FINAL

LEBANON CITY COUNCIL
WORK SESSION MINUTES
Tuesday, November 18, 2025, 5:30PM
Council Chambers
Remote Via Microsoft Teams: 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

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

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

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

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

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

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

B. POLICE

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

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

BACKGROUND:

Police Chief Roberts explained that the requested expenses for 2026 are approximately $8M, broken down by a few different departments within the division. 82% of the proposed budget is for salary and benefits, leaving 18% for operating costs. This is what it costs to run a 24/7, 365 day a year Police Department with 48 full time employees. The budget for this year does not include any new positions or other significant increases. The only significant increase is in the Administrative Consulting line. The main driving factor for this is the Felonies First program which took the prosecuting responsibility out of the City level and placed it with the County Attorney's Office. The City took this responsibility back at the beginning of last year and it has created a tremendous increase on the workload of the Department's only Prosecutor. That employee currently works 60-70 hours per week. A consultant attorney has been working part-time, and this position will be needed into next year.

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

Council Discussions:

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

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

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

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

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

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

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

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

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

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

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

C. FINANCE/ASSESSING

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

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

BACKGROUND:

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

Council Discussions:

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

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

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

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

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

In response to a question from Mayor Whittlesey, Ms. Willaims explained that the FSA program has only been active for the last three years. The current practice is a year-end journal entry. The activity is tracked throughout the year but not posted to the General Fund until after the year has ended. A mid-year entry may be considered moving forward. In 2024, $113,000 was spent for this and, year to date, approximately $50,000 has been spent.

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

D. REVENUES, INTERFUND TRANSFERS, DEBT SERVICES

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

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

BACKGROUND:

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

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

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

Council Discussions:

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

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

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

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

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

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

3. ADJOURNMENT:

The meeting was adjourned at 7:31 PM.

Respectfully submitted,
Kristan Patenaude
Recording Secretary