

FINAL

**LEBANON CITY COUNCIL
SPECIAL MEETING MINUTES
Thursday, February 18, 2026 7:00 p.m.
Council Chambers**

Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Douglas Whittlesey, Assistant Mayor Devin Wilkie, Erling Heistad, Nicole Ford Burley, Timothy McNamara, Christian Simon, George Sykes, and Karen Zook

MEMBERS ABSENT: Laurel Stavis

STAFF PRESENT: City Manager Andrew Hosmer, Deputy City Manager David Brooks, Communications Director Beth Beraldi, City Engineer Rod Finley, Planning Administrative Assistant Crystal Taplin

1. **CALL TO ORDER:** Mayor Whittlesey called the meeting to order at 7:00 p.m.
 - City Manager Andrew Hosmer announced the meeting criteria for attendees.
2. **PLEDGE OF ALLEGIANCE:** Mayor Whittlesey led the Council in the Pledge.
3. **PUBLIC FORUM:** Mayor Whittlesey made the Public Forum announcement.
4. **OPEN COUNCIL DISCUSSION:**
 - Assistant Mayor Wilkie informed the Council about the annual point-in-time homeless count, which is an annual count conducted to get a sense of the number of people living unhoused in our country. Lebanon’s volunteers and non-profit service providers have undertaken this count and provided the following preliminary from the official head count: There were 39 individuals from 31 households, and of that 32 were sheltered and 7 were unsheltered. There is a lot of data available which can be found on the Housing First Upper Valley website at: housingfirstuv.org
5. **OPEN TO PUBLIC:**
 - Mr. Donald Hemenway (Ward-1): He spoke about his reasons why he was against the City Manager negotiating with the SAU regarding the Boys & Girls Club of America being placed on a partial of land owned by the SAU for a Child Care Center and suggested the City find an alternative location. He also questioned what happened with the Child Care Center that was planned for the Airport and was informed that this plan had been scrapped.
6. **RECOGNITIONS: NONE**
7. **ACCEPTANCE OF MINUTES:** February 4, 2026
Amendments: Page 18 line 6; change “Manage” to “Manager”: Page 18, line 8; Add come between will back: Page 18, lines 3-4, P. 18 ln 3-4: Delete the end of the sentence beginning from "and replacing it with..." and replace it with the following: "and instead making this a question, to ask the applicant to confirm whether they have attended or viewed a meeting, but not a requirement." Page 11, line 35, Add “not” after is; Page 11, line 39, ADD after not “want to” ; Page 11, line 41, remove “is” before something; Page 11, line 43; Change “restricts” to restrict”; Page 11, line 44, remove “a” before smaller; Page 11,

line 45; remove “apartments” Page 11, line 45 after duplexes Add “or apartments with no more than 6 units each.”; Page 12, line 35; replace “RL-1” with “R1”; Page 12, line 1, change “waters/ to “water/.”

*Assistant Mayor Wilkie MOVED to approve the February 4, 2026 minutes as amended and presented in the February 18, 2026 City Council agenda packet.
Seconded by Councilor McNamara.*

**The Vote on the Motion was approved (8-0)*

8. APPOINTMENTS:

- Arts and Culture Commission, Lucas Mendelsohn (Reappointment as Arts Organization Representative)

Assistant Mayor Wilkie MOVED to Nominate Lucas Mendelsohn for Reappointment as Arts Organization Representative. Term: 2/2026 – 2/2027

**The Vote on the Nomination was approved (8-0)*

- Arts and Culture Commission, Claire Geno (Reappointment as Arts Organization Representative)

Assistant Mayor Wilkie MOVED to Nominate Claire Geno for Reappointment as Arts Organization Representative. Term: 2/2026 – 2/2027

**The Vote on the Nomination was approved (8-0)*

Conservation Commission, Susan Almy (Reappointment as Alternate Member)

Councilor Heistad MOVED to Nominate Susan Almy for Reappointment as Alternate Member to the Conservation Commission. Term: 2/2026 – 2/2029

**The Vote on the Nomination was approved (8-0)*

9. PUBLIC HEARING ITEMS:

- A. Potential Establishment of Social Districts** – Public hearing pursuant to NH RSA 178:34 for the purpose of receiving public input on a question to be placed on the March 10, 2026 municipal ballot regarding whether to authorize the establishment of Social Districts in Lebanon.

Included in the agenda packet: [\(All supportive documents and information can be found on pages 23-28, Council agenda packet. Minutes do not include screenshots, graphs, or images.\)](#)

1. NH RSA 178:33 – 38, et. seq.
2. Voter Information Handout for Social Districts

Deputy City Manager Brooks reviewed the background behind the potential establishment of Social Districts, noting this an informational Public Hearing to allow people to get their questions answered about what the law does and does not allow. There is no action for the Council to take. The Council has already acted to place this on the ballot for next month’s Municipal election. The question is whether the City wants to allow (authorize) the City Council to create Social District(s) within the City. It would not have the effect of actually establishing any district immediately. There would be another whole set of processes and discussions about where these might be appropriate and exactly how these would be set up. NOTE: The agenda packet contains the Statute as passed and also contains some information that we expect to have available at the polls. A “YES” vote would signify that the voters wish to authorize the

Council to establish one or more Social Districts. A “NO” vote would signify that the voter wishes to prohibit the City Council from establishing any such district(s).

Mayor Whittlesey reiterated this is essentially enabling legislation requirements. The City Council has no plans for any Social Districts at this time. This conversation would not start until we see what the residents want us to do.

BACKGROUND

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

The legislation requires that social districts must be marked with conspicuous signage; that boundary maps, management plans, and days and hours of operation of the district must be adopted and posted on the City’s website; and clearly labeled containers specific to each participating licensee and each district must be used. Individuals are not permitted to bring outside alcohol into the district and may not carry alcohol outside the district.

On January 21, 2026, the City Council ordered that the question of whether to allow the operation of social districts within the City be placed on the March 10, 2026 municipal ballot for voter consideration. NH RSA 178:34, I(b) requires that the City Council 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. The purpose of the public hearing is to provide voter information on what the law does and does not allow.

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

Council/Staff Comments:

Councilor McNamara wanted to make sure the information to voters includes the liability question: What is the City’s liability with any problems that may occur within a Social District(S) on City property?

Mayor Whittlesey was uncertain if anything on the Ballot question has anything related to liability.

Deputy City Manager Brooks noted the information that is in the packet has already gone to the City Clerk so the ballots can be printed. This information will not appear on the ballot itself, and he was uncertain if it would appear in each individual voting booth or just be made available at the polling places. If it is possible to add this information, he can certainly do that, but it may or may not be possible to change it at this point. Councilor McNamara also suggested the City include some form of liability for actions associated with Social District(s) on City land from our attorney be added to the ballot (if it’s possible).

Assistant Mayor Wilkie noted his understanding is that there is no liability from the pure decision on whether or not to allow the establishment of Social Districts. If this does not get on the ballot, there is another chance this could be done before a Social District is established.

Councilor Simon respectfully disagreed with Councilor McNamara noting this is a little bit of a hurdle down the track. It is a very valid and important question that would have to be included in the whole

discussion about Social Districting and felt putting this out early could be prejudicial. We are just looking (right now) to find out if folks think it's a good idea and further explained his reasons.

ACTION:

The City Council voted on January 21, 2026 to place the question of social districts on the ballot at the municipal election to be held on March 10, 2026. There is no further action for the City Council to take at this time.

- B. Operation of Keno Games in Lebanon** – Public hearing pursuant to NH RSA 284:51 for the purpose of receiving public input on a question to be placed on the March 10, 2026 municipal ballot regarding whether to **prohibit** the operation of Keno games in Lebanon.

Included in the agenda packet: (All supportive documents and information can be found on pages 29-37, Council agenda packet. Minutes do not include screenshots, graphs, or images.)

1. NH RSA 284:41 – 51-a, *et. seq.*
2. Voter Information Handout for Social Districts

Deputy City Manager Brooks reviewed the background behind the proposed operation of Keno Games in Lebanon, noting there is no Action for the City to take because the Council has already taken action to place this question on the ballot for next month's municipal election.

BACKGROUND

On July 1, 2017, state legislation went into effect authorizing municipalities to allow the operation of Keno games in their community subject to local voter approval. Under the 2017 legislation, Keno was only permitted to be operated in communities that had voted to allow it. The question of whether to allow the operation of Keno games in Lebanon was not placed on the ballot.

In 2025, new legislation addressing Keno games took effect, which amended portions of RSA 284:41 – 51-a. Under the 2025 legislation, Keno games **will become permitted** in every municipality as of June 1, 2027, **except in those municipalities which have voted to expressly prohibit such games.**

On January 21, 2026, the City Council ordered that the question of prohibiting the operation of Keno games within the City be placed on the March 10, 2026 municipal ballot for voter consideration. NH RSA 284:51, I(b) requires that the City Council 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. The purpose of the public hearing is to provide voter information on what the law does and does not allow.

The agenda packet for this meeting contains the Statutory language for Keno and should be available at the polls. A YES vote signifies that the voter is in favor of prohibiting the operation of Kenos (you have to vote YES to mean NO). A NO vote signifies the voter is in favor of allowing the operation of Kenos. Regardless of the outcome, the City can revisit this question at any point in the future by placing another question on the ballot. If the majority of the voters want YES, the City will inform the Lottery Commission that the voters have voted to prohibit the game of Keno and that no Keno licenses should be issued to retailers in the City. Alternatively, if a majority of the voters vote NO, lottery retailers in the City will be eligible to apply for, and receive, Keno licenses from the Lottery Commission beginning June 1, 2027. There are no specific costs associated with allowing Keno. All the costs associated with operating Keno falls on the retailer(s). There are also no specific revenue benefits to the City, and we do not derive any direct revenue from Keno apart from what the Statute allows.

Mayor Whittlesey opened the Public Hearing.

- Ms. Lori Key (Ward-3): She spoke about her reasons why she felt confused about what an informational Public Hearing is. Deputy City Manager Brooks explained that in order to have it (this Question) appear on the ballot, the Council had to take action at the last meeting in January and explained further). The Statute requires the Council to hold a Public Hearing not less than 15 days before the vote, but not more than 30 days before the vote. Since the Council has already taken the action to place the question on the ballot, they now have to hold the required Statutory Public Hearing. The decision is not going to be made by the Council, it will be made by the voters.

Mayor Whittlesey reiterated again that the Council is not taking action on this question. We are leaving it up to the voters to make their decision. The change in the legislation is that now we are voting to prohibit Keno. The City has never allowed Keno and if we do nothing the State will override us.

Hearing no further comments from the public, the Public Hearing was closed.

Council/Staff Comments:

Councilor Sykes spoke about his reasons why this would be an opportunity to make other points about whether or not the City should allow Keno in the City. He hoped people would pay attention to the issues that the City may face (i.e., the impact on the City’s Police/Fire Department; known societal costs with additional gambling; etc.). He requested to see if there was any real data concerning the costs of city services for communities that allow Keno and further discussed his concerns.

Councilor Simon reiterated that this is not something that we (the Council) just pulled out of thin air - this came from Concord. If folks really want to get at the hammer of this, they have to look at what is going on in Concord.

Assistant Mayor Wilkie also noted this is something being forced on us and felt this is an erosion of the local control that we have tended to enjoy. He understood this is an unorthodox Public Hearing process, but this is just another thing that was handed down to us from Concord at a time when it is not feasible to actually take action on the ballot and further explained his reasoning.

ACTION:

The City Council voted on January 21, 2026 to place the question of prohibiting Keno games on the ballot at the municipal election to be held on March 10, 2026. There is no further action for the City Council to take at this time.

- **C. Ordinance 2026-02** – Public hearing for the purpose of receiving public input and taking action to adopt Ordinance 2026-02 to amend City Code Chapter 179, Vendors.

Included in the agenda packet: [\(All supportive documents and information can be found on pages 38-46, Council agenda packet. Minutes do not include screenshots, graphs, or images.\)](#)

1. Proposed Ordinance #2026-02
2. Food Truck Vending Fees – Comparison of Selected NH Communities

Deputy City Manager Brooks reviewed the background and the proposed changes to Ordinance #2026-02.

BACKGROUND

On April 2, 2025, the City Council adopted Ordinance #2025-01, which amended City Code Chapter 179,

Vendors. The approved amendments were based on the findings and recommendations of the Food Truck Task Force (FTTF), which was established by the City Council in the summer of 2024 with an aim to foster economic growth and community vibrancy while ensuring public safety and accessibility. More specifically, the FTTF was charged with evaluating and addressing practical and regulatory challenges associated with the operation of food trucks in downtown Lebanon.

Based on the City’s experience following a full season of vending under the amended regulations, the administration proposed additional changes to Chapter 179, which are outlined in the attached draft ordinance, as described in the agenda packet.

At the recommendation of the Food Truck Task Force, new seasonal vendor locations were incorporated into Chapter 179 last year, including two areas along Campbell Street in front of the Carter Mansion, and two areas along Taylor Street in the downtown parking lot adjacent to the Mascoma River near the CCBA’s sports courts. However, following vendor operations in those locations, both the vendor and the Lebanon Police Department expressed concerns about the safety of those locations. As a result, the administration recommends removing Campbell Street and Taylor Street from the list of acceptable vending locations in Section 179-3.E. In lieu of the additional downtown Lebanon locations, the administration is recommending the inclusion of Main Street as an acceptable vending location, since the West Lebanon Main Street Improvements project is expected to be completed this summer.

In addition, the administration is recommending that the provisions of Chapter 179 be extended to cover certain municipally owned recreation properties that may not otherwise be covered by the recently adopted amendments to the Lebanon Zoning Ordinance, which will regulate vending on private properties in certain zoning districts. In particular, it is suggested that vending be permitted through Chapter 179 at Civic Memorial Park, Riverside Park, Bridge Street Park, Eldridge Park, Pat Walsh Park, Logan Field, Storrs Hill Ski Area, and the Lebanon Veterans Memorial Pool with the approval of the Recreation, Arts & Park Director, and after obtaining a permit from the City Manager.

The administration also recommends minor changes to the fees for seasonal permits (§179-4.C) and abutting business permits (§179-4.D). Following a Council discussion of preliminary amendments last fall, the City researched vendor fees from a selection of other communities around the state. Based on the fee comparison provided, the City Council further amended the seasonal vending and abutting business permit fees to \$500 and \$400, respectively, when scheduling the current public hearing.

Finally, the City Manager’s Office is recommending a clarification of the exemption in Section 179-3.A for vendors operating in connection with a larger event.

Council/Staff Clarifying and informational questions:

Councilor McNamara noted he had recommended increases of the costs over and above what the administration was originally proposing. He subsequently met with a Lebanon-based Food Truck vendor and learned a lot more about the challenges associated with successfully operating a Food Truck and will be proposing an amendment to take the fees back down to what had originally been proposed by the administration (\$300 for a seasonal permit and \$250 for an Annual fee for an abutting business permit).

Deputy City Manager Brooks clarified that when this Public Hearing was set, there was a question about Section 4 relative to the location of Stand Vendors in Colburn Park. There is a limitation of four (4) there. There was concern that this might be applied to the Farmer’s Market, so language was added to clarify that the limitation on the number of vendors does not apply to property licensed events, like the Farmer’s Market.

In response to Assistant Mayor Wilkie’s request, Deputy City Manager Brooks noted that what is being proposed is that the vendors would still go through Chapter 179 and get a permit from the City Manager’s office to an assigned location and would probably get assigned certain dates and gave examples.

Councilor Heistad spoke about the Grant Funding support for free skiing at the Storrs Hill Ski Area. If this income is given to a Food Truck, you may well be cutting off a source of income that is going to be needed in the future to maintain the ski area, noting that what is in the budget does not cover what is needed to run Storrs Hill. Deputy City Manager Brooks clarified that what is built into the Chapter is that allowing vending on these recreation properties is subject to the permission of the Recreation Director in addition to the City Manager in order to get a permit and further explained. Councilor Heistad noted his reasons why he would feel more comfortable about leaving this option out of Chapter 179.

In response to Councilor Sykes question about how locations might be monitored, Deputy City Manager Brooks noted that what is being proposed is that vending on these municipal properties may be permitted with the approval of the Recreation, Arts and Parks Director (or designee) and after obtaining a permit from the City Manager. There is nothing in the specific ordinance that would limit how these spaces could be used. The Recreation Director has control over how this would work.

Mayor Whittlesey opened the Public Hearing.

- Mr. Paul Roberts (Ward-2): He spoke about his questions regarding administrative fees and asked if there were other services included because his understanding is that some sites do have water or electricity. Deputy City Manager Brooks noted there is only one spot on South Park Street that has power that we allow Food Trucks to tie into. They pay an additional fee of \$350 for the season to use that power. All the other Food Truck locations do not have power, water or sewer.
- Mr. Fran Casale (Ward-2): He spoke about his reasons for giving kudos to the Council.
- Ms. Lori Key (Ward-3): She questioned if \$300 for the season would be enough to cover the administrative costs to the City and further explained her reasoning.
- Ms. Candy Hammond (Ward-2 and Food Truck Vendor): She spoke about the Food Truck vending services she provides and her concerns.

Hearing no further comments from the public, the Public Hearing was closed.

Further Council/Staff Comments:

The Council continued discussion regarding: how Food Truck vendors provide vitality to the City; whether or not there are any concerns about the seasonal permit fees not covering the administrative/electrical costs (Deputy City Manager Brooks noted he has no concerns); keeping opportunities open to allow more electricity interconnection (i.e., if grants become available); reasons why eliminating the Storrs Hill Ski Area would not create a hardship at this time; and, how seasonal permits are defined in the Ordinance as being from April 1st to October 1st and the City cannot issue permits during the winter without revising the Statutes in the Ordinance;

ACTION:

Assistant Mayor Wilkie MOVED, that the Lebanon City Council hereby adopts Ordinance #2026-02, to amend Lebanon City Code Chapter 179, Vendors, as presented in the February 18, 2026 City Council Agenda Packet.

Seconded by Councilor N. Ford Burley.

Councilor McNamara MOVED to Amend the Seasonal Permit Fee from \$500.00 to \$300.00 (page 42, agenda packet), which is an increase over the current rate of \$200, and for the Budding Business Permit, a fee of \$250.00, which is double what it currently is (\$125.00). (See pages 42 and 44). Seconded by Assistant Mayor Wilkie.

***The Vote on the Motion and Amended Motion by Councilor McNamara were approved (8-0).**

Councilor Heistad MOVED to remove Storrs Hill Ski Area from Ordinance #2026-02. Seconded by Councilor Simon.

***The Vote on this Motion was also approved (8-0).**

- D. Ordinance 2026-03** – Public hearing for the purpose of receiving public input and taking action to adopt Ordinance 2026-03 to amend City Code Chapter 46, Cemeteries, §46-7.C, Burials and Entombment Rates.

Included in the agenda packet: [\(All supportive documents and information can be found on pages 47-55, Council agenda packet. Minutes do not include screenshots, graphs, or images.\)](#)

1. Proposed Ordinance #2026-03
2. Memo from Department of Public Works regarding the Columbarium Niche Inscription & Service Fee
3. City Code Section 46-7, Burials

Deputy City Manager Brooks reviewed the background and clarifications for Ordinance #2026-03.

BACKGROUND

The Department of Public Works is proposing Ordinance #2026-03 to recommend a change to City Code Chapter 46, Cemeteries, to address an ambiguity in the current regulations of Section 46-7.C which outlines the rates associated with burials, entombments and cremation burials, whether in-ground or in a columbarium. The proposed rates include a “columbarium niche inscription and service fee.”

The Department of Public Works has noted that the niche inscription and service fee is not intended to pay for the cost of the actual inscription. Instead, the fee is intended to cover the cost of staff time to remove the niche stone so it can be inscribed and subsequently to reinstall the stone. DPW recommends that a clarification be added to Chapter 46 to avoid confusion.

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

Council/Staff Comments: NONE

ACTION:

Councilor McNamara MOVED, that the Lebanon City Council hereby adopts Ordinance #2026-03, as presented in the February 18, 2026 City Council Agenda Packet, to amend City Code Chapter 46, Cemeteries, §46-7.C, Burials and Entombment Rates, to authorize a change and clarification in the Cremation Burial Fees.

Seconded by Councilor N. Ford Burley.

**The Vote on the Motion was approved (8-0)*

10. OLD BUSINESS: NONE

11. NEW BUSINESS

- A.** Discussion and Set Public Hearing for March 18, 2026: Request for Supplemental Appropriation of \$250,000 for Construction of Mechanic Street Sidewalk Improvements from Slayton Hill Road to American Legion

Included in the agenda packet: (All supportive documents and information can be found on pages 56-59, Council agenda packet) Minutes do not include screenshots, graphs, or images.)

1. Project Budget Spreadsheet, dated January 29, 2026
2. Mechanic Street Proposed Sidewalk – Conceptual Plan of Segments 1-3, dated March 30, 2021

City Engineer Rod Finley reviewed the background for the topic listed above, noting there would be no impact to taxpayers.

BACKGROUND

The Mechanic Street Sidewalk project (Segment 2 of the attached map) is a subcomponent of a larger 1.3-mile corridor project along Mechanic Street from the intersection of High and Mascoma Streets to Exit 19 off Interstate 89. The overall Mechanic Street corridor project was first added to the NHDOT’s Ten Year Plan list in 1998. The scope of the project was later scaled down to individual intersections and road segments.

In Spring 2021, the City applied for a Community Project Funding (CPF) grant through Congresswoman Kuster’s Office to help fund Sidewalk Segment 2. In Spring 2022, the City was notified of a \$290,250 CPF grant award. Subsequently, the City Council voted on June 1, 2022 to approve a supplemental appropriation of \$134,750 to fund the balance of the sidewalk improvement project, which was then estimated to cost approximately \$425,000. The supplemental appropriation was approved from the Unassigned Fund Balance in order to have no impact on the City’s tax rate.

Since the appropriations were approved, Public Works and the City’s consultant have worked on the final design plans and other preparatory work. The construction project was originally bid in Summer 2025, but the results came in far above the engineer’s estimate and the appropriated amount. As a result, the City decided to wait for the next construction season and rebid the project in January 2026.

The latest bid results are lower than those received in Summer 2025 but still exceed the previously appropriated amount. As a result, the administration is recommending that the City Council schedule a public hearing to consider a supplemental appropriation for \$250,000 to enable the construction and completion of the sidewalk improvements. It is proposed that the additional funding would come from other DPW capital projects, which have not yet started or have excess funds remaining, as well as from the DPW operating budget so that there will still be no adverse impact on the current tax rate.

Council/Staff Comments:

The Council discussed: What the linear cost was for sidewalks these days (upward of \$1,000.00 ft.); the three segments of this project; the differences and longevity, including the costs, between granite and asphalt; why the Pedestrian Crosswalks are important to pedestrian safety; how long is the 2022

Community Funding Grant good for (Answer: The Grant is good as long as the sidewalk is built this season: April-June 2026); and the reasons why sidewalks are so expensive.

ACTION:

Assistant Mayor Wilkie MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, March 18, 2026, beginning at 7:00pm in Council Chambers, City Hall, and Remote via the City’s Virtual Platform, for the purpose of receiving public input and taking action to appropriate \$250,000 to supplement current funding for the Mechanic Street Sidewalk Segment 2 Improvements capital project; and to authorize the transfer of previously appropriated funds from other capital projects and from the DPW operating budget to fund the supplemental appropriation. Seconded by Councilor N. Ford Burley.

**The Vote on the Motion was approved (8-0).*

- B.** Authorization to Transfer Appropriated, but Unspent FY2026 Water Department Funds to the City’s Grants Fund for a Water Supply Sustainability Study R-2026-1

Included in the agenda packet: (All supportive documents and information can be found on pages 60-62, Council agenda packet) Minutes do not include screenshots, graphs, or images.)

1. Draft Resolution for Authorization to Transfer FY2026 Water Department Appropriations

City Engineer Rod Finley reviewed the background and history for the item listed above.

BACKGROUND

The City Council appropriates a budget on an annual basis. The FY2026 budget was approved and appropriated on December 17, 2025. The Council may authorize the City Manager to transfer funds from one department to another, pursuant to the provisions in City Charter §6.10, Transfer of Appropriations.

The Department of Public Works (DPW) has funding in its FY2026 Water Department operating budget to study the potential of source water interconnections with Hanover and/or Hartford. This study is recommended by NHDES as part of the City’s due diligence efforts in connection with the Large Groundwater Well and Water Treatment Facility capital project.

After the approval of the 2026 budget, DPW learned that NHDES has strategic planning grant funds available to assist communities with similar types of studies. At this point, NHDES has committed to awarding the City a \$30,000 Water System Sustainability Grant for the study, subject to the City providing its match amount of \$15,000.

The City Manager requests authorization to transfer appropriated, but unspent funds from the FY2026 Water Department budget to the City’s Grants Fund, to supplement the anticipated NHDES grant award. Placing all such funds within the City’s Grants Fund allows for better tracking of revenues and expenditures related the study and the grant.

Council/Staff Comments:

The Council discussed their reasons why they felt this project should move forward.

Deputy City Manager Brooks noted, for clarity, that the City’s share of this project would be \$15K.

ACTION:

Assistant Mayor Wilkie MOVED, that the Lebanon City Council, pursuant to City Charter §6.10, hereby approves the Resolution for the Authorization to Transfer Fiscal Year 2026 Water Department Appropriations, as provided in the agenda packet table and as presented in the February 18, 2026 City Council Agenda Packet, in anticipation of accepting and receiving a Water System Sustainability Grant from NHDES with reference to the chart on page 60 and 61 of 71 of the February 18, 2026 City Council agenda packet.

Seconded by Councilor N. Ford Burley.

****The Vote on the Motion was approved (8-0)***

C. Discussion of Status of Barrows Street Cottage Development Project and Authorization to Proceed with Project

Included in the agenda packet: (All supportive documents and information can be found on pages 63-69 Council agenda packet) Minutes do not include screenshots, graphs, or images.)

1. Excerpts of Planning Board approved Site Plan, Pages L5.0, L2.1, and A2
2. Alternate 2-story dwelling unit design and 6-unit development layout

Councilor McNamara reviewed the background, history, graphs and images for the Barrows Street Cottage Development Project. This has been worked on extensively over a number of months and has been a challenging project. The last report came out in May (2025), and a lot has happened since then. In starting this process, a couple of years ago, the idea was: 1) Try to get underutilized City property back on the tax role. 2) Create affordable housing. 3) Do a pilot project that would hopefully give the commercial sector some incentive to move forward with some of these projects in the future. The property in question has been in the City’s relationship since 1947 and was taken through a Tax Deed, so the property has not generated any tax revenues in 80 years. Councilor McNamara presented site plan maps and described the property and the proposed housing that could be built on this site, all of which are available in the Council agenda packet.

BACKGROUND

On April 21, 2022, the City Council unanimously adopted a “Resolution on Housing” directing the City Manager to take steps to enable, incentivize, and partner in addressing housing needs not currently being addressed by the market. Among the actions outlined in the Resolution is to “partner with the Lebanon Housing Authority and other residential developers to utilize city-owned properties for the development of new housing units, including the possibility of a ‘demonstration project’ on a city-owned parcel with high visibility and an opportunity for a reasonable number of units to help overcome barriers to affordability.”

In February 2024, the City Council determined, in accordance with City Council Policy, CC-102, Real Property Transactions, that several city-owned properties have redevelopment potential, including two parcels located along Barrows Street (Tax Parcels 77-106 and 77-107). In May 2024, the Council discontinued a portion of Barrows Street, which separated the two city-owned properties, allowing them to be merged into a single +/-2.09-acre parcel. The City subsequently had survey work completed, including the boundary of the merged properties along with wetlands and topography.

In August 2024, the Lebanon Planning Board granted Site Plan Review approval allowing the City to complete preliminary site work including clearing, grading, and filling for a proposed future residential development. Later in August, the NH Department of Environmental Services (NHDES) issued a Wetlands and Non-Site-Specific Permit to authorize impacts to a small (<950 sq. ft), isolated wetland in the south-

central portion of the property. Work authorized by the Planning Board and NHDES approvals was completed by early December 2024, and the site was stabilized in preparation for further development.

In December 2024, the City submitted a final application to the Planning Board for Site Plan, Subdivision, and Conditional Use Permit approval for the development of the Barrows Street property. The application and development layout were in compliance with the adopted Cottage Development regulations set forth in Section 509 of the Zoning Ordinance. The layout consisted of five, one-story, detached residential units surrounding a central courtyard, each with approximately 930 square feet of gross living area, plus a full basement for additional storage or living space. On January 27, 2025, the Planning Board granted conditional approval for the project, and the City spent several months addressing and satisfying the Planning Board's conditions of approval.

In January 2024, the City received \$440,000 from the State's InvestNH grant program. The grant funds were connected to the Lebanon Housing Authority's construction of 44 new housing units at 258 Heater Road (Heater Landing). The InvestNH Municipal Per Unit grant program allowed the City to receive \$10,000 for each new unit of affordable housing constructed within the City. In February 2024, the City Council authorized the placement of the \$440,000 InvestNH grant funds into a Redevelopment Properties Revolving Fund "to facilitate the planning, design, permitting, construction, and disposition of residential units on City-owned properties included in the fund."

On April 15, 2025, the NH Department of Business and Economic Affairs (NHBEA) notified the City that Lebanon's Housing Infrastructure Municipal (HIM) Grant application through the Housing Champions program was recommended for approval. On June 25, 2025, the HIM grant award was finalized for an additional \$158,805 to pay for 75% of anticipated infrastructure improvements associated with the Barrows Street project. A 25% local match is required from the City.

During the summer of 2025, the City issued a Request for Proposals (RFP) for modular housing units. The City received three responses and ultimately selected Preferred Building Systems (PBS) of Claremont, NH, and worked with the modular builder to finalize the cottage unit plans. Later in the fall, the City issued RFPs for the remaining site work, and the sub-trades, including mechanical, electrical, and plumbing work, and finish carpentry, in order to develop more accurate cost estimates for each unit and for the overall project.

Based on the initial bid responses, the cost of each finished unit was estimated to be considerably higher than the project team was comfortable with. Subsequently, the City worked with PBS (Planning Board Staff) to develop a two-story dwelling unit design with a smaller building footprint and revised the site plan layout to include a 6th unit in order to spread the fixed costs over more units and reduce the estimated finished cost of each unit. Renderings of the original 1-story unit, and the proposed 2-story unit are included in the Council agenda packet, along with comparisons of the original 5-unit and proposed 6-unit project layouts. If the project were to proceed, it would be necessary to reapply to the Planning Board for review and approval of the 6-unit layout and other minor changes from the original approved project.

Even after adding a 6th dwelling unit to the project, the estimated cost of each finished dwelling is approximately \$430,000 per cottage. While this cost estimate remains higher than the City's original goal, it is comparable to other dwelling units that are currently available within the City and surrounding towns. The concern is that \$430,000 per cottage is still not affordable housing and Councilor McNamara suggested the following options:

1. Sell the project as permitted. This will need to go back to the Planning Board for a minor change for the 6 cottages,
2. Market the project and try to get out what we have already spent on the project by taking advantage of the Pattern Zoning. This could be done by doing a three (3) lot subdivision and building one (1) house on each of the three lots. That should allow us to significantly reduce site costs. It is uncertain

if this would get us to the magic number of <\$400K.

3. Do a 3-lot subdivision and simply sell each of the lots.

To date, the City has expended approximately \$209,000 of the InvestNH Grant funds for planning, design, permitting, and the preliminary site work for the project. No General Fund or property tax dollars have been used for this project.

At this time, the administration and project team are looking for some flexibility over the next 6 weeks or so, to make some informal contacts to see if :

- A. There is any interest in the development community in buying this (property) as a package.
- B. We can talk to some site contractors about the costs involved (i.e., putting in driveways, backfill, and foundations, etc.) and how this would impact the overall process to see if we can get below \$400K.
- C. Subdividing the property and selling the lots off separately to try and recover the costs that the City has already spent. This would allow the City to get some tax revenue coming in.

Council/Staff Comments:

Mayor Whittlesey was under the assumption that this project was grant funded and questioned if the City would have to pay the grant back. Councilor McNamara said no. We established, in 2022, this revolving home fund with a \$440K grant from the State. There is no taxpayer dollars involved, and City is not losing anything. We have that money.

Assistant Mayor Wilkie noted this is disappointing and recognized the time Councilor McNamara and the team spent working on this project and spoke about his reasons why he supported Councilor McNamara's request to take more time to do more research.

Mayor Whittlesey spoke about his reasons why he felt the City needs to move on in the most advantageous way. His view is to sell the property and walk away but was happy to allow more time.

Councilor Sykes summarized what Councilor McNamara said and questioned if his proposal still includes single-family homes. Councilor McNamara noted that under Pattern Zoning you are able to both orient your lots differently than you could under regular zone, and also, theoretically, you could do a duplex on the lot.

More discussions ensued about how a Cottage Development could be successful (i.e., having a larger site to develop and how density and the cost of development are important).

Councilor Zook requested Councilor McNamara keep the Planning Board informed about his research

ACTION: NONE TAKEN. Will be brought back to the Council in a few weeks.

- D.** Discussion of Potential Establishment of a Special Assessment District for the NH Route 12-A Area

Included in the agenda packet: [\(All supportive documents and information can be found on pages 70-71, Council agenda packet\)](#). [Minutes do not include screenshots, graphs, or images.](#))

1. City Council Agenda Request Form, CMCC-26-1, submitted January 4, 2026

Councilor McNamara reviewed the background of his request and spoke about the pump station, which is in need of significant upgrades and replacements of up to \$2M (estimated) within the next few years. He further described how the funds could be used and delegated among users and gave examples. It does not cost the City anything to set up a Special Assessment District, and he thought the immediate benefit would be (at \$2M +) to upgrade the pump station and have the costs be borne by the (impacting) users, not by everyone who is connected to the water system.

BACKGROUND

An agenda request was submitted by City Councilor Tim McNamara to discuss the potential establishment of a Special Assessment District for the Route 12-A Area and Airport Road. The purpose of the Special Assessment District would be to establish a funding source for future improvements to water, sewer, stormwater and roadway infrastructure in the commercial area.

Council/Staff Comments:

Councilor Simon noted this is something that Concord actually did and did right. This would not be serving any residential units and will not affect any residential customers - it is for commercial business. Since commercial businesses are creating the need for an upgrade, they can pay for the upgrade. He would like to see this brought forward.

In response to Mayor Whittlesey's question, Deputy City Manager Brooks noted the Council would have to first establish what/where the district is going to be and what the cost percentages of each user would be. The Council could do a different district for this pump station and do something different for water lines, etc., as long as they are all specially benefited. This is what is in the Statute and in the City's Charter and City's Code.

Councilor McNamara suggested setting up this Special Assessment District now so that if we are not even doing the pump station for a year or two, the Assessment District would be in place and the businesses within that zone would know they are in a Special Assessment District.

The Council and Deputy City Manager Brooks continued discussions regarding what would need to be done to set up a Special Assessment District and how it would work. More information will be needed to set this district is set up.

Mayor Whittlesey spoke about his reasons why he felt this should be done through a budgetary process, noting this is a Capital Improvement.

After further discussions regarding the pros/cons of setting up a Special Assessment District, the Council decided this should be done as a 2027 CIP budget item.

ACTION: NO ACTION TAKEN BY THE COUNCIL

12. City Manager Report:

City Manager Hosmer updated the Council on the following:

- Potential Agreement among the Boys & Girls Club, SAU and the City.
- Citizens Academy
- Congressional directed spending
- Fire Station: New Fire Station will be opening on March 3, 2026

- Opening of Church Street: On February 28, 2026, Church Street will be open to 2-way traffic.

13. NON-PUBLIC SESSION:

- A. NH RSA 91-A:3, II(a) - The dismissal, promotion, or compensation of any public employee...**

Councilor McNamara MOVED to go into Non-Public Sessions for the purpose of discussing NH RSA 91-A:3, II(a).

Seconded by Councilor N. Ford Burley

Roll Call Vote:

Voting Yea: Assistant Mayor Wilkie and Councilors Heistad, N. Ford Burley, McNamara, Simon, Sykes, Zook and Mayor Whittlesey.

Voting Nay: NONE

Councilor Stavis was not present at the time this vote was taken.

**The Vote on the Motion Passed (8/0).*

The Council went into Non-Public Session at 9:10 PM.

Councilor N. Ford Burley MOVED to come out of Non-Public Session.

Seconded by Councilor McNamara.

Roll Call Vote:

Voting Yea: Assistant Mayor Wilkie and Councilors Heistad, N. Ford Burley, McNamara, Simon, Sykes, Zook and Mayor Whittlesey.

Voting Nay: NONE

Councilor Stavis was not present at the time this vote was taken.

**The Vote on the Motion Passed (8-0).*

The Council came out of Non-Public Session at 9:48 PM

THE COUNCIL WAS BACK IN PUBLIC SESSION

14. ADJOURNMENT:

Councilor Simon MOVED for adjournment.

Seconded by Councilor Heistad.

**The Vote on the MOTION was unanimously approved (8-0)*

The meeting was adjourned at 9:48 PM.

Respectfully submitted,

Dona E. Gibson

Recording Secretary