</u>
NET POSITION			
Net investment in capital assets	83,349,192	71,973,968	155,323,160
Restricted	13,426,907	3,288,082	16,714,989
Unrestricted	<u>(20,003,161)</u>	<u>15,266,466</u>	<u>(4,736,695)</u>
Total net position	<u>\$ 76,772,938</u>	<u>\$ 90,528,516</u>	<u>\$ 167,301,454</u>

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

EXHIBIT B
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2024

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Charges for	Operating Grants and	Capital Grants and	Governmental	Business-type	Total
Expenses	Services	Contributions	Contributions	Activities	Activities	
Governmental activities:						
General government	\$ 13,129,992	\$ 272,155	\$ 410,617	\$ -	\$ (12,447,220)	\$ (12,447,220)
Public safety	13,904,233	1,875,518	165,974	-	(11,862,741)	(11,862,741)
Airport	4,887	-	-	-	(4,887)	(4,887)
Highways and streets	8,797,658	-	4,000	339,526	(8,454,132)	(8,454,132)
Welfare	866,918	-	-	-	(866,918)	(866,918)
Culture and recreation	3,628,113	411,183	48,700	-	(3,168,230)	(3,168,230)
Conservation	397,969	-	164,242	-	(233,727)	(233,727)
Interest on long-term debt	976,398	-	12,388	-	(964,010)	(964,010)
Capital outlay	-	-	1,878,961	2,556	1,881,517	1,881,517
Total governmental activities	41,706,168	2,558,856	2,684,882	342,082	(36,120,348)	(36,120,348)
Business-type activities:						
Sewage collection and disposal	6,098,775	8,433,408	184,459	-	2,519,092	2,519,092
Solid waste disposal	4,235,610	4,959,133	-	-	723,523	723,523
Water treatment and distribution	3,130,522	4,604,094	173,527	-	1,647,099	1,647,099
Municipal airport	2,261,089	930,322	1,742,558	-	411,791	411,791
Total business-type activities	15,725,996	18,926,957	2,100,544	-	5,301,505	5,301,505
Total	\$ 57,432,164	\$ 21,485,813	\$ 4,785,426	\$ 342,082	(36,120,348)	(30,818,843)
General revenues:						
Taxes:						
Property				26,704,888	-	26,704,888
Other				2,926,761	-	2,926,761
Motor vehicle permit fees				3,015,902	-	3,015,902
Licenses and other fees				967,643	-	967,643
Grants and contributions not restricted to specific programs				1,556,037	-	1,556,037
Unrestricted investment earnings				1,111,690	717,877	1,829,567
Miscellaneous				1,853,570	2,651,143	4,504,713
Total general revenues				38,136,491	3,369,020	41,505,511
Contributions to permanent funds				593	-	593
Gain on sale of property				-	60,075	60,075
Transfers				1,608,369	(1,608,369)	-
Total general revenues, contributions, and transfers				39,745,453	1,820,726	41,566,179
Change in net position				3,625,105	7,122,231	10,747,336
Net position, beginning, as restated (see Note 23)				73,147,833	83,406,285	156,554,118
Net position, ending				\$ 76,772,938	\$ 90,528,516	\$ 167,301,454

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
CITY OF LEBANON, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2024

	General	Capital Improvements	Fire Station One Project	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 30,493,902	\$ -	\$ 11,293,283	\$ 5,411,992	\$ 47,199,177
Investments	-	-	-	2,029,714	2,029,714
Taxes receivable	2,847,561	-	-	-	2,847,561
Accounts receivable (net)	447,620	-	-	18,540	466,160
Intergovernmental receivable	20,605	1,086,984	-	-	1,107,589
Interfund receivable	1,366,816	-	-	10,188	1,377,004
Voluntary tax liens	8,932	-	-	-	8,932
Voluntary tax liens reserved until collected	(8,932)	-	-	-	(8,932)
Prepaid items	98,229	-	-	1,018	99,247
Restricted assets:					
Cash and cash equivalents	1,808,731	-	-	-	1,808,731
Investments	1,848,528	-	-	-	1,848,528
Accounts receivable	42,599	-	-	-	42,599
Total assets	<u>\$ 38,974,591</u>	<u>\$ 1,086,984</u>	<u>\$ 11,293,283</u>	<u>\$ 7,471,452</u>	<u>\$ 58,826,310</u>
LIABILITIES					
Accounts payable	\$ 1,296,253	\$ -	\$ -	\$ 216,471	\$ 1,512,724
Accrued salaries and benefits	272,703	-	-	3,289	275,992
Retainage payable	-	323,961	210,123	-	534,084
Contracts payable	-	787,873	1,678,893	-	2,466,766
Intergovernmental payable	19,126,509	213,743	-	-	19,340,252
Interfund payable	-	1,329,934	-	47,070	1,377,004
Escrow and performance deposits	64,348	-	-	-	64,348
Total liabilities	<u>20,759,813</u>	<u>2,655,511</u>	<u>1,889,016</u>	<u>266,830</u>	<u>25,571,170</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,050,934</u>	<u>-</u>	<u>-</u>	<u>290,406</u>	<u>1,341,340</u>
FUND BALANCES (DEFICIT)					
Nonspendable	98,229	-	-	1,912,030	2,010,259
Restricted	25,000	-	9,404,267	2,086,628	11,515,895
Committed	2,266,479	-	-	2,914,704	5,181,183
Assigned	2,930,675	-	-	854	2,931,529
Unassigned (deficit)	11,843,461	(1,568,527)	-	-	10,274,934
Total fund balances (deficit)	<u>17,163,844</u>	<u>(1,568,527)</u>	<u>9,404,267</u>	<u>6,914,216</u>	<u>31,913,800</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,974,591</u>	<u>\$ 1,086,984</u>	<u>\$ 11,293,283</u>	<u>\$ 7,471,452</u>	<u>\$ 58,826,310</u>

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

EXHIBIT C-2
CITY OF LEBANON, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 31,913,800
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 185,306,109	
Less accumulated depreciation	<u>(54,451,167)</u>	
		130,854,942
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 2,838,335	
Deferred inflows of resources related to pensions	(1,261,961)	
Deferred outflows of resources related to OPEB	298,958	
Deferred inflows of resources related to OPEB	<u>(332,894)</u>	
		1,542,438
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (1,377,004)	
Payables	<u>1,377,004</u>	
		-
Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds.		450,818
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(150,000)
Long-term assets (State aid receivable) are not available to pay for current-period expenditures and therefore, are not reported in the governmental funds.		446,632
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(859,899)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 44,440,802	
Notes	7,787,961	
Unamortized bond premium/debt forgiveness	6,214,352	
Compensated absences	2,420,104	
Net pension liability	24,018,661	
Other postemployment benefits liability:		
NHRS	1,472,897	
Single employer	<u>1,071,016</u>	
		(87,425,793)
Net position of governmental activities (Exhibit A)		<u>\$ 76,772,938</u>

EXHIBIT C-3
CITY OF LEBANON, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2024

	General	Capital Improvements	Fire Station One Project	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 28,417,751	\$ -	\$ -	\$ 1,218,038	\$ 29,635,789
Licenses and permits	3,983,545	-	-	-	3,983,545
Intergovernmental	2,986,420	1,712,075	-	149,594	4,848,089
Charges for services	2,059,736	-	-	499,120	2,558,856
Miscellaneous	1,835,871	166,886	-	775,483	2,778,240
Total revenues	<u>39,283,323</u>	<u>1,878,961</u>	<u>-</u>	<u>2,642,235</u>	<u>43,804,519</u>
EXPENDITURES					
Current:					
General government	12,412,673	-	-	357,507	12,770,180
Public safety	12,683,927	-	-	231,970	12,915,897
Airport	4,887	-	-	-	4,887
Highways and streets	5,836,351	-	-	-	5,836,351
Welfare	882,712	-	-	-	882,712
Culture and recreation	2,959,295	-	-	332,984	3,292,279
Conservation	106,501	-	-	272,274	378,775
Debt service:					
Principal	3,442,645	-	-	-	3,442,645
Interest	1,118,322	-	-	-	1,118,322
Capital outlay	-	9,771,133	5,595,733	-	15,366,866
Total expenditures	<u>39,447,313</u>	<u>9,771,133</u>	<u>5,595,733</u>	<u>1,194,735</u>	<u>56,008,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(163,990)</u>	<u>(7,892,172)</u>	<u>(5,595,733)</u>	<u>1,447,500</u>	<u>(12,204,395)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,192,820	1,126,000	-	288,997	3,607,817
Transfers out	(1,499,880)	-	-	(499,568)	(1,999,448)
Bond/note proceeds	-	8,459,105	15,000,000	-	23,459,105
Total other financing sources (uses)	<u>692,940</u>	<u>9,585,105</u>	<u>15,000,000</u>	<u>(210,571)</u>	<u>25,067,474</u>
Net change in fund balances	528,950	1,692,933	9,404,267	1,236,929	12,863,079
Fund balances, beginning, as restated (see Note 23)	16,634,894	(3,261,460)	-	5,677,287	19,050,721
Fund balances, ending	<u>\$ 17,163,844</u>	<u>\$ (1,568,527)</u>	<u>\$ 9,404,267</u>	<u>\$ 6,914,216</u>	<u>\$ 31,913,800</u>

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

EXHIBIT C-4
CITY OF LEBANON, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2024

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances of governmental funds (Exhibit C-3) \$ 12,863,079

Governmental funds report capital outlays as expenditures, while governmental activities
report depreciation expense to allocate those expenditures over the life of the assets.
Capital outlay expenditures exceeded depreciation expense in the current year,
as follows:

Capitalized capital outlay	\$ 15,186,081	
Disposal of capital assets	(129,458)	
Depreciation expense	<u>(3,989,938)</u>	
		11,066,685

Transfers in and out between governmental funds are eliminated
on the Statement of Activities.

Transfers in	\$ (1,999,448)	
Transfers out	<u>1,999,448</u>	
		-

Revenue in the Statement of Activities that does not provide current financial
resources is not reported as revenue in the governmental funds.

Change in deferred tax revenue	\$ (50,501)	
Decrease in deferred aid revenue	<u>(31,114)</u>	
		(81,615)

Bond and other debt proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment
of bond and other debt principal is an expenditure in the governmental funds, but
repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental
funds report the effect of premiums and similar items when debt is first issued, whereas
these amounts are deferred and amortized in the Statement of Activities.

Proceeds of debt	\$ (21,368,869)	
Bond premium on new issuance	(2,090,236)	
Recognition of principal forgiveness	132,220	
Repayment of bond principal	2,889,839	
Repayment of note/loan principal	552,805	
Amortization of bond premium	<u>213,136</u>	
		(19,671,105)

Some expenses reported in the Statement of Activities do not require the use of current
financial resources, and therefore, are not reported as expenditures in governmental funds.

Increase in accrued interest expense	\$ (203,431)	
Increase in compensated absences	(69,769)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(522,821)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>244,082</u>	
		(551,939)

Changes in net position of governmental activities (Exhibit B)

\$ 3,625,105

EXHIBIT D
CITY OF LEBANON, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 28,145,280	\$ 28,367,250	\$ 221,970
Licenses and permits	3,725,150	3,983,545	258,395
Intergovernmental	2,104,914	2,120,525	15,611
Charges for services	1,843,820	2,059,736	215,916
Miscellaneous	813,380	1,085,421	272,041
Total revenues	<u>36,632,544</u>	<u>37,616,477</u>	<u>983,933</u>
EXPENDITURES			
Current:			
General government	12,510,960	11,329,468	1,181,492
Public safety	13,185,970	12,653,064	532,906
Highways and streets	5,723,110	5,742,265	(19,155)
Welfare	1,008,400	882,712	125,688
Culture and recreation	3,009,640	3,025,154	(15,514)
Conservation	12,120	12,188	(68)
Debt service:			
Principal	3,442,700	3,442,645	55
Interest	<u>1,126,270</u>	<u>1,118,322</u>	<u>7,948</u>
Total expenditures	<u>40,019,170</u>	<u>38,205,818</u>	<u>1,813,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,386,626)</u>	<u>(589,341)</u>	<u>2,797,285</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,192,820	2,192,820	-
Transfers out	<u>(911,220)</u>	<u>(1,187,280)</u>	<u>(276,060)</u>
Total other financing sources (uses)	<u>1,281,600</u>	<u>1,005,540</u>	<u>(276,060)</u>
Net change in fund balances	<u>\$ (2,105,026)</u>	416,199	<u>\$ 2,521,225</u>
Increase in nonspendable fund balance		(51,865)	
Decrease in assigned fund balance (non-encumbrance)		10,204	
Unassigned fund balance, beginning, as restated (see Note 23)		<u>11,769,741</u>	
Unassigned fund balance, ending		<u>\$ 12,144,279</u>	

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

EXHIBIT E-1
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Funds
Statement of Net Position
December 31, 2024

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
ASSETS					
Current:					
Cash and cash equivalents	\$ 7,707,810	\$ 4,394,210	\$ 9,527,342	\$ 907,416	\$ 22,536,778
Investments	1,199,793	9,543,245	1,555,160	30,251	12,328,449
Accounts receivable	173,254	540,899	125,348	92,149	931,650
Intergovernmental receivable	4,101,481	48,104	399,187	930,828	5,479,600
Leases receivable	-	-	-	1,448,023	1,448,023
Prepaid items	-	385	-	39,982	40,367
Noncurrent:					
Capital assets, not being depreciated	702,954	6,996,452	4,299,246	3,336,439	15,335,091
Capital assets, net of accumulated depreciation	56,108,615	9,521,777	29,392,250	10,162,876	105,185,518
Total assets	69,993,907	31,045,072	45,298,533	16,947,964	163,285,476
DEFERRED OUTFLOWS OF RESOURCES	100,517	106,697	83,619	53,764	344,597
LIABILITIES					
Current liabilities:					
Accounts payable	211,955	60,528	109,449	105,574	487,506
Accrued salaries and benefits	13,100	12,623	11,576	7,919	45,218
Retainage payable	77,785	-	100,219	100,598	278,602
Contract payable	2,132	358,027	129,220	-	489,379
Accrued interest payable	418,767	55,122	334,222	32,085	840,196
Intergovernmental payable	160,308	48,104	183,469	-	391,881
Escrow and performance deposits	-	-	-	15,474	15,474
Long-term liabilities:					
Due within one year	2,276,113	373,092	1,459,723	133,966	4,242,894
Due in more than one year	24,307,848	16,463,621	18,538,242	1,733,719	61,043,430
Total liabilities	27,468,008	17,371,117	20,866,120	2,129,335	67,834,580
DEFERRED INFLOWS OF RESOURCES	1,413,273	59,251	1,777,126	2,017,327	5,266,977
NET POSITION					
Net investment in capital assets	31,162,954	14,244,105	14,422,486	12,144,423	71,973,968
Restricted	-	-	3,154,055	134,027	3,288,082
Unrestricted	10,050,189	(522,704)	5,162,365	576,616	15,266,466
Total net position	\$ 41,213,143	\$ 13,721,401	\$ 22,738,906	\$ 12,855,066	\$ 90,528,516

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

EXHIBIT E-2
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Operating revenues:					
User charges	\$ 8,433,408	\$ 4,959,133	\$ 4,569,818	\$ 930,322	\$ 18,892,681
Other sales	-	80,460	-	-	80,460
Fees and interest	-	34,276	-	-	34,276
Intergovernmental revenues	184,459	-	173,527	1,742,558	2,100,544
Miscellaneous	156,179	1,083,822	615,042	715,640	2,570,683
Total operating revenues	<u>8,774,046</u>	<u>6,157,691</u>	<u>5,358,387</u>	<u>3,388,520</u>	<u>23,678,644</u>
Operating expenses:					
Salaries and wages	1,173,581	1,193,431	958,027	699,076	4,024,115
Operation and maintenance	1,635,092	963,205	124,173	411,111	3,133,581
Contractual services	80,620	588,465	88,667	102,350	860,102
Materials and supplies	864,863	567,270	659,238	269,550	2,360,921
Depreciation and amortization	1,680,702	820,877	938,220	701,630	4,141,429
Total operating expenses	<u>5,434,858</u>	<u>4,133,248</u>	<u>2,768,325</u>	<u>2,183,717</u>	<u>14,520,148</u>
Operating gain	<u>3,339,188</u>	<u>2,024,443</u>	<u>2,590,062</u>	<u>1,204,803</u>	<u>9,158,496</u>
Nonoperating revenue (expense):					
Interest income	287,249	140,884	248,152	41,592	717,877
Gain on sale of property	-	60,075	-	-	60,075
Interest expense	(661,461)	(70,863)	(356,102)	(77,310)	(1,165,736)
Investment fees	(2,456)	(31,499)	(6,095)	(62)	(40,112)
Total nonoperating revenue (expense)	<u>(376,668)</u>	<u>98,597</u>	<u>(114,045)</u>	<u>(35,780)</u>	<u>(427,896)</u>
Other financing sources (uses):					
Transfers in	-	-	309,540	53,400	362,940
Transfers out	(615,588)	(908,588)	(343,943)	(103,190)	(1,971,309)
Total other financing sources (uses)	<u>(615,588)</u>	<u>(908,588)</u>	<u>(34,403)</u>	<u>(49,790)</u>	<u>(1,608,369)</u>
Change in net position	2,346,932	1,214,452	2,441,614	1,119,233	7,122,231
Net position, beginning, as restated (see Note 23)	38,866,211	12,506,949	20,297,292	11,735,833	83,406,285
Net position, ending	<u>\$ 41,213,143</u>	<u>\$ 13,721,401</u>	<u>\$ 22,738,906</u>	<u>\$ 12,855,066</u>	<u>\$ 90,528,516</u>

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

EXHIBIT E-3
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 8,533,647	\$ 6,192,143	\$ 5,078,570	\$ 1,612,828	\$ 21,417,188
Intergovernmental revenues	427,614	-	132,649	1,710,986	2,271,249
Payments to employees	(2,158,291)	(1,070,017)	(883,435)	(761,461)	(4,873,204)
Payments to suppliers	(2,792,880)	(1,263,772)	(871,328)	(765,814)	(5,693,794)
Net cash provided by operating activities	4,010,090	3,858,354	3,456,456	1,796,539	13,121,439
Cash flows from capital and related financing activities:					
State revolving loan proceeds	160,308	48,104	183,469	-	391,881
Bond and bond premium proceeds	165,770	353,662	4,898,273	-	5,417,705
Principal paid on bonds and notes	(2,255,565)	(436,493)	(1,172,993)	(137,867)	(4,002,918)
Acquisition and construction of fixed assets	(657,436)	(2,944,743)	(1,607,590)	(1,580,015)	(6,789,784)
Interest paid	(726,683)	(52,342)	(454,773)	(71,853)	(1,305,651)
Sale of town owned property	-	60,075	-	-	60,075
Net cash provided by (used for) non-capital financing activities	(3,313,606)	(2,971,737)	1,846,386	(1,789,735)	(6,228,692)
Cash flows from non-capital financing activities:					
Operating transfers in	-	-	309,540	53,400	362,940
Operating transfers out	(615,588)	(908,588)	(343,943)	(103,190)	(1,971,309)
Net cash used for capital and related financing activities	(615,588)	(908,588)	(34,403)	(49,790)	(1,608,369)
Cash flows from investing activities:					
Purchase of investments	(92,487)	(719,354)	(355,741)	(1,455)	(1,169,037)
Interest received	287,249	140,884	248,152	41,592	717,877
Investment fees	(2,456)	(31,499)	(6,095)	(62)	(40,112)
Net cash used for investing activities	192,306	(609,969)	(113,684)	40,075	(491,272)
Net increase/decrease in cash	273,202	(631,940)	5,154,755	(2,911)	4,793,106
Cash, beginning	7,434,608	5,026,150	4,372,587	910,327	17,743,672
Cash, ending	\$ 7,707,810	\$ 4,394,210	\$ 9,527,342	\$ 907,416	\$ 22,536,778

(Continued)

EXHIBIT E-3 (Continued)
CITY OF LEBANON, NEW HAMPSHIRE
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				
	Enterprise Funds				
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total
<i>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</i>					
Operating gain	\$ 3,339,188	\$ 2,024,443	\$ 2,590,062	\$ 1,204,803	\$ 9,158,496
Adjustments to reconcile operating gain to net cash used by operating activities:					
Depreciation expense	1,680,702	820,877	938,220	701,630	4,141,429
Change in other receivables	(62,890)	81,580	(106,290)	(34,970)	(122,570)
Change in intergovernmental receivables	243,155	(48,104)	(40,878)	(170,731)	(16,558)
Change in lease receivable	-	-	-	150,011	150,011
Change in deferred inflows related to leases	-	-	-	(150,597)	(150,597)
Change in prepaid items	-	(385)	750	17,197	17,562
Change in deferred outflows related to pensions	188,303	31,528	36,944	22,739	279,514
Change in deferred outflows related to OPEB	2,802	(1,910)	(708)	(521)	(337)
Change in accounts and intergovernmental payable	(232,469)	(13,911)	44,349	60,481	(141,550)
Change in accrued salaries and benefits	13,100	12,623	11,576	7,919	45,218
Change in escrow deposits	(212,305)	-	-	1,836	(210,469)
Change in compensated absences	15,715	17,771	5,951	5,739	45,176
Change in accrued landfill closure and postclosure care costs	-	855,553	-	-	855,553
Change in net pension liability	(931,108)	36,980	(45,533)	(23,095)	(962,756)
Change in other postemployment benefits	(59,773)	7,067	(2,052)	(690)	(55,448)
Change in deferred assessments	6,950	976	-	(10,852)	(2,926)
Change in deferred inflows related to pensions	24,544	35,636	27,232	17,567	104,979
Change in deferred inflows related to OPEB	(5,824)	(2,370)	(3,167)	(1,927)	(13,288)
Total adjustments	670,902	1,833,911	866,394	591,736	3,962,943
Net cash provided by operating activities	\$ 4,010,090	\$ 3,858,354	\$ 3,456,456	\$ 1,796,539	\$ 13,121,439

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

EXHIBIT F-1
CITY OF LEBANON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2024

	Private Purpose Trust	Custodial Funds				Total
		Taxes	Trust Funds	School Impact Fees	State of NH Motor Vehicle	
ASSETS						
Cash and cash equivalents	\$ 35,488	\$ -	\$ 402,114	\$ 50,241	\$ -	\$ 487,843
Investments	1,912,286	-	2,108,435	-	-	4,020,721
Intergovernmental receivables	-	18,683,345	-	-	-	18,683,345
Total assets	1,947,774	18,683,345	2,510,549	50,241	-	23,191,909
LIABILITIES						
Intergovernmental payables:						
School	-	18,683,345	-	46,642	-	18,729,987
NET POSITION						
Unrestricted	\$ 1,947,774	\$ -	\$ 2,510,549	\$ 3,599	\$ -	\$ 4,461,922

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

EXHIBIT F-2
CITY OF LEBANON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2024

	Private Purpose Trust	Custodial Funds				Total
		Taxes	Trust Funds	School Impact Fees	State of NH Motor Vehicle	
ADDITIONS						
Contributions	\$ 18,357	\$ -	\$ 600,000	\$ 197,032	\$ -	\$ 815,389
Investment earnings	171,044	-	129,739	5,269	-	306,052
Taxes collected for other governments	-	45,159,865	-	-	-	45,159,865
Fees collected for the State of New Hampshire	-	-	-	-	827,376	827,376
Total additions	189,401	45,159,865	729,739	202,301	827,376	47,108,682
DEDUCTIONS						
Benefits paid	40,657	-	2,264,738	205,242	-	2,510,637
Administrative expenses	10,536	-	10,733	-	-	21,269
Payments of taxes to other governments	-	45,159,865	-	-	-	45,159,865
Payments of motor vehicle fees to State	-	-	-	-	827,376	827,376
Total deductions	51,193	45,159,865	2,275,471	205,242	827,376	48,519,147
Change in fiduciary net position	138,208	-	(1,545,732)	(2,941)	-	(1,410,465)
Net position, beginning	1,809,566	-	4,056,281	6,540	-	5,872,387
Net position, ending	\$ 1,947,774	\$ -	\$ 2,510,549	\$ 3,599	\$ -	\$ 4,461,922

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

CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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CITY OF LEBANON, NEW HAMPSHIRE
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AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lebanon, New Hampshire (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units, hereafter referred to as generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The City of Lebanon's significant accounting policies are described below.

1-A Reporting Entity

The City of Lebanon is a municipal corporation governed by an elected City Council. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*. The City has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Governmental activities normally are supported through property taxes and intergovernmental revenues, while business-type activities are supported by user charges and fees.

The *Statement of Net Position* presents the financial position of the City at year-end. This Statement includes all of the City's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, with the difference being reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) operating grants and contributions, and 3) capital grants and contributions. Property taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds and are presented in the other governmental column of the fund financial statements.

The effect of interfund activity has been eliminated from the government-wide financial statements.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities including compensated absences and claims and judgments, are recorded only when payment is mature and due.

Financial Statement Presentation – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The City reports the following major governmental funds:

General Fund – is the City’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants, and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the expendable trust, grants, emergency management, Heritage, restricted, Community Development Block Grant, and American Rescue Plan Act funds are consolidated in the general fund.

Capital Improvements Fund – accounts for activity pertaining to multiple construction and renovation projects that are not reported in other funds.

Fire Station One Project Fund – accounts for activity pertaining to the project to renovate Fire Station One.

Additionally, the City reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Fund – is used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds including the City’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The City reports fifteen nonmajor governmental funds.

Proprietary Fund Financial Statements – Include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Sewage Collection and Disposal Fund – accounts for the operation of the wastewater treatment plant and the maintenance and replacement of the wastewater collection system and pump stations.

Solid Waste Disposal Fund – accounts for the operation and maintenance of the landfill, recycling facilities, and hazardous waste processing.

Water Treatment and Distribution Fund – accounts for the operation of the water treatment facilities, maintenance, and replacement of distribution system, water tanks, and pump stations.

Municipal Airport Fund – accounts for the operation and maintenance of the Lebanon Municipal Airport.

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Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds are private purpose trust and custodial funds. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The City reports the following fiduciary funds:

Private Purpose Trust Fund – is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Custodial Funds – are custodial in nature and do not involve the measurement of operating results. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

1-D Cash and Cash Equivalents

The City considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

New Hampshire statutes require that the City treasurer have custody of all money belonging to the City and pay out the same only upon orders of the City Council. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the State. Funds may be deposited in banks outside the State if such banks pledge and deliver to a third-party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Restricted Assets

Restricted assets occur when statutory limitation is placed on the use of the assets as they are earmarked for a specific purpose and are unavailable for general use.

1-F Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

1-G Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the City to invest in the following type of obligations:

- Obligations of the United States government;
- The public deposit investment pool established pursuant to RSA 383:22;
- Savings bank deposits; and
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the City. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Fair Value Measurement of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using the net asset value (NAV) as a practical expedient to estimate fair value, the City categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP.

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The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Quoted prices for identical investments in active markets;

Level 2 – Observable inputs other than those in Level 1; and

Level 3 – Unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level of the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the City and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

1-H Receivables

Receivables in the government-wide and governmental and proprietary fund financial statements represent amounts due to the City at June 30, and are recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

1-I Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expended/expensed as the items are used.

1-J Capital Assets

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$10,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. Capital assets are assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized as assets in the government-wide Statement of Net Position. Capital assets of the proprietary fund are capitalized in the fund and the cost basis for the proprietary fund capital assets is the same as that used for general capital assets.

In the government-wide and proprietary fund financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Capital Asset Classes:	
Land improvements	20 - 30
Buildings and building improvements	20 - 30
Machinery and equipment	5 - 25
Infrastructure	50

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1-K Interfund Activities

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers - Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-L Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 16, 2024, and October 15, 2024, and were due on July 1, 2024, and December 1, 2024. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

In connection with the setting of the tax rate, City officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable taxes at year-end. The property taxes collected by the City include taxes levied for the State of New Hampshire, Lebanon School District, and Grafton County, which are remitted to these entities as required by law.

The City net assessed valuation as of April 1, 2024, utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 2,727,840,308
Total assessment valuation without utilities	\$ 2,617,067,508

The tax rates and amounts assessed for the year ended December 31, 2024, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 9.66	\$ 26,362,726
School portion:		
State of New Hampshire	1.49	3,887,760
Local	13.83	37,729,319
County portion	1.30	3,542,786
Total	<u>\$ 26.28</u>	<u>\$ 71,522,591</u>

1-M Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until that time. The City has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

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1-N Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and business-type activities and proprietary funds Statements of Net Position. Bond premiums are deferred and amortized over the life of the bond using the straight-line method.

In the fund financial statements, governmental fund types report bond premiums, and bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the City utilizes the following classifications to categorize the financial transactions:

Direct Borrowings – financial transactions for a note or a loan where the City negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the City engages with a single buyer or limited number of buyers without a public offering.

1-O Compensated Absences

Vacation - The City's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the City's personnel policy or collective bargaining agreement. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick Leave – Benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable the benefits will result in termination payments. The liability is based on the City's experience of making termination payments.

1-P Leases

Lessor- The City is a lessor for several noncancellable leases of airport land and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

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1-Q Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-R Postemployment Benefits Other Than Pensions (OPEB)

The City maintains two separate other postemployment benefit plans, as follows:

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-S Net Position/Fund Balances

In the government-wide, proprietary fund, and fiduciary fund financial statements, net position is reported in the following categories:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future period.

Unrestricted Net Position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (City Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council through the budgetary process.

Unassigned – The portion of fund balance that has not been restricted, committed, or assigned for a specific purpose. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

It is the goal of the City to maintain an unassigned fund balance of 19% to 24% of current general fund budgeted expenditure activity. The City considers a balance of less than 19% to be a cause for concern and, taking into account factors or circumstances that may require a higher than normal maximum level of unassigned fund balance, a balance of more than 24% as excessive. An amount in excess of 24% may be considered to reduce tax levy requirements determined in conjunction with the annual budget process, as a capital improvement funding component, for reservation to accumulate funding for future capital improvements, or for any legal purpose deemed appropriate and desirable by the City Council. In the event unassigned fund balance is less than 15%, restorative steps shall be taken in the immediate and subsequent fiscal years.

1-T Use of Estimates

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations. The City Council adopts a budget for the current year for the general, emergency management, and capital improvement governmental funds, as well as sewage collection and disposal, solid waste disposal, water treatment and distribution, and municipal airport proprietary funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2024, \$1,998,026 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, the City authorized the use of \$107,000 of unassigned fund balance to be used to establish and fund the Urban Forestry Trust Fund.

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2-B Budgetary Reconciliation to GAAP Basis

While the City reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 39,809,297
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record income of the blended funds	1,616,345
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	50,501
Per Exhibit C-3 (GAAP basis)	<u>\$ 41,476,143</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 39,393,098
Adjustment:	
Basis differences:	
Encumbrances, beginning	1,778,933
Encumbrances, ending	(1,897,897)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	1,360,459
To eliminate transfers between general and blended funds	(382,400)
To recognize transfers out of the blended funds	695,000
Per Exhibit C-3 (GAAP basis)	<u>\$ 40,947,193</u>

2-C Deficit Fund Balance

The capital improvements fund had a deficit fund balance of \$1,568,527 at December 31, 2024. This deficit will be financed through future bond/note proceeds as well as transfers from the expendable trust funds.

2-D Changes in Accounting Principles

During the fiscal year, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. This statement will improve the clarity and consistency of the accounting and financial reporting requirements for accounting changes and error corrections.

Also, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The City's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the City's agent in the City's name. The FDIC currently insures the first \$250,000 of the City's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the City's deposits was \$72,032,529 and the bank balances totaled \$72,191,416. Petty cash totaled \$2,590.

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Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 71,544,686
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit F-1)	487,843
Total cash and cash equivalents	<u>\$ 72,032,529</u>

NOTE 4 – RESTRICTED ASSETS

Certain City cash and investments are restricted for the following purposes:

Cash and cash equivalents:	
General fund:	
Expendable trust	\$ 375,370
Grants	38,937
Emergency management	207,324
Heritage	32,360
Restricted funds	1,154,244
American Rescue Plan Act	496
Total restricted cash and cash equivalents	<u>1,808,731</u>
Investments:	
General fund:	
Expendable trust	<u>1,848,528</u>
Accounts receivable:	
General fund:	
Grants	42,599
Total restricted assets	<u>\$ 3,699,858</u>

NOTE 5 – INVESTMENTS

Note 1-G describes statutory requirements covering the investment of the City funds. The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of December 31, 2024:

Investment type:	Valuation Measurement Method	Reported Balance	Less Than 1 Year	1-5 Years	Exempt from Disclosure
Equity mutual funds	Level 1	\$ 1,868,531	\$ -	\$ -	\$ 1,868,531
Fixed income mutual funds	Level 1	6,504,857	-	-	6,504,857
U.S. Government agency bonds	Level 2	4,751,847	963,867	3,787,980	-
U.S. Treasury obligations	Level 1	7,102,177	2,058,765	5,043,412	-
Total fair value		<u>\$ 20,227,412</u>	<u>\$ 3,022,632</u>	<u>\$ 8,831,392</u>	<u>\$ 8,373,388</u>

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City's Trustees of Trust Funds investment policy limits investment maturities for capital reserve funds to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The City's Trustees of Trust Funds investment policy limits capital reserve investments to the highest grade domestic fixed investments (U.S. treasuries and agencies) and/or in a suitable money market fund or mutual fund, including exchange traded funds, as a means of managing credit risk. For trust funds, the policy specifies that not more than 50%, nor less than 30%, of the portfolio should be invested in equities; of which not more than 90%, nor less than 70%, in an S&P 500 Index fund, 10% to 30%

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international index funds and 0% to 15% in small- and mid-cap index funds. Not more than 70% nor less than 50% of the portfolio should be invested in diversified fixed income pools or funds representative of the broad U.S. government and corporate market. The cash balance, which composes the rest, should range between 0% and 10% of the total trust fund balance.

As of December 31, 2024, the City's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure	Ratings as of Year-end AA+
Investment type:			
Equity mutual funds	\$ 1,868,531	\$ 1,868,531	\$ -
Fixed income mutual funds	6,504,857	6,504,857	-
U.S. Government agency bonds	4,751,847	-	4,751,847
U.S. Treasury obligations	7,102,177	-	7,102,177
Total fair value	<u>\$ 20,227,412</u>	<u>\$ 8,373,388</u>	<u>\$ 11,854,024</u>

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have custodial credit risk policies for investments.

Concentration of Credit Risk – The City's Trustees of Trust Funds investment policy limits the amount it may invest in any one issuer to not more than 10% of the total trust fund balance, excepting U.S. obligations and mutual funds. There are no issuers that exceeded 5% of the City's total investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 16,206,691
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit F-1)	4,020,721
Total investments	<u>\$ 20,227,412</u>

NOTE 6 – TAXES RECEIVABLE

Taxes receivables represent the amount of current and prior year taxes which have not been collected as of December 31, 2024. The amount has been reduced by an allowance for an estimated uncollectible amount of \$150,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2024	\$ 2,472,808	\$ 2,472,808
Unredeemed (under tax lien):		
Levy of 2023	230,062	230,062
Levy of 2022	124,716	124,716
Levies of 2021 and prior	14,505	14,505
Yield	5,470	5,470
Less: allowance for estimated uncollectible taxes	(150,000) *	-
Net taxes receivable	<u>\$ 2,697,561</u>	<u>\$ 2,847,561</u>

NOTE 7 – RECEIVABLES

Receivables at December 31, 2024, consisted of accounts (billings for police details, water, sewer, ambulance, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

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Receivables as of December 31, 2024 for the City's individual major funds and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total Government-wide		
Receivables:					
Accounts	\$ 2,320,758	\$ 931,650	\$ 3,252,408		
Intergovernmental	1,554,221	5,479,600	7,033,821		
Voluntary tax liens	8,932	-	8,932		
Gross receivables	3,883,911	6,411,250	10,295,161		
Less: allowance for uncollectibles	(1,820,931)	-	(1,820,931)		
Net total receivables	<u>\$ 2,062,980</u>	<u>\$ 6,411,250</u>	<u>\$ 8,474,230</u>		
Proprietary Funds					
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport	Total Proprietary Funds
Receivables:					
Accounts	\$ 173,254	\$ 540,899	\$ 125,348	\$ 92,149	\$ 931,650
Intergovernmental	4,101,481	48,104	399,187	930,828	5,479,600
Net total receivables	<u>\$ 4,274,735</u>	<u>\$ 589,003</u>	<u>\$ 524,535</u>	<u>\$ 1,022,977</u>	<u>\$ 6,411,250</u>
Governmental Funds					
	General	Capital Improvements	Nonmajor	Total Governmental Funds	Fiduciary Funds
Receivables:					
Accounts	\$ 2,259,619	\$ -	\$ 18,540	\$ 2,278,159	\$ -
Restricted	42,599	-	-	42,599	-
Intergovernmental	20,605	1,086,984	-	1,107,589	18,683,345 ¹
Voluntary tax liens	8,932	-	-	8,932	-
Gross receivables	2,331,755	1,086,984	18,540	3,437,279	18,683,345
Less: allowance for uncollectibles	(1,820,931)	-	-	(1,820,931)	-
Net total receivables	<u>\$ 510,824</u>	<u>\$ 1,086,984</u>	<u>\$ 18,540</u>	<u>\$ 1,616,348</u>	<u>\$ 18,683,345</u>

¹ Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Lebanon School District. These amounts are collected and are part of the City's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 12.

NOTE 8 – PREPAID ITEMS

Prepaid items at December 31, 2024 consisted of the following:

Government-wide Statements		Governmental Funds		Proprietary Funds		
Governmental Activities	Business-type Activities	General	Other Governmental Funds	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
<u>\$ 99,247</u>	<u>\$ 40,367</u>	<u>\$ 98,229</u>	<u>\$ 1,018</u>	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 39,982</u>

CITY OF LEBANON, NEW HAMPSHIRE
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NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 consisted of the following:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 8,694,454	\$ -	\$ -	\$ 8,694,454
Intangible assets	605,020	120,502	-	725,522
Construction in progress	7,184,728	13,514,582	(2,240,898)	18,458,412
Total capital assets not being depreciated	<u>16,484,202</u>	<u>13,635,084</u>	<u>(2,240,898)</u>	<u>27,878,388</u>
Being depreciated:				
Land improvements	5,696,389	52,020	-	5,748,409
Buildings and building improvements	33,662,100	-	(673,703)	32,988,397
Machinery and equipment	16,307,158	2,646,343	(324,195)	18,629,306
Infrastructure	98,968,077	1,093,532	-	100,061,609
Total capital assets being depreciated	<u>154,633,724</u>	<u>3,791,895</u>	<u>(997,898)</u>	<u>157,427,721</u>
Total all capital assets	<u>171,117,926</u>	<u>17,426,979</u>	<u>(3,238,796)</u>	<u>185,306,109</u>
Less accumulated depreciation:				
Land improvements	(2,722,075)	(102,824)	-	(2,824,899)
Buildings and building improvements	(10,689,854)	(651,470)	583,958	(10,757,366)
Machinery and equipment	(8,645,821)	(1,309,136)	284,482	(9,670,475)
Infrastructure	(29,271,919)	(1,926,508)	-	(31,198,427)
Total accumulated depreciation	<u>(51,329,669)</u>	<u>(3,989,938)</u>	<u>868,440</u>	<u>(54,451,167)</u>
Net book value, capital assets being depreciated	<u>103,304,055</u>	<u>(198,043)</u>	<u>(129,458)</u>	<u>102,976,554</u>
Net book value, all governmental activities capital assets	<u>\$ 119,788,257</u>	<u>\$ 13,437,041</u>	<u>\$ (2,370,356)</u>	<u>\$ 130,854,942</u>
Business-type activities:				
At cost:				
Not being depreciated:				
Land	\$ 809,968	\$ -	\$ -	\$ 809,968
Intangible assets	635,054	65,486	-	700,540
Construction in progress	10,387,105	5,285,765	(1,848,287)	13,824,583
Total capital assets not being depreciated	<u>11,832,127</u>	<u>5,351,251</u>	<u>(1,848,287)</u>	<u>15,335,091</u>
Being depreciated:				
Land improvements	45,706,954	17,400	-	45,724,354
Buildings and building improvements	47,894,110	-	-	47,894,110
Machinery and equipment	12,278,743	1,809,595	(904,284)	13,184,054
Infrastructure	88,007,494	2,006,277	-	90,013,771
Total capital assets being depreciated	<u>193,887,301</u>	<u>3,833,272</u>	<u>(904,284)</u>	<u>196,816,289</u>
Total all capital assets	<u>205,719,428</u>	<u>9,184,523</u>	<u>(2,752,571)</u>	<u>212,151,380</u>
Less accumulated depreciation:				
Land improvements	(35,530,762)	(860,153)	-	(36,390,915)
Buildings and building improvements	(18,231,294)	(854,035)	-	(19,085,329)
Machinery and equipment	(6,279,972)	(758,493)	739,728	(6,298,737)
Infrastructure	(28,187,042)	(1,668,748)	-	(29,855,790)
Total accumulated depreciation	<u>(88,229,070)</u>	<u>(4,141,429)</u>	<u>739,728</u>	<u>(91,630,771)</u>
Net book value, capital assets being depreciated	<u>105,658,231</u>	<u>(308,157)</u>	<u>(164,556)</u>	<u>105,185,518</u>
Net book value, all business-type activities capital assets	<u>\$ 117,490,358</u>	<u>\$ 5,043,094</u>	<u>\$ (2,012,843)</u>	<u>\$ 120,520,609</u>

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Depreciation expense was charged to functions of the City based on their usage of the related assets. The amounts allocated to each function are as follows:

Governmental activities:	
General government	\$ 136,052
Public safety	769,212
Highways and streets	2,752,313
Culture and recreation	313,167
Conservation	19,194
Total depreciation expense	<u>\$ 3,989,938</u>
Business-type activities:	
Sewage collection and disposal	\$ 1,680,702
Solid waste disposal	820,877
Water treatment and distribution	938,220
Municipal airport	701,630
Total depreciation expense	<u>\$ 4,141,429</u>

NOTE 10 – INTERFUND BALANCES AND TRANSFERS

Interfund balances for the year ended December 31, 2024 are as follows:

Receivable Fund	Payable Fund	Amount
General	Capital improvements	\$ 1,329,934
General	Nonmajor governmental	36,882
Nonmajor governmental	Nonmajor governmental	10,188
		<u>\$ 1,377,004</u>

Interfund transfers during the year ended December 31, 2024 are as follows:

	Transfers In	Transfers Out	Cumulative Transfers
Major governmental funds:			
General	\$ 2,192,820	\$ (1,499,880)	\$ 692,940
Capital improvements	1,126,000	-	1,126,000
Nonmajor governmental funds	288,997	(499,568)	(210,571)
Total governmental funds	<u>3,607,817</u>	<u>(1,999,448)</u>	<u>1,608,369</u>
Major proprietary funds:			
Sewage collection and disposal	-	(615,588)	(615,588)
Solid waste disposal	-	(908,588)	(908,588)
Water treatment and distribution	309,540	(343,943)	(34,403)
Municipal airport	53,400	(103,190)	(49,790)
Total proprietary funds	<u>362,940</u>	<u>(1,971,309)</u>	<u>(1,608,369)</u>
Total	<u>\$ 3,970,757</u>	<u>\$ (3,970,757)</u>	<u>\$ -</u>

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities reported at December 31, 2024, were as follows:

	Governmental Funds		Proprietary Funds			
	General	Nonmajor	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
Payroll	<u>\$ 272,703</u>	<u>\$ 3,289</u>	<u>\$ 13,100</u>	<u>\$ 12,623</u>	<u>\$ 11,576</u>	<u>\$ 7,919</u>

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NOTE 12 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at December 31, 2024 consist of the following:

	Governmental Activities	Business-type Activities	Total Government-wide	Fiduciary Funds
Property taxes due to the custodial funds	\$ 18,683,345 ²	\$ -	\$ 18,683,345	\$ -
Balance due to the New Hampshire Retirement System	428,718	-	428,718	-
Fees due to the State of New Hampshire	12,072	-	12,072	-
Other miscellaneous intergovernmental payables	2,374	-	2,374	-
State of New Hampshire - SRF drawdown requests	213,743	391,881	605,624	-
Impact fees owed to the Lebanon School District	-	-	-	46,642
Property taxes due to the Lebanon School District	-	-	-	18,683,345 ³
Total intergovernmental payables due	<u>\$ 19,340,252</u>	<u>\$ 391,881</u>	<u>\$ 19,732,133</u>	<u>\$ 18,729,987</u>

	Governmental Funds		Total Governmental Funds
	General	Capital Improvements	
Property taxes due to the custodial funds	\$ 18,683,345 ²	\$ -	\$ 18,683,345
Balance due to the New Hampshire Retirement System	428,718	-	428,718
Fees due to the State of New Hampshire	12,072	-	12,072
Other miscellaneous intergovernmental payables	2,374	-	2,374
State of New Hampshire - SRF drawdown requests	-	213,743	213,743
Total intergovernmental payables due	<u>\$ 19,126,509</u>	<u>\$ 213,743</u>	<u>\$ 19,340,252</u>

	Proprietary Funds			Total Proprietary Funds
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	
State of New Hampshire - SRF drawdown requests	\$ 160,308	\$ 48,104	\$ 183,469	\$ 391,881

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

³ Property taxes due to the Lebanon School District represent amounts collected by the City that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 13 – CONSTRUCTION COMMITMENTS

The City has active construction projects as of December 31, 2024. The projects include street construction, water and sewer improvements, sidewalk construction, and other capital improvements. At year-end, the City's commitments with contractors for work are as follows:

	Retainage Payable	Contracts Payable
Governmental funds:		
Capital improvements	\$ 323,961	\$ 787,873
Fire station one project	210,123	1,678,893
Total governmental funds	<u>534,084</u>	<u>2,466,766</u>
Proprietary funds:		
Sewage collection and disposal	77,785	2,132
Solid waste disposal	-	358,027
Water treatment and distribution	100,219	129,220
Municipal airport	100,598	-
Total proprietary funds	<u>278,602</u>	<u>489,379</u>
Total	<u>\$ 812,686</u>	<u>\$ 2,956,145</u>

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The remaining balances of uncompleted construction contracts at December 31, 2024, are as follows:

	Total Contracts	Spent to Date	Remaining Commitment
Governmental fund:			
Capital improvements	\$ 13,650,563	\$ 10,408,697	\$ 3,241,866
Fire station one project	22,035,131	5,558,271	16,476,860
Total governmental funds	<u>35,685,694</u>	<u>15,966,968</u>	<u>19,718,726</u>
Proprietary funds:			
Sewage collection and disposal	187,311	67,110	120,201
Solid waste disposal	1,907,009	1,094,208	812,801
Water treatment and distribution	1,539,986	496,878	1,043,108
Municipal airport	10,143,311	1,374,601	8,768,710
Total proprietary funds	<u>13,777,617</u>	<u>3,032,797</u>	<u>10,744,820</u>
Total	<u>\$ 49,463,311</u>	<u>\$ 18,999,765</u>	<u>\$ 30,463,546</u>

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at December 31, 2024 consist of the following:

	Government-wide Statements			
	Governmental Activities	Business-type Activities	Total	
Amounts related to pensions, see Note 17	\$ 2,838,335	\$ 311,737	\$ 3,150,072	
Amounts related to OPEB:				
NHRS, see Note 18-A	87,836	9,654	97,490	
Single Employer, see Note 18-B	211,122	23,206	234,328	
Total deferred outflows	<u>\$ 3,137,293</u>	<u>\$ 344,597</u>	<u>\$ 3,481,890</u>	
	Proprietary Funds			
	Sewage Collection and Disposal	Solid Waste Disposal	Water Treatment and Distribution	Municipal Airport
Amounts related to pensions, see Note 17	\$ 90,915	\$ 96,530	\$ 75,651	\$ 48,641
Amounts related to OPEB:				
NHRS, see Note 18-A	2,821	2,987	2,341	1,505
Single Employer, see Note 18-B	6,781	7,180	5,627	3,618
Total deferred outflows	<u>\$ 100,517</u>	<u>\$ 106,697</u>	<u>\$ 83,619</u>	<u>\$ 53,764</u>

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Deferred inflows of resources at December 31, 2024 consist of the following:

	Government-wide Statements			Governmental Fund	
	Governmental	Business-type	Total	General	Other Governmental
	Activities	Activities			Fund
Unavailable revenue - Property taxes	\$ -	\$ -	\$ -	\$ 450,818	\$ -
Unavailable revenue - Grants received in advance	890,522	-	890,522	600,116	290,406
Debt forgiveness	1,533,098	3,089,828	4,622,926	-	-
Deferred revenue	-	554,165	554,165	-	-
Amounts related to leases, see Note 15	-	1,447,792	1,447,792	-	-
Amounts related to pensions, see Note 17	1,261,961	138,601	1,400,562	-	-
Amounts related to OPEB:					
NHRS, see Note 18-A	349	38	387	-	-
Single employer, see Note 18-B	332,545	36,553	369,098	-	-
Total deferred inflows	<u>\$ 4,018,475</u>	<u>\$ 5,266,977</u>	<u>\$ 9,285,452</u>	<u>\$ 1,050,934</u>	<u>\$ 290,406</u>
Proprietary Funds					
	Sewage	Solid	Water		
	Collection	Waste	Treatment and	Municipal	
	and Disposal	Disposal	Distribution	Airport	
Debt forgiveness	\$ 1,355,209	\$ -	\$ 1,734,619	\$ -	
Deferred revenue	6,950	5,011	-	542,204	
Amounts related to leases, see Note 15	-	-	-	1,447,792	
Amounts related to pensions, see Note 17	40,422	42,918	33,635	21,626	
Amounts related to OPEB:					
NHRS, see Note 18-A	11	12	9	6	
Single employer, see Note 18-B	10,681	11,310	8,863	5,699	
Total deferred inflows	<u>\$ 1,413,273</u>	<u>\$ 59,251</u>	<u>\$ 1,777,126</u>	<u>\$ 2,017,327</u>	

NOTE 15 – LEASE RECEIVABLES

The City had the following lease receivables as of December 31, 2024:

	Original Amount	Issue Date	Maturity Date	Interest Rate	Receivable at December 31, 2024
Business-type activities:					
Big Green Aviation	\$ 396,084	2019	2031	0.00%	\$ 267,705
Alpha Sierra	\$ 1,564,672	2016	2048	0.00%	1,173,508
GSA Fort Worth	\$ 136,220	2022	2027	0.00%	6,810
Total lease receivables					<u>\$ 1,448,023</u>

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

Fiscal Year Ending December 31,	Principal
2025	\$ 89,410
2026	89,410
2027	89,410
2028	87,140
2029	87,140
2030-2034	320,968
2035-2039	244,481
2040-2044	244,481
2045-2048	195,583
Totals	<u>\$ 1,448,023</u>

NOTE 16 – LONG-TERM LIABILITIES

Changes in the City's long-term liabilities consisted of the following for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year	Due In More Than One Year
Governmental activities:						
Bonds payable:						
Direct placements	\$ 25,961,772	\$ 21,368,869	\$ (2,889,839)	\$ 44,440,802	\$ 3,716,250	\$ 40,724,552
Notes/loans payable:						
Direct borrowings	8,340,766	-	(552,805)	7,787,961	552,875	7,235,086
Premium	2,804,154	2,090,236	(213,136)	4,681,254	317,647	4,363,607
Total bonds/notes payable	37,106,692	23,459,105	(3,655,780)	56,910,017	4,586,772	52,323,245
Compensated absences	2,350,335	158,586	(88,817)	2,420,104	176,314	2,243,790
Net pension liability	25,936,050	-	(1,917,389)	24,018,661	-	24,018,661
Net other postemployment benefits:						
NHRS	1,558,422	-	(85,525)	1,472,897	-	1,472,897
Single Employer	1,082,940	-	(11,924)	1,071,016	-	1,071,016
Total long-term liabilities	<u>\$ 68,034,439</u>	<u>\$ 23,617,691</u>	<u>\$ (5,759,435)</u>	<u>\$ 85,892,695</u>	<u>\$ 4,763,086</u>	<u>\$ 81,129,609</u>
Business-type activities:						
Bonds payable:						
Direct placements	\$ 17,328,521	\$ 4,934,981	\$ (1,953,411)	\$ 20,310,091	\$ 1,867,349	\$ 18,442,742
Notes/loans payable -						
Direct borrowings	28,369,662	-	(2,034,737)	26,334,925	2,040,737	24,294,188
Premium	1,537,279	482,724	(118,378)	1,901,625	142,515	1,759,110
Total bonds/notes payable	47,235,462	5,417,705	(4,106,526)	48,546,641	4,050,601	44,496,040
Compensated absences	193,162	45,176	-	238,338	-	238,338
Accrued landfill closure and postclosure care costs	12,728,183	855,553	-	13,583,736	192,293	13,391,443
Net pension liability	3,600,740	-	(962,756)	2,637,984	-	2,637,984
Net other postemployment benefits:						
NHRS	216,358	-	(54,458)	161,900	-	161,900
Single Employer	118,715	-	(990)	117,725	-	117,725
Total long-term liabilities	<u>\$ 64,092,620</u>	<u>\$ 6,318,434</u>	<u>\$ (5,124,730)</u>	<u>\$ 65,286,324</u>	<u>\$ 4,242,894</u>	<u>\$ 61,043,430</u>

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2024	Current Portion
Governmental activities:						
Bonds payable - direct placements:						
NHMBB05B	\$ 4,583,082	2005	2025	4.00-4.50	\$ 225,000	\$ 225,000
NHMBB06A	\$ 4,441,665	2006	2026	4.50-5.00	440,000	220,000
NHMBB07B	\$ 6,584,511	2007	2027	4.00-4.75	895,800	298,600
NHMBB08A	\$ 2,396,404	2008	2028	4.00-4.125	278,100	69,525
NHMBB09C	\$ 3,836,780	2009	2029	3.02-5.02	599,000	121,000
NHMBB10B	\$ 3,948,393	2010	2030	3.823	1,159,220	197,370
NHMBB11B	\$ 3,651,784	2011	2031	3.55	1,190,000	170,000
NHMBB12B	\$ 428,374	2012	2032	2.57-3.18	162,880	20,360
NHMBB16B	\$ 1,819,100	2016	2036	2.51	1,080,000	90,000
NHMBB17B	\$ 1,856,400	2017	2037	2.52	1,055,000	110,000
NHMBB18B	\$ 2,905,400	2018	2038	3.20	1,901,000	164,000
NHMBB20A	\$ 7,148,900	2020	2040	2.12	5,635,000	375,000
NHMBB20B	\$ 7,239,292	2020	2040	1.64	5,605,895	404,116
NHMBB21C	\$ 1,229,070	2021	2041	2.10-5.10	1,031,000	67,000
NHMBB22C	\$ 1,931,406	2022	2042	4.10-5.10	1,737,983	96,712
NHMBB23	\$ 95,069	2023	2028	5.10	76,055	19,014
NHMBB24	\$ 21,368,869	2024	2044	3.74	21,368,869	1,068,553
Total direct placements					<u>44,440,802</u>	<u>3,716,250</u>
Notes/loans payable - direct borrowings:						
SRF CS-333092-05	\$ 2,912,891	2014	2034	3.392	666,317	74,035
SRF CS-330092-07 CSO	\$ 1,272,534	2016	2036	2.00	668,965	55,747
SRF CS-330092-08 CSO	\$ 1,280,000	2017	2036	2.00	672,000	56,000
SRF CS-330092-10 CSO	\$ 728,283	2018	2037	2.70	426,046	32,773
SRF CS-1321010-02 CSO	\$ 800,000	2019	2039	1.70	533,953	35,597
SRF CS-330092-11 CSO	\$ 4,489,689	2020	2040	2.00	3,232,577	202,036
SRF DWGT-17 CSO	\$ 74,615	2021	2040	2.424	56,415	2,928
SRF CS-330092-12 CSO	\$ 1,381,845	2021	2040	2.00	995,304	62,206
SRF CS-330092-14	\$ 742,400	2022	2041	2.00	536,384	31,553
Total direct borrowings					<u>7,787,961</u>	<u>552,875</u>
Bond premiums					<u>4,681,254</u>	<u>317,647</u>
Total					<u>\$ 56,910,017</u>	<u>\$ 4,586,772</u>

(Continued)

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Long-term bonds/notes continued:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2024	Current Portion
Business-type activities:						
Bonds payable - direct placements:						
NHMBB05B	\$ 1,254,393	2005	2025	4.00-4.50	\$ 60,000	\$ 60,000
NHMBB06A	\$ 2,070,164	2006	2026	4.50-5.00	200,000	100,000
NHMBB07B	\$ 2,362,489	2007	2027	4.00-4.75	424,200	141,400
NHMBB08A	\$ 2,030,611	2008	2028	4.00-4.125	421,900	105,475
NHMBB09C	\$ 1,370,220	2009	2029	3.02-5.02	336,000	69,000
NHMBB10B	\$ 3,152,607	2010	2030	3.823	945,780	157,630
NHMBB11B	\$ 4,720,716	2011	2031	3.55	1,645,000	235,000
NHMBB12B	\$ 4,306,526	2012	2032	2.57-3.18	277,120	34,640
NHMBB13C	\$ 2,207,000	2013	2033	4.10-5.60	965,000	110,000
NHMBB18B	\$ 1,629,000	2018	2038	3.20	1,134,000	81,000
NHMBB20B	\$ 2,993,133	2020	2040	1.64	2,389,105	150,885
NHMBB21C	\$ 2,360,980	2021	2041	2.10-5.10	1,994,000	118,000
NHMBB22C	\$ 2,188,594	2022	2042	4.10-5.10	1,969,617	109,488
NHMBB23	\$ 2,761,424	2023	2028	5.10	2,613,388	148,036
NHMBB24	\$ 4,934,981	2024	2044	3.74	4,934,981	246,795
Total direct placements					<u>20,310,091</u>	<u>1,867,349</u>
Notes/loans payable - direct borrowings:						
SRF CS-330092-03	\$ 1,576,416	2008	2028	2.352	315,283	78,821
2012 SRF/ARRA	\$ 1,294,062	2011	2031	3.55	279,479	36,624
SRF CS-333092-05	\$ 4,369,336	2014	2034	3.392	999,478	111,053
SRF CS-330092-07 CSO	\$ 1,908,801	2016	2036	2.00	1,003,448	83,620
SRF CS-330092-04	\$ 11,541,564	2016	2036	2.00	6,924,938	577,078
SRF CS-330092-06	\$ 1,904,452	2016	2036	2.00	918,608	76,551
SRF CS-330092-08 CSO	\$ 1,920,000	2017	2036	2.00	1,008,000	84,000
SRF #1321010-01	\$ 200,000	2017	2036	1.96	130,153	9,633
SRF CS-330092-09	\$ 4,672,089	2017	2037	2.42	3,036,858	233,604
SRF CS-330092-10 CSO	\$ 1,092,424	2018	2037	2.70	639,068	49,160
SRF CS-1321010-02 CSO	\$ 1,200,000	2019	2039	1.70	800,930	53,396
SRF CS-330092-11 CSO	\$ 7,440,093	2020	2040	2.00	5,356,866	334,804
SRF DWGT-17 CSO	\$ 111,923	2021	2040	2.424	84,622	4,392
SRF CS-330092-12 CSO	\$ 2,072,768	2021	2040	2.00	1,492,956	93,310
SRF DWGT-23	\$ 3,400,000	2021	2041	3.38	2,417,786	107,032
John Deere wheel loader	\$ 358,500	2021	2026	2.00	121,880	60,331
SRF CS-330092-14	\$ 742,400	2022	2041	2.00	804,572	47,328
Total direct borrowings					<u>26,334,925</u>	<u>2,040,737</u>
Bond premiums					<u>1,901,625</u>	<u>142,515</u>
Total					<u>\$ 48,546,641</u>	<u>\$ 4,050,601</u>

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The annual requirements to amortize all general obligation bonds/notes outstanding as of December 31, 2024, including interest payments, are as follows:

Governmental activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,716,250	\$ 1,990,916	\$ 5,707,166	\$ 552,875	\$ 166,692	\$ 719,567
2026	3,451,250	1,785,179	5,236,429	552,946	154,466	707,412
2027	3,224,150	1,615,274	4,839,424	553,018	142,239	695,257
2028	2,925,499	1,461,552	4,387,051	553,093	130,010	683,103
2029	2,826,961	1,321,387	4,148,348	553,169	117,779	670,948
2030-2034	11,779,405	4,804,737	16,584,142	2,693,021	405,360	3,098,381
2035-2039	10,154,609	2,558,778	12,713,387	1,998,298	144,544	2,142,842
2040-2044	6,362,678	758,701	7,121,379	331,541	7,280	338,821
Totals	<u>\$ 44,440,802</u>	<u>\$ 16,296,524</u>	<u>\$ 60,737,326</u>	<u>\$ 7,787,961</u>	<u>\$ 1,268,370</u>	<u>\$ 9,056,331</u>

Business-type activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,867,349	\$ 908,068	\$ 2,775,417	\$ 2,040,737	\$ 595,988	\$ 2,636,725
2026	1,807,348	814,942	2,622,290	2,046,917	549,564	2,596,481
2027	1,704,348	728,208	2,432,556	1,990,488	502,957	2,493,445
2028	1,562,948	650,603	2,213,551	1,995,773	457,417	2,453,190
2029	1,452,473	579,237	2,031,710	1,922,405	411,730	2,334,135
2030-2034	5,402,491	1,978,266	7,380,757	9,451,322	1,410,377	10,861,699
2035-2039	4,065,882	981,662	5,047,544	5,987,498	448,855	6,436,353
2040-2044	2,447,252	256,179	2,703,431	899,785	30,658	930,443
Totals	<u>\$ 20,310,091</u>	<u>\$ 6,897,165</u>	<u>\$ 27,207,256</u>	<u>\$ 26,334,925</u>	<u>\$ 4,407,546</u>	<u>\$ 30,742,471</u>

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

Accrued Landfill Closure and Postclosure Care Costs – Federal and State laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future closure and postclosure care costs that will be incurred. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$13,583,736 as of December 31, 2024, which is based on \$7,814,946 of closure costs for the open landfills and \$5,768,790 of postclosure maintenance costs (\$192,293 per year over a period of 30 years). The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2024. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The City expects to finance the closure and postclosure care costs through contemporaneous setting aside of sufficient amounts in a capital reserve fund. As of December 31, 2024, this capital reserve fund had a balance \$11,898,497.

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Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2024 were as follows:

Per City Meeting Vote of	Purpose	Unissued Amount	Responsible Fund
2017, 2018	Combined Sewer Overflow Separation and Utility Replacement	\$ 3,380,064	General/water treatment and distribution/sewage collection and disposal
2014, 2018	Packard Hill Bridge #154-113	192,227	General
2017	Trues Brook Road Bridge Replacement	48,000	General
2018	Streets Rehabilitation/Reconstruction	15,344	General
2018	Mechanic/High/Mascoma Streets Intersection	700,000	General
2019	Hanover Street Reconstruction	355,000	General
2019	Huber Sludge Dewatering Process	100,000	General
2020	Airport TIF District Infrastructure Improvements	579,700	General/airport
2020	Kimball Street Infrastructure Improvements - Road, SW, Curb Drain	30,870	General/water treatment and distribution/sewage collection and disposal
2020	Huber Sludge Dewatering Press	109,260	General
2021	Kimball Street Infrastructure Improvements - Road, SW, Curb Drain	1,191,750	General/water treatment and distribution/sewage collection and disposal
2021	Rail Trail Paving	170,000	General
2021	Trues Brook Road Bridge Replacement	820,000	General
2021	Forest Ave Reconstruction	150,000	General/water treatment and distribution/sewage collection and disposal
2021	West Lebanon Capital Improvements	200,000	General
2021	Sewer System Rehabilitation	580,000	General
2021	Landfill Gas & Collection Control System	32,060	General/solid waste disposal
2021	Landfill Gas to Energy Project	814,200	General/solid waste disposal
2022	Landfill Gas to Energy Project	181,050	General/solid waste disposal
2022	Mack Ave Infrastructure Improvements - Road, SW, Curb	200,000	General/water treatment and distribution/sewage collection and disposal
2023	Kimball Street Infrastructure Improvements - Road, SW, Curb Drain	1,082,820	General/water treatment and distribution/sewage collection and disposal
2023	Water System Improvements - Miracle Mile	279,000	General/water treatment and distribution
2023	Trues Brook Road Bridge Replacement	46,000	General
2023	West Lebanon Capital Improvements	1,346,000	General
2023	Mechanic/High/Mascoma Streets Intersection	336,000	General
2023	South Main Water Main Improvements	500,000	General
2023	Baker Crossing	376,581	General
2023	14 28 30 Main Street	1,800,000	General
2023	Fire Ladder #1 Truck	1,700,000	General
2023	South Main St Bridge Replacements	3,520,970	General
2023	Kimball Street and Forest Avenue Reconstruction CWSRF	469,000	General/sewage collection and disposal
2023	Sewer System Improvements - So. Main Bridge SRF CWSRF	5,000	General/sewage collection and disposal
2023	Estabrook Circle and Maple St Stormwater Improvements CWSRF	23,250	General/sewage collection and disposal

(Continued)

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Bonds/notes authorized and unissued continued:

Per City Meeting Vote of	Purpose	Unissued Amount	Responsible Fund
2023	Bakers Crossing Sewer Forcemain Replacement CWSRF	890,000	General/sewage collection and disposal
2023	Kimball Street Infrastructure Reconstruction DWSRF	780,000	General/water treatment and distribution
2023	Water System Improvements - So. Main Bridge DWSRF	200,000	General/water treatment and distribution
2023	Water System Improvements - Miracle Mile SRF DWSRF	2,077,000	General/water treatment and distribution
2023	Estabrook Circle and Maple Street Improvements DWSRF	46,500	General/water treatment and distribution
2024	Fire Station 1 Replacement	7,669,940	General
2024	City Hall Renovations (Phase 4)	150,000	General
2024	City Owned Electric Vehicle Service Equipment	50,200	General
2024	Main Street Building Demolition	250,000	General
2024	Fire Engine #2 Replacement	1,200,000	General
2024	Route 120-Enta Rd-Old Etna Rd Ped/Bike Improvements	152,000	General
2024	Westboro Park	47,000	General
2024	Landfill Phase 3-4 Design, Permitting, and Construction	800,000	General/solid waste disposal
2024	Landfill Site Improvements	116,000	General/solid waste disposal
2024	Landfill Gas-To-Energy	724,700	General/solid waste disposal
2024	Fire Station 1- Central Fire station	1,100,000	General
2024	South Main Street Bridge Placement 2082-117	250,000	General/water treatment and distribution/sewage collection and disposal
		<u>\$ 37,837,486</u>	

NOTE 17 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS Plan, or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan). For additional NHRS information, please refer to the fiscal year 2024 Annual Comprehensive Financial Report, which can be found on the NHRS website at www.nhrs.org.

Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

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Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Contributions – The System is financed by contributions from both the employees and the City. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80%, respectively. For fiscal year 2024, the City contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2024 was \$3,193,070, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2024, the City reported a liability of \$26,656,645 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Cities, Towns, and school districts, actuarially determined. The City's proportion, measured at June 30, 2024, was 0.51% which was a decrease of 0.02% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$3,177,798. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 832,556	\$ 640,738	\$ 91,440	\$ 70,373	\$ 923,996	\$ 711,111
Changes in assumptions	-	281,104	-	30,874	-	311,978
Net difference between projected and actual investment earnings on pension plan investments	-	335,289	-	36,825	-	372,114
Differences between expected and actual experience	534,692	4,830	58,726	529	593,418	5,359
Contributions subsequent to the measurement date	1,471,087	-	161,571	-	1,632,658	-
Total	<u>\$ 2,838,335</u>	<u>\$ 1,261,961</u>	<u>\$ 311,737</u>	<u>\$ 138,601</u>	<u>\$ 3,150,072</u>	<u>\$ 1,400,562</u>

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The \$1,632,658 reported as deferred outflows of resources related to pensions results from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2025	\$ (530,766)	\$ (58,294)	\$ (589,060)
2026	1,193,303	131,061	1,324,364
2027	(226,382)	(24,864)	(251,246)
2028	(330,868)	(36,338)	(367,206)
Thereafter	-	-	-
Totals	<u>\$ 105,287</u>	<u>\$ 11,565</u>	<u>\$ 116,852</u>

Actuarial Assumptions – The collective total pension liability was based on the following actuarial assumptions:

Inflation:	2.25%
Salary increases:	6.0% average, including inflation
Wage inflation:	3.00% (2.50% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation to alleviate the total pension liability measured as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity (1)	24.00%	5.40%
Global Ex-US Equity (2)	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

*Real rates of return are presented net of 2.50% inflation.

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial unding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected

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to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Governmental activities	June 30, 2024	\$ 33,580,811	\$ 24,018,661	\$ 16,053,095
Business-type activities	June 30, 2024	3,688,201	2,637,984	1,763,121
		<u>\$ 37,269,012</u>	<u>\$ 26,656,645</u>	<u>\$ 17,816,216</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 18 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

18-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS Plan, or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2024 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers, and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2024 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2024, the City contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2024 was \$190,052, which was paid in full.

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OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2024, the City reported a liability of \$1,634,797 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating Cities, Towns, and school districts, actuarially determined. The City's proportion measured at June 30, 2024, was 0.52% which was the same as its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized OPEB expense of \$49,135. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 349	\$ -	\$ 38	\$ -	\$ 387
Contributions subsequent to the measurement date	87,836	-	9,654	-	97,490	-
Total	<u>\$ 87,836</u>	<u>\$ 349</u>	<u>\$ 9,654</u>	<u>\$ 38</u>	<u>\$ 97,490</u>	<u>\$ 387</u>

The \$97,490 reported as deferred outflows of resources related to OPEB results from the City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2024	\$ (3,113)	\$ (342)	\$ (3,455)
2025	4,606	506	5,112
2026	(1,187)	(131)	(1,318)
2027	(655)	(71)	(726)
Thereafter	-	-	-
Totals	<u>\$ (349)</u>	<u>\$ (38)</u>	<u>\$ (387)</u>

Actuarial Assumptions – The total OPEB liability was based on the following actuarial assumptions:

Price inflation:	2.25% per year
Salary increases:	6.0% average, including inflation
Wage inflation:	3.0% (2.50% for teachers)
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.40%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

*Real rates of return are presented net of 2.50% inflation.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the City's Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the City's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the City's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Governmental activities	June 30, 2024	\$ 1,611,326	\$ 1,472,897	\$ 1,377,367
Business-type activities	June 30, 2024	177,116	161,900	151,277
		<u>\$ 1,788,442</u>	<u>\$ 1,634,797</u>	<u>\$ 1,528,644</u>

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

18-B Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time. The City OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The total OPEB liability is based on the City offering retirees postemployment healthcare insurance governed by RSA 100-A:50. The retirees pay 100% of the premium cost to participate and are included in the same pool as the active members. The inclusion of the retirees in the same pool affects the insurance rates of the active employees as the rates for the retirees are assumed to be higher due to the age consideration, thereby creating an implicit rate subsidy.

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Funding Policy – The City’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

Benefits Provided – The City provides postemployment healthcare benefits for certain eligible retirees. The City provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	58
Active employees	174
Total participants covered by OPEB plan	<u>232</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,188,741 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024. The City contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the City business office.

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

Discount Rate:	3.26%
Healthcare Cost Trend Rates:	
Current Year Trend	8.0%
Second Year Trend	7.5%
Decrement	0.5%
Ultimate Trend	4.5%
Year Ultimate Trend is Reached	2031
Salary Increases:	2.50%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2024.

Mortality rates were based on the PUB-2010 Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021.

Changes in the Total OPEB Liability

	Governmental Activities	Business-type Activities	Total
OPEB liability, beginning of year	\$ 1,082,940	\$ 118,715	\$ 1,201,655
Changes for the year:			
Service cost	42,231	4,642	46,873
Interest	35,040	3,852	38,892
Assumption changes and difference between actual and expected experience	(12,016)	(1,001)	(13,017)
Benefit payments	(77,179)	(8,483)	(85,662)
OPEB liability, end of year	<u>\$ 1,071,016</u>	<u>\$ 117,725</u>	<u>\$ 1,188,741</u>

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Sensitivity of the City's OPEB Liability to Changes in the Discount Rate – The January 1, 2024, actuarial valuation was prepared using a discount rate of 3.26%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$1,102,748 or by 7.23%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,282,416 or by 7.88%.

Total OPEB Liability	Discount Rate		
	1% Decrease	Baseline 3.26%	1% Increase
Governmental activities	\$ 1,155,414	\$ 1,071,016	\$ 993,539
Business-type activities	127,002	117,725	109,209
	<u>\$ 1,282,416</u>	<u>\$ 1,188,741</u>	<u>\$ 1,102,748</u>

Sensitivity of the City's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2024, actuarial valuation was prepared using an initial trend rate of 8%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,331,537 or by 12.01%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$1,067,502 or by 10.20%.

Total OPEB Liability	Healthcare Cost Trend Rates		
	1% Decrease 7.00% Decreasing to 3.50%	Baseline 8.00% Decreasing to 4.50%	1% Increase 9.00% Decreasing to 5.50%
Governmental activities	\$ 961,784	\$ 1,071,016	\$ 1,199,670
Business-type activities	105,718	117,725	131,867
	<u>\$ 1,067,502</u>	<u>\$ 1,188,741</u>	<u>\$ 1,331,537</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2024, the City recognized OPEB expense of \$30,870. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 153,816	\$ 102,174	\$ 16,907	\$ 11,231	\$ 170,723	\$ 113,405
Differences between expected and actual experience	57,306	230,371	6,299	25,322	63,605	255,693
Total	<u>\$ 211,122</u>	<u>\$ 332,545</u>	<u>\$ 23,206</u>	<u>\$ 36,553</u>	<u>\$ 234,328</u>	<u>\$ 369,098</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities	Total
2025	\$ (31,426)	\$ (3,454)	\$ (34,880)
2026	(31,426)	(3,454)	(34,880)
2027	(27,032)	(2,971)	(30,003)
2028	(39,414)	(4,332)	(43,746)
2029	(21,421)	(2,355)	(23,776)
Thereafter	29,296	3,219	32,515
Totals	<u>\$ (121,423)</u>	<u>\$ (13,347)</u>	<u>\$ (134,772)</u>

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NOTE 19 – STATE AID TO WATER POLLUTION PROJECTS

The City is due to receive from the State of New Hampshire the following amounts in the form of state aid to water pollution projects:

Bond Issued	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
C-769 Wastewater Treatment Facility Upgrade	\$ -	\$ -	\$ -	\$ 58,443	\$ 3,918	\$ 62,361
C-844 Combined Sewer Overflow	121,093	31,796	152,889	181,639	47,694	229,333
C-903 Dana & Craft Avenue Area	187,892	26,880	214,772	281,837	40,320	322,157
C-924 Combined Sewer Overflow - Phase 1	137,647	27,580	165,227	206,472	41,372	247,844
C-928 Etna Road - NH Rt 10 Sewer Replacement	-	-	-	1,434,957	195,034	1,629,991
C-874 WWTF Phase 2 Upgrade and Energy Evaluation Improvements	-	-	-	1,613,527	203,934	1,817,461
C-899 Combined Sewer Overflow & Utility Improvements - Phase 9	-	-	-	418,107	3,137	421,244
	<u>\$ 446,632</u>	<u>\$ 86,256</u>	<u>\$ 532,888</u>	<u>\$ 4,194,982</u>	<u>\$ 535,409</u>	<u>\$ 4,730,391</u>

Under New Hampshire RSA Chapter 486, the City receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from various projects. At December 31, 2024, the City is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 31,114	\$ 11,542	\$ 42,656	\$ 314,142	\$ 73,500	\$ 387,642
2026	31,052	10,696	41,748	314,051	67,493	381,544
2027	31,052	9,848	40,900	312,822	61,480	374,302
2028	31,114	8,991	40,105	293,432	55,470	348,902
2029	31,114	8,131	39,245	293,433	50,108	343,541
2030-2034	153,612	28,242	181,854	1,464,233	172,363	1,636,596
2035-2039	133,439	8,770	142,209	1,024,460	50,732	1,075,192
2040-2042	4,135	36	4,171	178,409	4,263	182,672
Totals	<u>\$ 446,632</u>	<u>\$ 86,256</u>	<u>\$ 532,888</u>	<u>\$ 4,194,982</u>	<u>\$ 535,409</u>	<u>\$ 4,730,391</u>

NOTE 20 - ENCUMBRANCES

Encumbrances outstanding in the general fund at December 31, 2024 are as follows:

General fund:	
General government	\$ 658,213
Public safety	352,787
Highways and streets	744,522
Culture and recreation	142,375
Total encumbrances	<u>\$ 1,897,897</u>

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NOTE 21 – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES AND FIDUCIARY FUNDS
NET POSITION

Net position reported on the government-wide and business-type activities and fiduciary fund Statements of Net Position at December 31, 2024 include the following:

	Government-wide Financial Statements			Fiduciary Fund
	Governmental Activities	Business-type Activities	Total	
Net investment in capital assets:				
Net book value, all capital assets	\$ 130,854,942	\$ 120,520,609	\$ 251,375,551	\$ -
Less:				
Bonds payable - direct placements	(44,440,802)	(20,310,091)	(64,750,893)	-
Notes/loans payable - direct borrowings	(7,787,961)	(26,334,925)	(34,122,886)	-
Premium	(4,681,254)	(1,901,625)	(6,582,879)	-
Amount of debt related to unspent proceeds	9,404,267	-	9,404,267	-
Total net investment in capital assets	83,349,192	71,973,968	155,323,160	-
Restricted net position:				
Capital projects	9,404,267	2,716,349	12,120,616	-
Library	120,756	-	120,756	-
Heritage fund - donations	25,000	-	25,000	-
Perpetual care	2,020,311	-	2,020,311	-
Downtown TIF District	1,856,408	-	1,856,408	-
Airport/Tech Park TIF District	165	-	165	-
Water investment fees	-	571,733	571,733	-
Total restricted net position	13,426,907	3,288,082	16,714,989	-
Unrestricted (deficit)	(20,003,161)	15,266,466	(4,736,695)	4,461,922
Total net position	\$ 76,772,938	\$ 90,528,516	\$ 167,301,454	\$ 4,461,922

NOTE 22 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at December 31, 2024 consist of the following:

	General Fund	Capital Projects Fund	Fire Station One Project	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 98,229	\$ -	\$ -	\$ 1,018	\$ 99,247
Permanent fund - principal balance	-	-	-	1,911,012	1,911,012
Total nonspendable fund balance	98,229	-	-	1,912,030	2,010,259
Restricted:					
Heritage fund - donations	25,000	-	-	-	25,000
Capital projects	-	-	9,404,267	-	9,404,267
Public library	-	-	-	120,756	120,756
Downtown TIF District	-	-	-	1,856,408	1,856,408
Airport/Tech Park TIF District	-	-	-	165	165
Permanent - income balance	-	-	-	109,299	109,299
Total restricted fund balance	25,000	-	9,404,267	2,086,628	11,515,895

(Continued)

CITY OF LEBANON, NEW HAMPSHIRE
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Governmental fund balances continued:

	General Fund	Capital Projects Fund	Fire Station One Project	Nonmajor Funds	Total Governmental Funds
Committed:					
Expendable trust	2,260,780	-	-	-	2,260,780
Heritage fund	5,699	-	-	-	5,699
Police public safety revolving	-	-	-	324,983	324,983
Lebanon open space	-	-	-	1,401,184	1,401,184
Fire public safety revolving	-	-	-	78,648	78,648
Recreation revolving	-	-	-	79,823	79,823
Impact fees	-	-	-	751,691	751,691
Cemetery maintenance	-	-	-	58,930	58,930
Public assistance revolving	-	-	-	209,548	209,548
Enterprise property revolving	-	-	-	9,897	9,897
Total committed fund balance	<u>2,266,479</u>	<u>-</u>	<u>-</u>	<u>2,914,704</u>	<u>5,181,183</u>
Assigned:					
Encumbrances	1,897,897	-	-	-	1,897,897
Abatements	164,017	-	-	-	164,017
Grants	15,909	-	-	-	15,909
Restricted funds	645,528	-	-	-	645,528
Emergency management	207,324	-	-	-	207,324
Farmers market	-	-	-	854	854
Total assigned fund balance	<u>2,930,675</u>	<u>-</u>	<u>-</u>	<u>854</u>	<u>2,931,529</u>
Unassigned (deficit):					
General fund	11,843,461	-	-	-	11,843,461
Capital improvements (deficit)	-	(1,568,527)	-	-	(1,568,527)
Total unassigned fund balance (deficit)	<u>11,843,461</u>	<u>(1,568,527)</u>	<u>-</u>	<u>-</u>	<u>10,274,934</u>
Total governmental fund balances (deficit)	<u>\$ 17,163,844</u>	<u>\$ (1,568,527)</u>	<u>\$ 9,404,267</u>	<u>\$ 6,914,216</u>	<u>\$ 31,913,800</u>

NOTE 23 –RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2024, changes to or within the City's financial statements resulted in an error correction which caused adjustments to and restatements of beginning net position and fund balance, as follows:

	Business-type Activities	Proprietary Fund Municipal Airport	Governmental Funds	
			General	Capital Improvements
Net position/fund balances (deficit) at December 31, 2023 as previously reported	\$ 83,409,311	\$ 11,738,859	\$ 16,732,134	\$ (3,358,700)
Error corrections:				
To reclass revenue related to the capital project	-	-	(97,240)	97,240
To correct receivable balance	(3,026)	(3,026)	-	-
Net position/fund balance (deficit), as restated	<u>\$ 83,406,285</u>	<u>\$ 11,735,833</u>	<u>\$ 16,634,894</u>	<u>\$ (3,261,460)</u>

CITY OF LEBANON, NEW HAMPSHIRE
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NOTE 24 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2024, the City was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2024 to December 31, 2024 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the City's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2024 the City contributed \$479,568 and \$324,906, respectively, to Primex³ for Workers' Compensation and Property/Liability programs. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 25 – CAFETERIA BENEFIT PLAN

Effective July 1, 1991, the City implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the City, into any combination of the following benefit categories:

1. Premium Conversion Benefit for Group Medical and Dental Plans;
2. Healthcare Flexible Spending Account; or
3. Dependent Care Reimbursement Account

In addition to directing the City's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$2,850 annually into the Healthcare Flexible Spending Account or \$5,000 annually into the Dependent Care Reimbursement Account. This cap applies to both City contributions and employee pre-tax contributions. There are no limits on contributions to the Premium Conversion Benefit for Group Medical and Dental Plans.

NOTE 26 – SECURITY AGREEMENT

The City entered a security agreement with Dartmouth-Hitchcock Medical Center (DHMC) on May 17, 2013. The purpose of the agreement is to finance the possible future expansion of the City sewer system to the DHMC properties. Under the agreement, DHMC established an escrow account in the amount of \$475,000. At December 31, 2024, the balance in the escrow account was \$549,724. The City may only access these funds if certain terms in the security agreement are met related to the expansion of services. If no action is taken, the security agreement will expire after ten years. The agreement expired in the current year, but the escrow account was still open at year-end.

NOTE 27 – CONTINGENT LIABILITIES

There are various claims and suits pending against the Town which arose in the normal course of the Town's activities. The outcome of these lawsuits is not presently determinable.

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 28 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through November 13, 2025, the date the December 31, 2024 financial statements were available to be issued, and noted the following event occurred that requires recognition or disclosure:

On July 17, 2025, the City issued \$17,926,599 of bonds for City projects.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of the City's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2024
Unaudited

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
City's										
Proportion of the net pension liability	0.52%	0.52%	0.53%	0.50%	0.50%	0.49%	0.51%	0.50%	0.53%	0.51%
Proportionate share of the net pension liability	\$ 20,607,815	\$ 27,786,081	\$ 25,878,401	\$ 23,995,698	\$ 23,845,366	\$ 31,470,593	\$ 22,587,437	\$ 28,792,915	\$ 29,536,790	\$ 26,656,645
Covered payroll	\$ 11,206,359	\$ 11,555,902	\$ 12,700,824	\$ 11,902,341	\$ 12,287,475	\$ 12,896,955	\$ 13,820,770	\$ 14,370,483	\$ 14,843,684	\$ 15,648,923
Proportionate share of the net pension liability as a percentage of its covered payroll	183.89%	240.45%	203.75%	201.60%	194.06%	244.02%	163.43%	200.36%	198.99%	170.34%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%	70.33%

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

EXHIBIT H
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of City Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2024
Unaudited

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Contractually required contributions	\$ 1,745,205	\$ 1,871,074	\$ 1,927,693	\$ 2,106,239	\$ 2,156,652	\$ 2,185,777	\$ 2,341,483	\$ 2,906,407	\$ 3,172,748	\$ 3,193,070
Contributions in relation to the contractually required contributions	(1,745,205)	(1,871,074)	(1,927,693)	(2,106,239)	(2,156,652)	(2,185,777)	(2,341,483)	(2,906,407)	(3,172,748)	(3,193,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 11,206,359	\$ 11,555,902	\$ 12,700,824	\$ 11,902,341	\$ 12,287,475	\$ 12,896,955	\$ 14,033,071	\$ 14,907,762	\$ 14,301,215	\$ 17,027,681
Contributions as a percentage of covered payroll	15.57%	16.19%	15.18%	17.70%	17.55%	16.95%	16.69%	19.50%	22.19%	18.75%

CITY OF LEBANON, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

***Schedule of the City's Proportionate Share of Net Pension Liability and
Schedule of City Contributions – Pensions***

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the City's pension plan at December 31, 2024. These schedules are presented to illustrate the requirement to show information for 10 years.

EXHIBIT 1
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2024
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
City's proportion of the net OPEB liability	0.35%	0.36%	0.52%	0.51%	0.46%	0.48%	0.50%	0.52%	0.52%
City's proportionate share of the net OPEB liability (asset)	\$ 1,695,898	\$ 1,629,045	\$ 2,367,418	\$ 2,239,957	\$ 2,031,548	\$ 1,919,830	\$ 1,872,765	\$ 1,774,780	\$ 1,634,797
City's covered payroll	\$ 11,555,902	\$ 12,700,824	\$ 11,902,341	\$ 12,287,475	\$ 12,896,955	\$ 13,820,770	\$ 14,370,483	\$ 14,843,684	\$ 15,648,923
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.68%	12.83%	19.89%	18.23%	15.75%	13.89%	13.03%	11.96%	10.45%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	7.74%	10.64%	12.80%	14.01%

EXHIBIT J
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of City Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2024
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Contractually required contribution	\$ 203,555	\$ 211,169	\$ 228,719	\$ 233,166	\$ 215,437	\$ 230,831	\$ 208,687	\$ 227,308	\$ 190,052
Contributions in relation to the contractually required contribution	(203,555)	(211,169)	(228,719)	(233,166)	(215,437)	(230,831)	(208,687)	(227,308)	(190,052)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 11,555,902	\$ 12,700,824	\$ 11,902,341	\$ 12,287,475	\$ 12,896,955	\$ 14,033,071	\$ 14,907,762	\$ 14,301,215	\$ 17,027,681
Contributions as a percentage of covered payroll	1.76%	1.66%	1.92%	1.90%	1.67%	1.64%	1.40%	1.59%	1.12%

EXHIBIT K
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2024
Unaudited

	December 31,						
	2018	2019	2020	2021	2022	2023	2024
OPEB liability, beginning of year	\$ 1,692,911	\$ 1,628,158	\$ 1,652,115	\$ 1,166,961	\$ 1,163,143	\$ 1,166,048	\$ 1,201,655
Changes for the year:							
Service cost	55,750	50,153	39,303	45,453	53,502	39,455	46,873
Interest	58,654	66,921	30,915	24,840	27,056	43,241	38,892
Assumption changes and difference between actual and expected experience	(91,181)	-	(466,752)	7,751	(1,669)	39,968	(13,018)
Benefit payments	(87,976)	(93,117)	(88,620)	(81,862)	(75,984)	(87,057)	(85,661)
OPEB liability, end of year	<u>\$ 1,628,158</u>	<u>\$ 1,652,115</u>	<u>\$ 1,166,961</u>	<u>\$ 1,163,143</u>	<u>\$ 1,166,048</u>	<u>\$ 1,201,655</u>	<u>\$ 1,188,741</u>
Covered payroll	<u>\$ 8,170,172</u>	<u>\$ 8,374,426</u>	<u>\$ 10,442,024</u>	<u>\$ 10,703,075</u>	<u>\$ 11,268,760</u>	<u>\$ 11,550,479</u>	<u>\$ 14,426,817</u>
Total OPEB liability as a percentage of covered payroll	19.93%	19.73%	11.18%	10.87%	10.35%	10.40%	8.24%

CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

Schedule of the City's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of City Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits I and J represent the actuarial determined costs associated with the City's other postemployment benefits at December 31, 2024. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Changes in City's Total Other Postemployment Benefits Liability and Related Ratios

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – The healthcare cost trend rate was reset to 8.0% in 2024, grading down by 0.5% per annum to an ultimate rate of 4.5% in years 2031 and later. The mortality tables were updated to the PUB-2010 tables. The impact on the total OPEB liability is provided in Section III.

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the City's other postemployment benefits at December 31, 2024. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2024

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 25,642,964	\$ 25,789,300	\$ 146,336
Yield	13,355	40,029	26,674
Excavation	5,000	6,294	1,294
Payment in lieu of taxes	2,393,961	2,413,872	19,911
Interest and penalties on taxes	90,000	117,755	27,755
Total from taxes	<u>28,145,280</u>	<u>28,367,250</u>	<u>221,970</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	2,800,000	2,949,775	149,775
Building permits	635,000	741,527	106,527
Other	<u>290,150</u>	<u>292,243</u>	<u>2,093</u>
Total from licenses, permits, and fees	<u>3,725,150</u>	<u>3,983,545</u>	<u>258,395</u>
Intergovernmental:			
State:			
Meals and rooms distribution	1,509,476	1,515,296	5,820
Highway block grant	339,526	339,526	-
Water pollution grants	43,500	43,502	2
Other	2,772	2,772	-
Federal:			
Other	<u>209,640</u>	<u>219,429</u>	<u>9,789</u>
Total from intergovernmental	<u>2,104,914</u>	<u>2,120,525</u>	<u>15,611</u>
Charges for services:			
Income from departments	<u>1,843,820</u>	<u>2,059,736</u>	<u>215,916</u>
Miscellaneous:			
Special assessments	46,280	46,361	81
Sale of municipal property	-	24,287	24,287
Interest on investments	500,000	667,600	167,600
Rents of property	17,500	18,491	991
Fines and forfeits	18,600	24,147	5,547
Contributions and donations	-	50,500	50,500
From miscellaneous sources	<u>231,000</u>	<u>254,035</u>	<u>23,035</u>
Total from miscellaneous	<u>813,380</u>	<u>1,085,421</u>	<u>272,041</u>
Other financing sources:			
Transfers in	<u>2,192,820</u>	<u>2,192,820</u>	<u>-</u>
Total revenues and other financing sources	38,825,364	<u>\$ 39,809,297</u>	<u>\$ 983,933</u>
Unassigned fund balance used to reduce tax rate	1,998,026		
Amounts voted from fund balance	107,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 40,930,390</u>		

See Independent Auditor's Report.

SCHEDULE 2
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2024

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 10,000	\$ 851,130	\$ 775,167	\$ 2,000	\$ 83,963
Election and registration	59,300	915,310	851,287	121,814	1,509
Financial administration	442,878	3,228,890	2,852,052	488,718	330,998
Revaluation of property	97,986	376,380	298,357	-	176,009
Legal	-	250,000	501,102	7,457	(258,559)
Personnel administration	-	4,720,850	4,015,313	-	705,537
Planning and zoning	66,269	844,870	873,630	6,672	30,837
General government buildings	212,908	502,580	650,369	16,529	48,590
Cemeteries	67,466	112,780	115,694	15,023	49,529
Insurance, not otherwise allocated	-	240,000	250,474	-	(10,474)
Advertising and regional associations	-	371,050	369,457	-	1,593
Other	-	97,120	75,160	-	21,960
Total general government	956,807	12,510,960	11,628,062	658,213	1,181,492
Public safety:					
Police	308,175	6,352,540	5,937,947	136,585	586,183
Fire	211	5,787,540	5,617,501	147,138	23,112
Other	-	1,045,890	1,053,215	69,064	(76,389)
Total public safety	308,386	13,185,970	12,608,663	352,787	532,906
Highways and streets:					
Administration	32,722	1,176,960	1,188,791	8,600	12,291
Highways and streets	422,113	4,445,070	4,189,623	735,922	(58,362)
Bridges	-	3,500	-	-	3,500
Street lighting	-	97,580	74,164	-	23,416
Total highways and streets	454,835	5,723,110	5,452,578	744,522	(19,155)
Welfare:					
Administration and direct assistance	-	438,210	325,782	-	112,428
Direct assistance	-	230,500	217,276	-	13,224
Vendor payments and other	-	339,690	339,654	-	36
Total welfare	-	1,008,400	882,712	-	125,688
Culture and recreation:					
Parks and recreation	58,905	1,268,670	1,205,005	19,539	103,031
Library	-	1,669,740	1,667,445	122,836	(120,541)
Patriotic purposes	-	13,000	12,200	-	800
Other	-	58,230	57,034	-	1,196
Total culture and recreation	58,905	3,009,640	2,941,684	142,375	(15,514)
Conservation	-	12,120	12,188	-	(68)
Debt service:					
Principal of long-term debt	-	3,442,700	3,442,645	-	55
Interest on long-term debt	-	1,126,270	1,118,322	-	7,948
Total debt service	-	4,568,970	4,560,967	-	8,003
Other financing uses:					
Transfers out	-	911,220	1,187,280	-	(276,060)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 1,778,933	\$ 40,930,390	\$ 39,274,134	\$ 1,897,897	\$ 1,537,292

See Independent Auditor's Report.

SCHEDULE 3
CITY OF LEBANON, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2024

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 23)		\$ 11,769,741
Changes:		
Unassigned fund balance used to reduce 2024 tax rate		(1,998,026)
Amounts voted from fund balance		(107,000)
2024 Budget summary:		
Revenue surplus (Schedule 1)	\$ 983,933	
Unexpended balance of appropriations (Schedule 2)	<u>1,537,292</u>	
2024 Budget surplus		2,521,225
Increase in nonspendable fund balance		(51,865)
Decrease in assigned fund balance (non-encumbrance)		<u>10,204</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		12,144,279
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(450,818)
Elimination of the allowance for uncollectible taxes		<u>150,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 11,843,461</u></u>

See Independent Auditor's Report.

SCHEDULE 4
CITY OF LEBANON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Special Revenue Funds						
	Public Library	Police Public Safety Revolving	Lebanon Open Space	Fire Public Safety Revolving	Farmers Market	Recreation Revolving	Redevelopment Properties Revolving
ASSETS							
Cash and cash equivalents	\$ 110,568	\$ 315,051	\$ 1,401,184	\$ 73,574	\$ 854	\$ 97,886	\$ 384,154
Investments	-	-	-	-	-	-	-
Accounts receivable	-	13,010	-	5,285	-	-	-
Interfund receivable	10,188	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 120,756</u>	<u>\$ 328,061</u>	<u>\$ 1,401,184</u>	<u>\$ 78,859</u>	<u>\$ 854</u>	<u>\$ 97,886</u>	<u>\$ 384,154</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,063	\$ 93,748
Accrued salaries and benefits	-	3,078	-	211	-	-	-
Interfund payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,078</u>	<u>-</u>	<u>211</u>	<u>-</u>	<u>18,063</u>	<u>93,748</u>
DEFERRED INFLOWS OF RESOURCES							
Grant revenue	-	-	-	-	-	-	290,406
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	120,756	-	-	-	-	-	-
Committed	-	324,983	1,401,184	78,648	-	79,823	-
Assigned	-	-	-	-	854	-	-
Total fund balances	<u>120,756</u>	<u>324,983</u>	<u>1,401,184</u>	<u>78,648</u>	<u>854</u>	<u>79,823</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 120,756</u>	<u>\$ 328,061</u>	<u>\$ 1,401,184</u>	<u>\$ 78,859</u>	<u>\$ 854</u>	<u>\$ 97,886</u>	<u>\$ 384,154</u>

Special Revenue Funds								
Impact Fees	Cemetery Maintenance	Public Assistance Revolving	Enterprise Property Revolving	Dependent Care Flexible Spending	Downtown TIF District	Airport/Tech Park TIF District	Permanent Fund	Total
\$ 751,691	\$ 58,930	\$ 209,548	\$ 12,094	\$ 81,515	\$ 1,877,111	\$ 165	\$ 37,667	\$ 5,411,992
-	-	-	-	-	-	-	2,029,714	2,029,714
-	-	-	245	-	-	-	-	18,540
-	-	-	-	-	-	-	-	10,188
-	-	-	1,018	-	-	-	-	1,018
<u>\$ 751,691</u>	<u>\$ 58,930</u>	<u>\$ 209,548</u>	<u>\$ 13,357</u>	<u>\$ 81,515</u>	<u>\$ 1,877,111</u>	<u>\$ 165</u>	<u>\$ 2,067,381</u>	<u>\$ 7,471,452</u>
\$ -	\$ -	\$ -	\$ 2,442	\$ 81,515	\$ 20,703	\$ -	\$ -	\$ 216,471
-	-	-	-	-	-	-	-	3,289
-	-	-	-	-	-	-	47,070	47,070
-	-	-	2,442	81,515	20,703	-	47,070	266,830
-	-	-	-	-	-	-	-	290,406
-	-	-	1,018	-	-	-	1,911,012	1,912,030
-	-	-	-	-	1,856,408	165	109,299	2,086,628
751,691	58,930	209,548	9,897	-	-	-	-	2,914,704
-	-	-	-	-	-	-	-	854
<u>751,691</u>	<u>58,930</u>	<u>209,548</u>	<u>10,915</u>	<u>-</u>	<u>1,856,408</u>	<u>165</u>	<u>2,020,311</u>	<u>6,914,216</u>
<u>\$ 751,691</u>	<u>\$ 58,930</u>	<u>\$ 209,548</u>	<u>\$ 13,357</u>	<u>\$ 81,515</u>	<u>\$ 1,877,111</u>	<u>\$ 165</u>	<u>\$ 2,067,381</u>	<u>\$ 7,471,452</u>

See Independent Auditor's Report.

SCHEDULE 5
CITY OF LEBANON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2024

	Special Revenue Funds						
	Public Library	Police Public Safety Revolving	Lebanon Open Space	Fire Public Safety Revolving	Farmers Market	Recreation Revolving	Redevelopment Properties Revolving
REVENUES							
Taxes	\$ -	\$ -	\$ 302,450	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	149,594
Charges for services	-	270,132	-	22,107	-	206,881	-
Miscellaneous	79,263	-	57,649	-	1,172	-	-
Total revenues	79,263	270,132	360,099	22,107	1,172	206,881	149,594
EXPENDITURES							
Current:							
General government	-	174	-	-	-	-	149,594
Public safety	-	215,213	-	16,757	-	-	-
Culture and recreation	96,811	-	-	-	2,078	234,095	-
Conservation	-	-	-	-	-	-	-
Total expenditures	96,811	215,387	-	16,757	2,078	234,095	149,594
Excess (deficiency) of revenues over (under) expenditures	(17,548)	54,745	360,099	5,350	(906)	(27,214)	-
OTHER FINANCING SOURCES (USES)							
Transfers in	10,188	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	10,188	-	-	-	-	-	-
Net change in fund balances	(7,360)	54,745	360,099	5,350	(906)	(27,214)	-
Fund balances, beginning	128,116	270,238	1,041,085	73,298	1,760	107,037	-
Fund balances, ending	\$ 120,756	\$ 324,983	\$ 1,401,184	\$ 78,648	\$ 854	\$ 79,823	\$ -

Special Revenue Funds								
Impact Fees	Cemetery Maintenance	Public Assistance Revolving	Enterprise Property Revolving	Dependent Care Flexible Spending	Downtown TIF District	Airport/ Tech Park TIF District	Permanent Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 862,188	\$ 53,400	\$ -	\$ 1,218,038
-	-	-	-	-	-	-	-	149,594
-	-	-	-	-	-	-	-	499,120
327,324	9,870	-	39,683	-	73,467	113	186,942	775,483
327,324	9,870	-	39,683	-	935,655	53,513	186,942	2,642,235
-	-	-	58,586	137,789	-	-	11,364	357,507
-	-	-	-	-	-	-	-	231,970
-	-	-	-	-	-	-	-	332,984
-	-	-	-	-	272,274	-	-	272,274
-	-	-	58,586	137,789	272,274	-	11,364	1,194,735
327,324	9,870	-	(18,903)	(137,789)	663,381	53,513	175,578	1,447,500
-	-	125,000	16,020	137,789	-	-	-	288,997
(165,000)	-	-	-	-	(270,980)	(53,400)	(10,188)	(499,568)
(165,000)	-	125,000	16,020	137,789	(270,980)	(53,400)	(10,188)	(210,571)
162,324	9,870	125,000	(2,883)	-	392,401	113	165,390	1,236,929
589,367	49,060	84,548	13,798	-	1,464,007	52	1,854,921	5,677,287
\$ 751,691	\$ 58,930	\$ 209,548	\$ 10,915	\$ -	\$ 1,856,408	\$ 165	\$ 2,020,311	\$ 6,914,216

See Independent Auditor's Report.



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Members of the City Council and City Manager
City of Lebanon
Lebanon, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major governmental and proprietary fund, and the aggregate remaining fund information of the City of Lebanon as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements, and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lebanon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

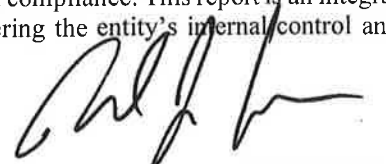
As part of obtaining reasonable assurance about whether the City of Lebanon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***City of Lebanon
Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards***

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 13, 2025
Concord, New Hampshire



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Professional Association/Certified Public Accountants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Members of the City Council and City Manager
City of Lebanon
Lebanon, New Hampshire

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Lebanon's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon's major federal programs for the year ended December 31, 2024. The City of Lebanon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Highway Planning and Construction

In our opinion, except for the noncompliance described in the *Matter Giving Rise to Qualified Opinion on Highway Planning and Construction* section of our report, the City of Lebanon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Highway Planning and Construction for the year ended December 31, 2024.

Unmodified Opinions on Airport Improvement Program, Infrastructure Investment and Jobs Act Programs

In our opinion, the City of Lebanon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Airport Improvement Program, Infrastructure Investment and Jobs Act Programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lebanon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City of Lebanon's compliance with the compliance requirements referred to above.

***City of Lebanon
Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance***

Matter Giving Rise to Qualified Opinion on Highway Planning and Construction

As described in the accompanying schedule of findings and questioned costs, the City of Lebanon did not comply with requirements regarding the Highway Planning and Construction as described in finding item 2024-001 for Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for the City of Lebanon to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Lebanon's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Lebanon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Lebanon's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lebanon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Lebanon's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lebanon's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Lebanon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or

City of Lebanon
Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

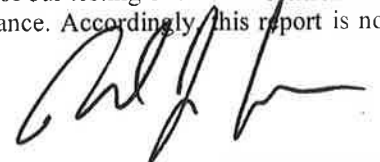
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 as a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lebanon's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Lebanon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

November 13, 2025
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

SCHEDULE I
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinions on the governmental activities, business-type activities, each major governmental and proprietary fund, and the aggregate remaining fund information.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs:

Airport Improvement Program, Infrastructure Investment and Jobs Act Program Highway Planning and Construction	Unmodified Qualified
--	-------------------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: ☐ \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SCHEDULE I (continued)
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-001 Verification of Suspension and Debarment (Material Weakness)

Federal Agency: Department of Transportation
Pass-through Agency: State of New Hampshire Department of Transportation
Cluster/Program: Highway Planning and Construction
Assistance Listing Number: 20.205
Passed-through Identification: 41366 & 44016
Compliance Requirement: Suspension and Debarment

Type of Finding:

Internal Control over Compliance – Material Weakness
Material Noncompliance

Criteria or Specific Requirement: In accordance with 2 CFR 180.300, recipients of federal funds are required to ensure that contractors, subcontractors, vendors, or persons are not suspended or debarred from participating in federal programs before awarding any contract or procurement that exceeds \$25,000. This verification must be conducted through the System for Award Management (SAM) or by obtaining a certification or including an appropriate clause in the contract.

Additionally, the grant agreement specifically requires that the “project sponsor [i.e., the City] also certifies that it will verify the state and federal suspension and debarment status for all parties (consultant, vendor, contractor, etc.) receiving funds under this Agreement as a sub-agreement and shall be solely responsible for any recoupment, penalties, or costs that might arise from use of a suspended or debarred party.”

Condition: During our review of the City’s compliance with suspension and debarment requirements, we noted that the City procured services with four vendors under the federally funded projects.

- For two of the four vendors, the City demonstrated compliance by either (1) including a suspension and debarment clause within the executed contract documents or (2) obtaining a signed certification form confirming that the vendor was not suspended or debarred.
- For the remaining two vendors, the City did not provide evidence that a verification was performed through SAM.gov, nor was there a certification or clause included in the executed agreements.

It should be noted that the New Hampshire Department of Transportation (NH DOT) performs its own review and approves all engineers and contractors prior to project initiation; however, the City’s grant agreement explicitly requires the City, as Project Sponsor, to independently verify the suspension and debarment status of all parties receiving funds under the agreement.

Cause: The City’s procurement procedures did not consistently include a formalized step to verify the suspension and debarment status of all vendors receiving federal funds. While some verification occurred through contract language or certifications, there was no comprehensive internal control requiring documentation of this verification for every vendor. The City may have relied, in part, on NHDOT’s approval process, which does not substitute for the City’s own verification responsibilities under the federal requirements and the grant agreement.

Effect: Failure to verify and document the suspension and debarment status of all vendors increases the risk of noncompliance with 2 CFR 180.300 and the terms of the grant agreement, potentially resulting in questioned costs, repayment of federal funds, or administrative findings during future audits or grant monitoring reviews.

Questioned Costs: None identified. Although verification documentation was not available for two vendors, there is no evidence that the vendors were suspended or debarred; therefore, no questioned costs are being reported.

Identification as Repeat Finding: This is not a repeat finding from the prior year.

SCHEDULE I (continued)
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Recommendation: We recommend that the City establish and consistently apply a formalized process to verify and document the suspension and debarment status of all vendors, consultants, and contractors paid with federal funds. The process should include:

- Performing verification through SAM.gov prior to contract execution;
- Obtaining a signed certification from the vendor; or
- Including an appropriate clause within the contract addressing suspension and debarment status.

Additionally, the City should maintain documentation of verification in procurement files to demonstrate compliance during audits and monitoring visits. The City should also ensure that reliance on NHDOT approvals does not replace its own verification responsibilities under federal requirements.

Views of Responsible Officials: Management's views and corrective action plan is included at the end of this report.

SCHEDULE II
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF THE INTERIOR				
Passed Through the State of New Hampshire				
Department of National and Cultural Resources				
Historic Preservation Fund Grants-In-Aid	15,904	N/A	\$ -	\$ 15,950
<i>PROGRAM TOTAL</i>			-	15,950
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the State of New Hampshire				
Department of Transportation				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs:				
COVID-19 - Airport Improvement Program	20.106	3-33-0010-064-2021	-	(111,408)
COVID-19 - Airport Improvement Program	20.106	3-33-0010-069-2022	-	355,622
Airport Improvement Program	20.106	3-33-0010-070-2022	-	(123,555)
Airport Improvement Program	20.106	3-33-0010-071-2022	-	7,284
Airport Improvement Program	20.106	3-33-0010-072-2023	-	905,881
Airport Improvement Program	20.106	3-33-0010-073-2023	-	476,506
Airport Improvement Program	20.106	3-33-0010-074-2024	-	3,592
Airport Improvement Program	20.106	3-33-0010-076-2024	-	58
<i>PROGRAM TOTAL</i>			-	1,513,980
Highway Planning and Construction	20.205	40794	-	30,583
Highway Planning and Construction	20.205	41366	-	726,072
Highway Planning and Construction	20.205	44016	-	53,206
Highway Planning and Construction	20.205	13558A	-	359,345
<i>PROGRAM TOTAL</i>			-	1,169,206
Passed Through the State of New Hampshire				
Department of Safety				
State and Community Highway Safety	20.600	23-101	-	15,820
<i>PROGRAM TOTAL</i>			-	15,820
U.S. DEPARTMENT OF TREASURY				
Passed Through the State of New Hampshire				
Department of Business and Economic Affairs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21,027	N/A	-	112,292
Passed Through the State of New Hampshire				
Department of Environmental Services				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	CS-334092-15	-	380,778
<i>PROGRAM TOTAL</i>			-	493,070

(continued)

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

SCHEDULE II (continued)
CITY OF LEBANON, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY				
Passed Through the State of New Hampshire Department of Environmental Services				
Drinking Water State Revolving Fund	66.468	LSL-09	-	50,000
<i>PROGRAM TOTAL</i>			-	50,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	MRC Rise 22-1776	-	832
<i>PROGRAM TOTAL</i>			-	832
Passed Through the State of Vermont Department of Health				
Public Health Emergency Preparedness	93.069	03420-08585	-	3,420
<i>PROGRAM TOTAL</i>			-	3,420
DIRECT FUNDING				
U.S. DEPARTMENT OF JUSTICE				
Bullet Proof Vest Partnership Program	16.607	N/A	-	3,208
<i>PROGRAM TOTAL</i>			-	3,208
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	66,522
<i>PROGRAM TOTAL</i>			-	66,522
U.S. DEPARTMENT OF TREASURY				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	94,313
<i>PROGRAM TOTAL</i>			-	94,313
<i>Total Expenditures of Federal Awards</i>			\$ -	\$ 3,426,321

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

SCHEDULE III
CITY OF LEBANON, NEW HAMPSHIRE
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

FEDERAL AWARD FINDINGS

2023-001 Document Policies and Procedures over Federal Awards (Significant Deficiency)

Status: Resolved.

CITY OF LEBANON, NEW HAMPSHIRE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Lebanon under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lebanon, it is not intended to and does not present the financial position, changes in net position and fund balance or cash flows of the City of Lebanon.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City of Lebanon has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

APPENDIX



CORRECTIVE ACTION PLAN
December 31, 2024

Audit Finding Reference:

2024-001

Management's Response and Planned Corrective Action:

Strengthen internal control and procedures related to verification of Debarred or Suspended vendors. Current process is only mentioned in ADM 110.1 Procurement Policy with language that reads "The City will not award a solicitation to a vendor that has been debarred or suspended by the federal, state, or the City. The City Manager may suspend or debar a vendor from providing goods or services to the City for violations of the law."

New language and procedure should be as follows:

The City will not award a solicitation to a vendor that has been debarred or suspended by the federal, state, or the City. The City Manager may suspend or debar a vendor from providing goods or services to the City for violations of the law. To ensure compliance with this, prior to issuing a contract, the department will:

- Perform a verification through SAM.gov OR
- Obtain a signed certification from the vendor

Whichever method is used, the documentation should be retained with the copy of the contract.

This policy will be updated, shared with the appropriate staff, and training provided as needed.

Name of Contact Person and Completion Date:

Name 1: Alesia Williams, Finance Director

Name 2: Andrew Hosmer, City Manager

Anticipated Completion Date – January 1, 2026

**CITY OF LEBANON,
NEW HAMPSHIRE**

**LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGES REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024**

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGES REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

To the Members of the City Council
City of Lebanon
Lebanon, New Hampshire

Report on Compliance for the Passenger Facility Charge Program

We have audited the City of Lebanon's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration that could have a direct and material effect on the City of Lebanon's passenger facility charge program for the year ended December 31, 2024.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Lebanon's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City of Lebanon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of the City of Lebanon's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the City of Lebanon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2024.

Report on Internal Control over Compliance

Management of the City of Lebanon is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Lebanon's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon's internal control over compliance.

City of Lebanon

***Independent Auditor's Report on Compliance for the Passenger Facility Charge Program;
Report on Internal Control Over Compliance; and Report on the Schedule of Passenger
Facility Charge Collections and Expenditures Required by the Passenger Facility Charge
Audit Guide for Public Agencies***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charge Collections and Expenditures Required by the FAA Guide

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Lebanon as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements. We issued our report thereon dated November 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Passenger Facility Charge Collections and Expenditures is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other record used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the Schedule of Passenger Facility Charge Collections and Expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

November 13, 2025
Concord, New Hampshire

PLODZIK & SANDERSON
Professional Association

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
Schedule of Passenger Facility Charges
Collections and Expenditures
For the Fiscal Year Ended December 31, 2024

<u>Program</u>	<u>Application Approved Number</u>	<u>PFC collections</u>	<u>Expenditures</u>
Passenger Facility Charges <i>(see note)</i>	18-09-C-00-LEB	<u>\$ 52,046</u>	<u>\$ -</u>

The accompanying note is an integral part of this schedule.

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
NOTE TO SCHEDULE OF PASSENGER FACILITY CHARGES
COLLECTIONS AND EXPENDITURES
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

Basis of Presentation

The accompanying Schedule of Passenger Facility Charge Collections and Expenditures reports the activity of the City of Lebanon's Municipal Airport related to its passenger facility charges.

The following is the basis of presentation:

PFC Revenues – These amounts represent the receipt of PFC charges from airlines for the year ended December 31, 2024. Amounts are reported on a modified accrual basis of accounting.

Expenditures – Expenditures represent the amount of capital and other approved costs expended for approved PFC projects. Amounts are reported on a modified accrual basis of accounting.

CITY OF LEBANON, NEW HAMPSHIRE
LEBANON MUNICIPAL AIRPORT
PASSENGER FACILITY CHARGES PROGRAM
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Passenger Facility Charge Program

Internal control over compliance:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance: Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the Guide? yes X no

SECTION II - PASSENGER FACILITY CHARGE PROGRAM FINDINGS

NONE

Agenda

Lebanon City Council

December 3, 2025

11. New Business:

11.D – Discussion and Set Public Hearing for January 7, 2026: Ordinance #2025-14 to Amend City Code Chapter 8, Airport Operations, Section 8.4, Airport Rules and Regulations, Exhibit #1, Fee Schedule, to Amend Fuel Flowage Fees

Background

In recent years, the City Council has regularly updated the Aircraft Landing Fees documented within the Airport Rules and Regulations as part of an ongoing effort to try to make the Lebanon Airport a more self-sustaining operation. Most recently, on October 15, 2025, the City Council adopted Ordinance #2025-09 to establish new landing fees to be effective beginning January 1, 2026.

However, other fees associated with airport use and operations have not been regularly updated. For example, it does not appear that the Fuel Flowage Fees outlined in the Airport Rules and Regulations have been updated since at least 2019, when they were incorporated into the Fee Schedule (Exhibit 1) of the Rules and Regulations. Under the existing fee schedule, the City receives \$0.08 per net gallon of all fuel delivered to the Fixed Base Operator (Granite Air) and from all other self-fueling activities occurring at the airport.

The City Manager recommends that the City Council consider increasing the Fuel Flowage Fees to account for inflation and other cost increases associated with overall airport operations.

Action

Should the Council decide to move forward with Ordinance #2025-14 as proposed, the following motion is offered for consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, January 7, 2026, 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 #2025-14 to amend City Code Chapter 8, Airport Operations, Section 8.4, Airport Rules and Regulations, to amend the Airport Fuel Flowage Fees set forth in Exhibit 1, Fee Schedule, of the Rules and Regulations.

Included in this Section:

1. Proposed Ordinance #2025-14
2. City Code Chapter 8 – Airport Operations
3. Exhibit #1 – Fee Schedule, from Lebanon Airport Rules and Regulations

Not Included, But Also Available:

1. [City of Lebanon, New Hampshire, Lebanon Municipal Airport, Rules and Regulations for the Operation of the Airport, Adopted September 1, 1993, Amended December 13, 2023.](#)

**CITY OF LEBANON
ORDINANCE #2025-14**

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:

Exhibit 1, Fee Schedule, of the Lebanon Municipal Airport Rules and Regulations is hereby amended to change the Fuel Flowage Fees as follows:

5. Fuel Flowage Fees

The Fuel Flowage Fee shall be ~~\$0.08~~ \$0.16 per Net Gallon of all Fuel.

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 upon passage.

Chapter 8

AIRPORT OPERATIONS

§ 8-1.	Declaration of policy.	§ 8-6.	Operational standards for fixed-based operators.
§ 8-2.	Aeronautical Fund.		
§ 8-3.	(Reserved)	§ 8-7.	Use of Airport land acquired with federal funds.
§ 8-4.	Airport rules and regulations.		
§ 8-5.	Commercial activities.		

[HISTORY: Adopted by the City Council of the City of Lebanon 2-3-1993 by Ord. No. 65. Amendments noted where applicable.]

GENERAL REFERENCES

Consumption of alcoholic beverages in Airport Terminal Building — See Ch. 14.

Art. VIII.

Taxicab operations at Lebanon regional airport — See Ch. 157.

Lebanon Municipal Airport Advisory Committee — See Ch. 31,

§ 8-1. Declaration of policy.

The City Council of the City of Lebanon hereby ordains the following for the purpose of establishing the Department of the Airport for the purpose of operating the Lebanon Municipal Airport (hereinafter referred to as "Airport") pursuant to RSA Chapter 423.

§ 8-2. Aeronautical Fund.

- A. There is hereby established the Aeronautical Fund (hereinafter referred to as the "fund") consisting of various accounts as separate accounts for the deposit of all revenues and the expenditure of all funds relating to the operation of the airport. Such moneys shall not be intermingled with other funds of the city. The fund shall not lapse and the unexpended balance of said fund shall be carried forward to subsequent years. The moneys in the fund shall be used solely for aeronautical purposes as required by RSA Chapter 423 and the laws and regulations of the Federal Aviation Administration.
- B. All moneys received from the State of New Hampshire and the Federal Aviation Administration (hereinafter referred to as "FAA") for the Airport shall be deposited into and expended from the fund.

§ 8-3. (Reserved)¹

§ 8-4. Airport rules and regulations.²

Rules and regulations for the operation of the Airport shall be adopted by the City Council in the same manner as for the adoption or amendment of an ordinance. When the FAA or the New Hampshire

1. Editor's Note: Former § 8-3, Airport self-supporting on revenue generated from commercial activities, was repealed 12-3-2008.

2. Editor's Note: The rules and regulations are on file in the offices of the City Clerk and the Airport Manager.

Aeronautical Division imposes rules and regulations for the operation of the Airport, the Airport Manager shall have the authority to put such rules and regulations into effect and enforce the same in a timely manner without City Council action.

§ 8-5. Commercial activities.

No business shall be conducted or obtained at the airport except by written agreement, upon such terms and conditions acceptable to the city and approved by the City Council. Any business or commercial activities deriving economic benefits from the operation of the Airport shall compensate the city in a manner acceptable to the city, including but not limited to airlines, car rental agencies, both on and off the Airport, restaurants, fixed-based operators, etc.

A. Car rental agencies. On-site locations for car rental agencies shall be allocated on open bidding based on guaranteed minimums for the payment of the Airport rental fee in a percentage of the total customer car rental charges upon such terms and conditions acceptable to the city. In addition, the car rental agencies shall pay such rental charges and parking charges as the city deems necessary.

B. Definitions. As used in this section, the following terms shall have the meanings indicated:

OFF-AIRPORT BUSINESS(ES) — Any commercial operation or establishment, operated for profit, that does not rent facilities on Airport property and is engaged in the following lines of business that obtain customers at the Airport who either arrive or depart the Airport on aircraft: car rental, taxi or limousine service and motel or hotel establishments.

USER FEE — A fee imposed upon an off-airport business for the right to enter and go upon Airport property for the purpose of picking up or discharging customers or potential customers.

C. Amount of user fees for off-airport business(es), except off-airport car rental agencies. The city shall determine the amount of user fees to be paid by off-airport business(es), except off-airport car rental agencies, taking into consideration such factors as the frequency and intensity of use of airport property, the amount of revenue attributable to customers picked up or discharged at the airport, similar charges made by on-airport business(es) and the relative benefits that an off-airport business derives from gaining access to and using airport facilities.

D. Off-airport car rental agency. Any off-airport car rental agency shall pay as a user fee the current Airport rental fee paid by on-airport car rental agencies for that part of its business derived from Airport sales. The Airport rental fee is a percentage of the total customer car rental charges. There shall be a written agreement between the city and the off-airport car rental agency as a condition of doing business at the Airport.

E. Regulation of vehicles on the airport. Vehicles using the Airport shall comply with Airport regulations and shall obtain a permit and pay such fees as may be required.

§ 8-6. Operational standards for fixed-based operators.

There shall be established minimum operational standards for fixed-base operators to provide the necessary services and comply with applicable safety requirements in compliance with federal and state laws and regulations.

§ 8-7. Use of Airport land acquired with federal funds.

In connection with the expansion of the Airport in 1983 and the receipt of federal funds, restrictions were placed on the use of Airport land as shown on the plan attached as Exhibit A and made a part of

this chapter.³ See Citizens for Responsible Area Growth (CRAG) v. Brock Adams, et al., United States District Court for the District of New Hampshire, Docket Number C79-61, which the Citizens' Advisory Committee (CAC) as a means of communicating with affected communities in the Upper Valley area and to provide guidance and flexibility in complying with the court order while at the same time balancing necessary and reasonable commercial utilization of the Airport land. The operation of the Airport and the use of Airport land shall be in conformity with the court order.

3. Editor's Note: Exhibit A is on file in the office of the City Clerk.

EXHIBIT #1 – FEE SCHEDULE

1. Aircraft Landing Fees Applicable to All Transient Aircraft

Type of Aircraft (maximum take-off weight)	Fee* effective 1/1/26
Single-Engine/Commercial	\$0
Light Twin Engine	\$25.00
Turboprops (< 9,001 Pounds)	\$50.00
Turboprops (9,001 - 27,000 Pounds) (SE)	\$95.00
Turboprops (9,001 - 27,000 Pounds) (ME)	\$95.00
Turboprops (> 27,000 Pounds)	\$175.00
Jet (Very Light Jets - VLJs)	\$120.00
Jet (9,001 - 27,000 Pounds)	\$345.00
Jet (27,001 - 60,000 Pounds)	\$455.00
Jet (> 60,000 Pounds)	\$555.00
Jet (Airline Category)	\$875.00
All Piston Helicopters	\$25.00
All Turbine Helicopters	\$30.00

2. Commercial Vehicle Fees

- a. \$25.00 per Permit Year for each Taxi (including limousines and other vehicles for hire)
- b. \$25.00 per Permit Year for each Shuttle Vehicle or Cargo/Freight Operator

3. Car Rental Agency and User Fees

- a. On-Airport car rental agencies shall pay an Airport Rental Fee of 10% of the total customer car rental charges.
- b. Off-Airport car rental agencies shall pay a user fee of 10% of the total customer car rental charges.

4. Licensed Property Fees/Permit Fees

- a. Commercial Operators using Licensed Property of City: Monthly license fees in the amount of either (i) 10% of the fees charged by Commercial Operators for services rendered on the Licensed Property at the Airport or (ii) an amount equal to the rental rate per square foot being paid by Commercial Operators for ground leases at the Airport applied to each square foot of Licensed Property, whichever amount is greater.
- b. Transient Commercial Operators: A fee applied on a per occurrence basis for each single use of Aircraft, or each single repair or single service to an individual Aircraft, based on the Aircraft's type of engine:

Piston Engine: \$250 per occurrence

Turbo Prop Engine: \$500 per occurrence

Turbine Engine: \$750 per occurrence

- c. In the case of a TASO providing flight training, the fee shall be based on the type of engine of each Aircraft utilized for flight lessons during each 30-calendar-day period of time.

- d. Non-Commercial Operators with Leases – None

5. Fuel Flowage Fees

The Fuel Flowage Fee shall be \$0.08 per Net Gallon of all Fuel.

Agenda

Lebanon City Council

December 3, 2025

11. New Business:

11.E – Discussion and Set Public Hearing for December 18, 2025:

Consideration of City Clerk's Certification of Petition Sufficiency for Citizens Binding Initiative Seeking to Establish a Finance Advisory Committee

Background

On October 2, 2025, the City received a Citizens Binding Initiative Petition in accordance with Section 7.01 of the City Charter from Petition Committee Chairperson Lori Key. The Citizens Binding Initiative Petition seeks to amend City Code Chapter 31, Boards, Committees and Commissions, to establish a Finance Advisory Committee.

On November 25, 2025, in accordance with City Code §89-8.A, City Clerk Jaseya Ewing verified that the requisite number of signatures of registered voters had been obtained on the petition and certified the petition as sufficient to comply with the provisions of City Charter §7.01. Pursuant to City Code §89-10.A, the City Clerk shall cause the initiative petition to be placed on the agenda for a City Council meeting to be held within 14 days of the Clerk's certification. Upon receiving the City Clerk's certification of the petition, the City Council must schedule a public hearing to be held within 20 days from the date of receipt of the certification [§89-10.B].

If, following the public hearing, the City Council decides to pass the Citizens Binding Initiative Petition without alteration, such action will have the effect of adopting Ordinance #2025-15, as proposed and included in this agenda packet.

If, following the public hearing, the City Council decides not to pass the Citizens Binding Initiative Petition, or decides to pass the initiative petition but with substantive alterations, or takes no action whatsoever, then the City Council shall cause the original certified Binding Initiative petition question and the brief explanation or synopsis to be placed on the ballot at the next municipal election on March 10, 2026 [§89-11].

Action

The following motion is offered for City Council consideration:

MOVED, that the Lebanon City Council hereby schedules a public hearing for Thursday, December 18, 2025, beginning at 6:00 pm in Council Chambers, City Hall, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action to decide whether to pass, with or without alteration, the Citizens Binding Initiative Petition seeking to amend City Code Chapter 31, Boards, Committees and Commissions, to establish a Finance Advisory Committee, as reflected in proposed Ordinance #2025-15, as presented in the December 3, 2025 City Council Agenda Packet.

Included In This Section:

1. Final Language of Citizens Binding Initiative Petition question and brief explanation
2. November 25, 2025 City Clerk Certification of Petition Sufficiency
3. Proposed Ordinance #2025-15
4. City Charter Section 7.01 – Citizen Binding Initiative
5. City Code Chapter 89 – Initiative Petitions

Citizens Binding Initiative - Amendment #1
(Amend City Code Chapter 31 – Establish a City Finance Advisory Committee):

Sample Question: “Shall the municipality approve the amendment to City Code Chapter 31, summarized below, to establish a Finance Advisory Committee?”

Explanation of Question: Amend City Municipal Code Chapter 31, Boards, Committees and Commissions, to establish the Finance Advisory Committee to support the City Council on matters related to the annual operating budget.

Effective July 1, 2026, the Committee members shall be appointed by the City Council and shall consist of four citizen members and three City Council representatives, who shall serve staggered two year terms.

The purpose of the Finance Advisory Committee is to advise the City Council on future budgets and assist in determining whether the budget meets the needs of the City based on current and anticipated resources. This Committee is created pursuant to RSA 32:34, is purely advisory and has none of the duties or authority of an official budget committee.



City Clerk & Tax Collector's Office

51 North Park Street | Lebanon, NH 03766

Phone: (603) 448-3054 | clerk@lebanonnh.gov

www.lebanonnh.gov

CITY CLERK CERTIFICATION PETITION SUFFICIENCY

I, Jaseya Girona Ewing, City Clerk, do hereby certify that:

1. On October 2, 2025, Petitioner Committee Chairperson Lori Key submitted a citizen initiative petition proposing the establishment of a Finance Advisory Committee; and
2. On October 20, 2025, a total of 57 petition forms were issued to the Chairperson, with an additional 13 petition forms issued on November 20, 2025; and
3. Pursuant to §7.01 of the City Charter, a petition must be signed by registered voters equal in number to at least ten percent of the total ballots cast in the last gubernatorial election; and
4. The number of signatures required from registered voters residing within the City of Lebanon for the petition to be deemed sufficient is 818; and
5. Upon examination of the petition, I have verified that it contains 822 valid signatures, and therefore certify the petition as sufficient to be placed on the agenda for the City Council meeting on December 3, 2025.

Signed this 25th day of November, 2025:


Jaseya Girona Ewing, City Clerk

THE CITY OF LEBANON ORDAINS AS FOLLOWS:

ORDINANCE NO. 2025-15

An Ordinance to Amend the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, to add a new section for a Finance Advisory Committee.

Section 1. Chapter 31 of the Code of the City of Lebanon is hereby amended to add a new section, Article XVIII as follows:

ARTICLE XVIII, Finance Advisory Committee

§31-63. Establishment; Membership.

A. Effective July 1, 2026, the Committee members shall be appointed by the City Council and shall consist of four citizen members and three City Council representatives, who shall serve staggered two year terms.

§31-64. Purpose

A. The purpose of the Finance Advisory Committee is to advise the City Council on future budgets and assist in determining whether the budget meets the needs of the City based on current and anticipated resources. This Committee is created pursuant to RSA 32:24, is purely advisory, and has none of the duties or authority of an official budget committee.

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 parts of this ordinance.

Section 3. Effective Date

This Ordinance shall become effective July 1, 2026.

City of Lebanon Charter
Article VII - Role of Public Engagement

§ 7.01. Citizens Binding Initiative. [Adopted 11-2-1982, effective 1-1-1983]

Citizens may propose a measure with an initiative petition signed by qualified voters equal in number to ten percent of the votes cast in the last gubernatorial election. When said petition is complete, as certified by the city clerk to have met the above requirements, said proposed measure, shall be submitted to the city council requesting the city council to pass proposed measure without alteration; if said proposed measure be not passed without alteration within twenty days after the date of the Clerk's certification, then such proposed measure without alteration shall be submitted by the city council to the vote of qualified voters at the next municipal election. If a majority of the qualified voters voting on any proposed measure, and which falls within the lawful rights and powers of the city, shall vote in favor thereof, same shall thereafter go into effect on the first day of the next succeeding municipal year.

§ 89-1. Purpose.

The purpose of this chapter is to enact procedures to be followed when citizens file initiative petitions pursuant to § C419:23(a), Citizens Binding Initiative, and § C419:23(b), Citizens Nonbinding Initiative, of the City Charter. This chapter shall not apply to the amendment or revision of the City Charter, which shall be done in compliance with the provisions of RSA Chapter 49-B (Home Rule Municipal Charters).

§ 89-2. Authority for regulations.

These regulations are adopted pursuant to the authority vested in City Councils under the police power and under the provisions set forth in RSA 44:3, which permit the City Council to administer the prudential and municipal affairs of the city.

§ 89-3. Application for Petitioners' Committee.

Prior to filing any initiative petition, an application must be filed by at least five citizens who are registered voters in the city requesting that they constitute a Petitioners' Committee.

- A. No less than five citizens may serve on the Petitioners' Committee, but more than five may serve upon request.
- B. Members of the Petitioners' Committee shall sign an affidavit certifying that they are qualified voters in the City of Lebanon, that they have read and understand the instructions furnished by the City Clerk for circulating initiative petitions and agree to abide by these instructions, and that they will circulate and obtain signatures on the petitions of only registered voters within the city. In addition, the affidavit shall include the name and address of the Chairperson of the Petitioners' Committee to whom all notices to the Committee shall be sent.
- C. Applications requesting the establishment of a Petitioners' Committee for the purpose of filing an initiative petition may be filed only between September 1 and October 31 of any year for the municipal election to be held on the second Tuesday of March of the following year.

§ 89-4. Filing of sample question and explanation.

In addition to the application and affidavit, before a Petitioners' Committee application can be accepted, the Committee must file with the City Clerk a sample question which it proposes to become the subject of the initiative procedure.

- A. Explanation of question. The sample question shall include a brief statement of explanation as to what is the effect of the question. The brief statement explanation or a synopsis thereof shall appear along with the question on the ballot.
- B. Legal review. The City Clerk shall within two working days of receiving the sample question and explanation submit both to the Attorney for the city for review and comment with regard to whether or not the sample question and explanation are sufficiently clear and are in the appropriate form.

- (1) The legal review shall be in writing and delivered to the Clerk within 10 working days.
 - (2) The Clerk shall within two working days thereafter provide a copy of the legal comments to the Petitioners' Committee.
 - (3) The Petitioners' Committee will have the option of accepting or declining the recommendations and suggestions of the Attorney for the city, but must indicate in writing to the Clerk its decision within two working days.
- C. Minor textual changes. After the filing of the question, the substantive language of the question will not be changed except upon a petition for a new Petitioners' Committee being filed. Notwithstanding, the City Clerk may make such minor textual changes to the question as may be required to clarify the question, provided that the Petitioners' Committee first has an opportunity to review and accept the proposed textual change.

§ 89-5. Preparation and delivery of petition forms.

The petition forms shall be prepared by the City Clerk and returned to the Petitioners' Committee within five working days of the date on which the Clerk receives written notification from the Petitioners' Committee as to whether it has accepted or declined the written recommendations of the Attorney for the city. The petitions shall bear a number in the upper right-hand section. Each petition given out shall be numbered consecutively. Each member of the Petitioners' Committee shall be responsible for the numbered petitions which they are given. All persons signing the petition shall give their address and ward. Failure to provide this information may result in a signature on the petition being disqualified.

§ 89-6. Additional persons circulating petitions.

- A. The Petitioners' Committee may appoint additional individuals who are registered voters of the city to circulate a petition, provided that the names of these individuals and their addresses are furnished to the City Clerk prior to their circulating a petition.
- B. When the names and addresses of these individual circulators are given to the City Clerk, the City Clerk shall within seven working days verify that the individuals are registered voters of the city and issue a letter of authority indicating that the additional individuals may circulate and obtain names on the initiative petition.

§ 89-7. Deadline for filing petitions with City Clerk.

All initiative petitions, including those not used, shall be filed with the City Clerk not later than December 21 of any year for a question which is to appear on the ballot at the annual municipal election held on the second Tuesday of March of the following year.

§ 89-8. City Clerk's certification or refusal to certify.

- A. Within five working days after the filing of the petitions by the Petitioners' Committee, the City Clerk shall certify or refuse to certify in writing that the requisite number of signatures of voters necessary to comply with the provisions of §§ C419:23(a) and C419:23(b) of the City Charter have been obtained.

- B. The Clerk shall deliver a copy of the certificate or the refusal to certify to the Petitioners' Committee within the five-working-day period.

§ 89-9. Appeal procedure if Clerk refuses to certify petition.

- A. If the City Clerk refuses to certify the petition, the Petitioners' Committee or any member of the Petitioners' Committee may appeal the City Clerk's ruling to the City Council within two working days of the receipt of the written refusal to certify.
- B. Within 14 days after an appeal is filed with the City Council by the Petitioners' Committee, the City Council shall hold a public hearing, with seven days notice by publication, on such appeal and shall decide whether or not to certify the petition.
- C. All parties shall be given an opportunity to present evidence to the City Council at the hearing.
- D. The City Council's decision on this issue shall be final, and there shall be no further appeal available to the objecting party, except as may be permitted by law.

§ 89-10. Certification of petition by Clerk; placement on Council meeting agenda; public hearing.

- A. If the City Clerk determines that the requisite number of signatures has been obtained on a petition, the City Clerk shall cause the initiative petition to be placed on the agenda for a City Council meeting to be held within 14 days of that determination.
- B. At the City Council meeting referred to in Subsection A above, the City Clerk shall deliver the certification to the Council that all requirements of this chapter and of the Charter have been met. Within 20 days from the date of receipt of the City Clerk's certification at such Council meeting, the City Council shall schedule and hold a public hearing, with seven days' notice, and shall decide whether or not to pass the initiative without alteration.
- C. If the City Council certifies a petition after an appeal as provided for under § 89-9, the petition shall be considered to have been presented to the Council at that Council meeting as complete and the twenty-day period described in Subsection B above shall run from that Council meeting.

§ 89-11. Action by City Council to place initiative on the ballot.

If the City Council decides not to pass the initiative, or decides to pass the initiative but with substantive alterations, or takes no action whatsoever, then the City Council shall cause the original certified initiative petition question and the brief explanation or synopsis to be placed on the ballot at the next municipal election.

§ 89-12. Action by voters.

If a majority of the qualified voters voting on any proposed question shall vote in favor thereof, the amendment by initiative shall become effective on the first day of the succeeding municipal year.

Agenda

Lebanon City Council

December 3, 2025

11. New Business:

11.F – Discussion of Placing a Question of Whether to Prohibit the Operation of Keno Games on the March 10, 2026 Municipal Ballot

Background

On July 1, 2017, state legislation went into effect authorizing municipalities to allow the operation of keno games in their community by placing the question on the town warrant or municipal ballot. Under the 2017 legislation, keno was only permitted to be operated in communities that had explicitly voted to allow it.

Subsequent to the enactment of the 2017 legislation, the City Council held multiple discussions to decide whether or not to place the question of allowing the operation of keno games in the City, including on January 3, 2018, February 6, 2019, and January 8, 2020. Following each such discussion, the City Council voted not to place the question onto the municipal ballot for voter consideration.

In 2025, new state legislation (Laws of 2025, Chapter 288 – House Bill 737) took effect, which amended or repealed and reenacted portions of RSA 284:41 - 284:51-a, *et. seq.*, which address Keno games. Under the 2025 legislation, keno games will be permitted in every municipality as of July 1, 2027, unless a municipality votes to explicitly prohibit such games.

If the City wishes to prohibit the operation of keno games, the City Council must vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters. If placed on the official ballot, the City Council shall hold a public hearing on the question at least 15 days, but not more than 30 days, before the question is to be voted on.

Action

Should the City Council decide to take action concerning placing a question on the March ballot to prohibit the operation of keno games, a motion will be developed based on the discussion at the meeting.

Included in this Section:

1. NH RSA 284:41 – 284:51-a, *et. seq.*

**TITLE XXIV
GAMES, AMUSEMENTS, AND ATHLETIC EXHIBITIONS
Chapter 284
HORSE AND DOG RACING**

**Keno
Section 284:41**

2024, 17:1, effective January 1, 2027, amends the chapter heading to delete "and Dog".

284:41 Definition. – In this subdivision, "keno" means any game where a player purchases a ticket from a field of 80 numbers and selects a specific amount of numbers. A random number generator employed by the lottery commission chooses 20 numbers at random and the player is paid out against his or her original wager.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:42

[RSA 284:42 effective until June 1, 2027; see also RSA 284:42 set out below.]

284:42 Administration and Enforcement. – The lottery commission shall administer and enforce this subdivision in any town or city that has voted to allow such gaming.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:42

[RSA 284:42 effective June 1, 2027; see also RSA 284:42 above.]

284:42 Administration and Enforcement. – The lottery commission shall administer and enforce this subdivision.

Source. 2017, 229:1, eff. July 1, 2017. 2025, 288:2, eff. June 1, 2027.

Section 284:43

284:43 Rulemaking. –

The lottery commission shall adopt rules, pursuant to RSA 541-A, relative to:

- I. The application procedure for keno licenses.
- II. Information to be required on license applications.
- III. Procedures for a hearing following the revocation of a license.
- IV. The operation of keno games, including types and amounts of wagers.
- V. Information required and forms for submission of financial reports.
- VI. Guidelines for licensees under this subdivision to set transaction limits for daily, weekly, and monthly play of keno for individual keno players.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:44

284:44 License Fees. – The lottery commission shall not charge a separate fee associated with issuing a keno license.

Source. 2017, 229:1, eff. July 1, 2017. 2023, 93:1, eff. Aug. 19, 2023.

Section 284:45

284:45 License Applications. –

- I. Applications shall be submitted to the lottery commission by the licensee. Proof of authority to submit the application on behalf of the licensee may be required.
- II. Applications shall be made only on the forms supplied to the licensee by the lottery commission.
- III. The application form shall be fully completed by the licensee.
- IV. Applicants for commercial premises keno licenses shall be submitted at least 30 days before the first game date.
- V. The applicant shall certify under oath that:
 - (a) The information provided on the application is accurate.
 - (b) Neither the applicant nor any employee will operate keno games, be licensed under this subdivision, or rent, lease, sublease, or otherwise provide any hall or keno paraphernalia for the conduct of keno licensed under this subdivision, if such person has been convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past 5 years which has not been annulled by a court, or has violated any of the statutes or rules governing charitable gambling in the past in this or in any other state.
 - (c) The applicant and any employee who will be participating in the operation of the keno games is aware of all statutes and rules applicable to the operation of keno games.
- VI. To be eligible for licensure under this subdivision an applicant shall:
 - (a) Document that it is one of the following:
 - (1) A restaurant or hotel holding a valid liquor license under RSA 178:20, II, RSA 178:21, II(a) or (b), or RSA 178:22, V(q).
 - (2) A brew pub holding a valid liquor license under RSA 178:13.
 - (3) A ballroom holding a valid liquor license under RSA 178:22, V(c).
 - (4) A veterans' club, private club, or social club holding a valid liquor license under RSA 178:22, V(h).
 - (5) A convention center holding a valid liquor license under RSA 178:22, V(i).
 - (6) A hotel holding a valid liquor license under RSA 178:22, V(k).
 - (7) A racetrack holding a valid liquor license under RSA 178:22, V(n).
 - (8) A sports recreation facility holding a valid liquor license under RSA 178:22, V(v).
 - (9) A cigar bar holding a valid liquor license under RSA 178:20-a.

[Paragraph VI(a)(10) effective until June 1, 2027; see also paragraph VI(a)(10) set out below.]

- (10) A lottery retailer licensed pursuant to RSA 284:21-h, if the city, town or unincorporated place where the retailer is located has voted pursuant to RSA 284:51, to allow the sale

of keno. Lottery retailers licensed to sell keno under this subparagraph shall not display keno on an active screen at the retailer.

[Paragraph VI(a)(10) effective June 1, 2027; see also paragraph VI(a)(10) set out above.]

(10) A lottery retailer licensed pursuant to RSA 284:21-h, if the city, town or unincorporated place where the retailer is located has not voted pursuant to RSA 284:51, to prohibit the sale of keno. Lottery retailers licensed to sell keno under this subparagraph shall not display keno on an active screen at the retailer.

[Paragraph VI(b) effective until June 1, 2027; see also paragraph VI(b) set out below.]

(b) Document that the keno games will only be operated in towns and cities that have voted to allow the operation of keno games pursuant to RSA 284:51.

[Paragraph VI(b) effective June 1, 2027; see also paragraph VI(b) set out above.]

(b) Document that the keno games will only be operated in towns and cities that have not voted to prohibit the operation of keno games pursuant to RSA 284:51.

(c) Maintain a current list of employees.

(d) Document that no minor under the age of 18 shall be allowed to purchase or redeem a keno ticket.

VII. A suspension or revocation of a liquor license shall result in the immediate suspension of the keno license issued under this chapter.

Source. 2017, 229:1, eff. July 1, 2017. 2018, 332:2, eff. June 25, 2018. 2022, 288:1, eff. July 1, 2022. 2023, 93:2, eff. Aug. 19, 2023. 2025, 288:3, eff. June 1, 2027.

Section 284:46

284:46 License; Issuance. –

- I. Upon receipt of an application under RSA 284:45 the lottery commission shall review the application and shall, in writing, grant or deny the application within 45 days of receipt.
- II. The lottery commission shall deny a license application for any one of the following reasons:
 - (a) The license of the applicant has been previously revoked by the commission and has not been reinstated by the commission.
 - (b) The applicant has been convicted of a crime provided for in this chapter or in any other chapter for any gaming offense.
 - (c) The applicant loses his or her liquor license after submitting the application.
- III. No person who has been convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past 5 years which has not been annulled by a court, or who has violated any of the statutes or rules governing charitable gambling in the past in this or in any other state shall be licensed under this subdivision, or rent, lease, sublease, or otherwise provide any hall or keno paraphernalia for the conduct of keno licensed under this subdivision.
- IV. For retailers that apply for a license pursuant to RSA 284:45, VI (a)(1-9), the lottery commission shall only issue a license for an eligible location where keno tickets shall be sold and the game

played within the area apportioned to distribute beverages pursuant to RSA 284:45. The lottery commission shall control the installation of the keno ticket terminals and ensure that the sale of the tickets is limited to the area apportioned to distribute beverages pursuant to RSA 284:45.

Source. 2017, 229:1, eff. July 1, 2017. 2022, 288:2, eff. July 1, 2022. 2023, 93:3, eff. Aug. 19, 2023.

Section 284:47

284:47 Operation of Keno Games. –

- I. A licensee may operate keno games at its business during the business' hours of operation.
- II. A licensee may retain 8 percent of the proceeds from keno games. The remainder, less the administrative costs of the lottery commission and prize payouts, shall be deposited in the education trust fund established in RSA 198:39.
- III. No person who has been convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past 5 years which has not been annulled by a court, or who has violated any of the statutes or rules governing charitable gambling in the past in this or any other state shall operate a keno game licensed under this subdivision, or rent, lease, sublease, or otherwise provide any hall or keno paraphernalia for the conduct of keno licensed under this subdivision.
- IV. No one under the age of 18 years shall be allowed to purchase or redeem a keno ticket.

Source. 2017, 229:1, eff. July 1, 2017. 2018, 295:2, eff. June 25, 2018. 2019, 346:91, eff. July 1, 2019. 2025, 141:404, eff. July 1, 2025; 198:1, eff. July 1, 2025.

Section 284:48

284:48 Financial Reports and Inspection Required. –

- I. Any person which has been licensed to conduct keno games shall submit a complete financial report to the lottery commission for each license issued under RSA 284:46 within 15 days after the expiration of each license, provided, however, a complete monthly financial report shall be submitted in a timely fashion to the commission for each month covered by a license issued under RSA 284:46 on a form to be approved by the lottery commission.
- II. All licensees shall maintain a separate checking account for the deposit and disbursement of all income relating to keno, except cash prizes awarded at the games. All expenses shall be paid by check, and all prizes of \$500 or more shall be paid by check. No keno funds shall be commingled with other funds of the licensee. The licensee shall retain all canceled checks for the payment of expenses and prizes for at least 2 years from the date of the check. The licensee shall not cash checks which it issues.
- III. All financial reports filed by the licensee shall be maintained by the lottery commission for a period of one year from the date of filing and shall be open to public inspection.
- IV. All financial records pertaining to the operation of keno games shall be maintained by the licensee and shall be made available to representatives of the lottery commission or of the commissioner of the department of safety upon request.
- V. A licensee which has been licensed to conduct keno games shall maintain complete and accurate documentation of all revenues and expenses contained in the financial reports for at least 2 years from the date the financial report is filed.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:49

284:49 Suspension; Revocation. – The commission may suspend or revoke the license of any licensee who violates any provision of this subdivision. Any licensee whose license is revoked shall not be eligible for licensure for a period of up to one year from the date of revocation.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:50

284:50 Rehearing and Appeal. – Any person aggrieved by a decision of the commission to deny or revoke a keno license may apply to the commission for a rehearing within 15 business days of the decision. Rehearings and appeals shall be governed by RSA 541.

Source. 2017, 229:1, eff. July 1, 2017.

Section 284:51

284:51 Local Option. –

- I. Any town or city may allow the operation of keno games according to the provisions of this subdivision, in the following manner:
 - (a) In a town, the question shall be placed on the warrant of an annual town meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot. In a city, the legislative body may vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters.
 - (b) The selectmen, aldermen, or city council shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing.
 - (c) The wording of the question shall be substantially as follows: "Shall we prohibit the operation of keno games within the town or city?"
- II. If a majority of those voting on the question vote "Yes," keno games shall not be operated within the town or city.
- III. If the question is not approved, the question may later be voted upon according to the provisions of paragraph II at the next annual town meeting or regular municipal election.
- IV. A municipality that has voted to prohibit the operation of keno games may consider rescinding its action in the manner described in paragraph II of this section.
- V. An unincorporated place may prohibit the operation of keno games by majority vote of the county delegation, after a public hearing is held.
- VI. The lottery commission shall maintain a list of municipalities where keno is prohibited.

Source. 2017, 229:1, eff. July 1, 2017. 2018, 332:1, eff. June 25, 2018. 2025, 288:4, eff. July 1, 2025.

Section 284:51-a

[RSA 284:51-a effective June 1, 2027.]

284:51-a Operation Permitted. – A licensee shall be permitted to operate keno games at its business pursuant to this subdivision, provided that no license shall be issued to an entity operating within a municipality which has voted to prohibit keno pursuant to RSA 284:51.

Source. 2025, 288:5, eff. June 1, 2027.

**Agenda
Lebanon City Council
December 03, 2025**

11. New Business:

11.G – Public Input on Proposed 2026 Municipal Budget

Background

The public is invited to provide input to the City Council and members of the City staff on the proposed 2026 Municipal Budget.

Action

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

Information available but not included herein:

[2026 Proposed City of Lebanon Budget](#)