

FINAL

**LEBANON CITY COUNCIL
MEETING MINUTES
Wednesday, May 20, 2026 7:00 p.m.
Council Chambers**

Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT: Mayor Douglas Whittlesey, Assistant Mayor Devin Wilkie, Kellen Appleton, Nicole Ford Burley, Eric Cole, Andrew Faunce, Lori Key, Timothy McNamara and Laurel Stavis

MEMBERS ABSENT:

STAFF PRESENT: City Manager Andrew Hosmer, Deputy City Manager David Brooks, Deputy City Manager Special Projects Paula Maville, Public Engagement and Communications Director Beth Beraldi, Planning and Development Director Nathan Reichert, Public Works Director Jay Cairelli, Airport Director Carl Gross, Lebanon Fire Chief/ Emergency Management Director Jim Wheatley, Assistant Fire Chief Jeff Libbey, Fire Inspector Duane Egner, Chief Innovation and AI Officer Melanie McDonough, Finance Director Alesia Williams, Deputy Finance Director Victoria Paquin, 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. CITY MANAGER REPORT:

City Manager Hosmer highlighted items from the April City Manager's Update:

- Revenues: Trending on budget or slightly ahead of where we were in 2025
- Expenses: Trends are noteworthy and reflective of what is going on in the community (i.e., Human Services Vouchers this year are \$54K vs. last year \$37K.). There has been an increase in rental assistance.
- Lack of housing in the area
- Building Permits: Up by 150 over last year.
- Municipal Solid Waste: Increases in the volume
- Motor Vehicle Registrations: Up by \$100K this year
- Other Trends Emerging: Police Dispatch – the number of calls being responded to by the LPD is up significantly. This year we are at 13,300 vs last year (11,200). For the Fire Department – we are trending towards, once again, over 4300 calls this year. The volume is significant and so are the number of simultaneous calls, with 2/3/4/5 calls going at the same time. This is reflective of what is going on in our ever increasingly busy community.

- Emergency Shelter: Closed in April. We were at 93% capacity this past year. The TLC center helped us set up a new process this year where people could sign up for cots ahead and then make their way to the Shelter when it opened as opposed to lining up along Mechanic Street.
- Municipal Solid Waste: A permit was received for the West Slope closure on April 30, 2026. Starting to wind down Phase II.
- Mack Avenue Update: This week we have employed an Engineering Firm to begin doing a survey to help make a determination of the grade of the road and one of the four steps of due diligence to determine what is the best option to correct the situation that is going on there. We will also have the smoke test planned over the next +/-30 days. What we are doing now is gathering as much information as we can to isolate the challenges/problems and then to begin looking at options to correct the situation. As this develops, please send questions/concerns to the City Manager. This remains a priority in the City.

5. OPEN COUNCIL DISCUSSION:

Mayor Whittlesey informed the Council/public that the August 5, 2026 City Council meeting is canceled. Items will either be taken up a little earlier in July if needed or will be deferred to the 3rd Wednesday in August.

Mayor Whittlesey thanked everyone who has applied to the Finance Advisory Committee, noting that for the three Council members on the committee, they will be meeting as a group (to interview the candidates). Any Council member who would like to interview any of the candidates individually may do so per our Council rules. These interviews will take the rest of May and most of June to complete. Everyone selected will be brought to the July 1, 2026 Council meeting for their vote.

Since there are quite a few candidates, and out of fairness for the selection process, we will have two group votes. The first group will be the top four (4) candidates. Once the candidates have been approved by the Council, their names will be published in order to meet the open meeting requirements. Of those candidates remaining, we will repeat the process to select the top two (2) alternate members. He felt this would be the fairest way to select the members rather than voting on each candidate separately on a one-by-one basis and further explained his reasoning, noting that we can only appoint a finite number of people.

6. OPEN TO PUBLIC:

- Mr. Fran Casale (Ward-2): He came forth and spoke about the Budget Cap that was approved by the voters in March and questioned if this would take effect in the 2027 tax year. Mayor Whittlesey stated that what we voted on this year (in March) will go into effect next year (2027) and would apply when the 2028 budget is reviewed. Deputy City Manager Brooks noted this a Statutory requirement, and it will go into effect on the first calendar day of the next annual year, which will be January 1, 2027.

7. RECOGNITIONS: NONE

8. ACCEPTANCE OF MINUTES: May 6, 2026 (Regular Meeting)

Amendments:

Page 20, Line 21: Change Phase I to Phase II; Page 20, Line 35: Change 2025 to 2050 or so: Page 20, Line 39: Change Phase II to Phase III; Page 21, Line 19 should read: In agreement with Councilor McNamara’s opinion, Mr. Cairelli did not see the viability of Phase II; Page 12, line 22: Change

bulldozer to haul truck; Page 23, line 4: Change (7-9) to (7-0); Page 18, Line 18: Change **of** the properties to **from** the properties.

ADDENDUM:

Councilor Cole’s comments added on page 18, around line 17 as follows:

Councilor Cole stated that he agreed with previous comments regarding the proposed affordable and workforce housing project. He expressed the opinion that additional workforce housing was not needed at the proposed site and that the project would not achieve the intended goals for downtown revitalization.

Councilor Cole raised concerns about the process surrounding the proposal, noting that members of the revitalization committee were not informed or consulted during redevelopment discussions. He stated that the committee had been created for a purpose and should have been involved once discussions began.

He also expressed concern regarding public notification and communication. Councilor Cole stated that after speaking with several abutters and local business owners, many indicated they had either only recently received notice of the proposal or were entirely unaware of it. He noted that some abutters reportedly did not receive notices until Monday, while others had not yet received any notification. He stated that, in his opinion, there was a breakdown in communication and public outreach during the process and expressed hope that improvements could be made moving forward.

Councilor Cole further expressed concern regarding the possibility of the City incurring an estimated \$1.1 million loss on the real estate transaction. He stated that he did not believe the City should be engaged in speculative real estate activities and suggested that market forces should determine the appropriate development for the property.

Councilor Cole stated that he did not support moving forward with the proposal and recommended that the City engage a reputable real estate professional to market and sell the property.

He further noted that if the city retained ownership temporarily, opportunities may exist to generate interim rental income. He referenced recently renovated apartment units within one of the buildings that are currently vacant and suggested exploring options to utilize those units while determining the property's long-term future.

Mayor Whittlesey MOVED to table (nondebatable) the May 20, 2026 (Regular Sessions) minutes until the Council’s next meeting on June 3, 2026.

Seconded by Councilor McNamara.

**The Vote on the MOTION was approved (9-0)*

9. APPOINTMENTS:

- Conservation Commission, Donald Lacey (Reappointment as Regular Member)

Councilor McNamara MOVED to Nominate Donald Lacey for Reappointment as Regular Member to the Conservation Commission. TERM: 5/20/2026 – 5/20/2029

**The Vote on the NOMINATION was approved (9-0).*

- Lebanon Housing Authority Board, Cliff Saunders (Reappointment as Citizen Member)

Mayor Whittlesey MOVED to Nominate Cliff Saunders for Reappointment as Citizen Member to the

Lebanon Housing Authority Board. TERM: 5/20/2026 – 5/20/2029

****The Vote on the NOMINATION was approved (9-0).***

10. PUBLIC HEARING ITEMS:

- A. Ordinance #2026-05: Amendments to City Code Chapter 72, Fire Prevention** – Public hearing for the purpose of receiving public input and taking action on proposed Ordinance #2026-05 to delete and repeal City Code Chapter 72, Fire Prevention, and replace it with a new City Code Chapter 72, to be entitled “Fire Prevention”, to comply with state law requirements and update applicable fees.

Included in the agenda packet: [\(All supportive documents and information can be found on pages 30-86, Council agenda packet.\)](#)

1. Proposed Ordinance #2026-05 – clean version
2. Proposed City of Lebanon Fire Department, Fire Prevention Rules and Regulations – clean version
3. Chapter 72, Fire Prevention, and City of Lebanon Fire Prevention Rules and Regulations – redline version
4. May 13, 2026 Legal Opinion from Attorney Matthew Decker

Jim Wheatley (Lebanon Fire Chief), Duane Egner (Lebanon Fire Inspector) and Jeff Libbey (Assistant Fire Chief) reviewed the background, noting that in 2025 State House Bill 428 required changes and amendments to the State Building and Fire Codes. Chief Wheatley noted that before this change communities were allowed to make their own technical amendments to the State Fire Code in their local ordinances, but this has changed (see below). What is left for us to control locally are permits, fees, and administrative rules that we have. They requested the Council adopt the new proposed Ordinance #2026-05. Just to be clear, there are 2 (Two) options for this 1) We can choose to move forward with this, or 2) If we choose not to have a local ordinance, we will have no local enforcement over any local rules, fees, etc.

BACKGROUND

Proposed Ordinance #2026-05 amends City Code Chapter 72, Fire Prevention, to comply with legislative changes approved last year. In 2025, the State of New Hampshire adopted changes to RSA 153 (State Fire Code) and RSA 155-A (State Building Code) that significantly limit how municipalities can regulate fire and building code requirements. These changes require the City of Lebanon to update its Fire Prevention Ordinance (Chapter 72) and related Rules and Regulations to remain compliant with State law.

State law now requires that the State Fire Code and Building Code are uniform across all municipalities. Cities and towns cannot adopt or enforce local amendments that:

- Add new technical requirements
- Modify existing code provisions
- Are more or less stringent than the State-adopted codes

In short, municipalities must apply the State codes as written, without modification. The City retains full authority over administration and enforcement, including:

- Permits and inspections
- Plan review processes
- Fees and cost recovery
- Enforcement actions and penalties
- Operational procedures and coordination

These updates do not reduce the City’s ability to enforce fire safety, but they do change how requirements are established.

To comply with State law, the City has:

- Reviewed existing ordinances and regulations
- Removed or revised provisions that could be interpreted as modifying technical code requirements
- Ensured all requirements align with the State Fire Code

The updated ordinance continues to support fire and life safety while aligning with the new legal framework.

As part of the code update process, the existing fire prevention fee schedule was also reviewed. Some fee descriptions have been changed. Fees that have been charged for mobile cooking facilities have been included into the fee schedule. New fees have been added to the schedule to cover:

1. The review and inspection of emergency responder radio communication systems. These are complicated systems designed to ensure that police and fire department radios will work within new structures and typically require several site visits, consultations, and testing with contractors.
2. The inclusion of a rental housing inspection fee. This fee is designed to assist in covering the cost of ensuring safe, code compliant rental housing within the City of Lebanon.

As required by City Code Chapter 115-3, the City’s legal counsel has reviewed the proposed ordinance and has recommended a few minor edits (see enclosed redline changes) to improve grammar and clarity of the document.

Clarifying questions from Council:

Councilor Wilkie questioned the Blasting Fees, and Inspector Egner noted this was a typo that needed to be corrected (page 40, agenda packet). Both fees should be the same (\$150.00 each).

Councilor Key asked if there was anything in the State Code that they are concerned with or that the City should manage differently. Chief Wheatley said no, noting the LFD used to follow the International Fire Code (IFC) rather than the NFPA, which the State follows because the changes in the amendments in the IFC were more frequent and further. He further explained his reasoning and gave examples.

In response to Councilor Cole’s question, Chief Wheatley explained this was adopted by the State Legislative session in July of 2025. We have until July of 2026 to approve our changes.

Councilor Cole noted there seems to be a lot of changed highlighted in red throughout the document and questioned how these changes would affect them (LFD) moving forward. It seems that a lot has been taken out of the Ordinance. He questioned what the biggest change would be for the LFD going forward and if the State’s new law is more restrictive. In Chief Wheatley’s opinion, he felt the State’s version is less restrictive than Lebanon’s and further explained his reasoning, noting it really takes away from the LFD’s ability to interact with our residents because they now have to go through the State’s Fire Marshal Office.

In response to Councilor Cole’s question regarding what the new process would be, Chief Wheatley noted they would expect a property/building owner to reach out to them, but we will now forward them to the State’s Fire Marshal Office. A link will be provided on the Lebanon Fire Department’s webpage to the State’s Fire Marshal Office. Chief Wheatley and Fire Inspector Egner also explained to Councilor Cole the reasons why there were a lot of changes to the Fire Alarm Systems, noting that the municipal fire alarm system (while outdated it is the most reliable system in the Country) requires a master box to tie into that system. Since the LFD cannot require a new installation anymore, a new Fire Alarm System will have to be installed with a new dialer that requires a cellular or landline, which will not be as reliable as our current system is in case of a natural disaster and gave examples.

City Manager Hosmer noted that the Governor signed this into law on August 1st, 2025 with an effective date of July 1st, 2026.

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

Council/Staff Comments:

Councilor McNamara noted we do not have any choice here and was prepared to make a Motion.

ACTION:

Councilor McNamara MOVED, that the Lebanon City Council hereby adopts Ordinance #2026-05 to delete and repeal City Code Chapter 72, Fire Prevention, and replace it with a new City Code Chapter 72, to be entitled “Fire Prevention”, as presented in the May 20, 2026 City Council Agenda Packet as amended to reflect the changes in one of the fees.

Seconded by N. Ford Burley.

****The Vote on the Motion was approved (9-0)***

11. OLD BUSINESS

A. Discussion and Set Public Hearing for June 17, 2026: Ordinance #2026-07, Amendments to City Code Chapter 31, Boards, Committees, and Commissions, Article XVIII, Finance Advisory Committee

Included in the agenda packet: [\(All supportive documents and information can be found on pages 87-91, Council agenda packet\)](#)

1. Proposed Ordinance #2026-07
2. Chapter 31, Article XVIII, Finance Advisory Committee

Mayor Whittlesey summarized the background noting that there is just some language that has been put into Ordinance #2026-07 to clarify the scope of the Finance Advisory Committee (FAC). The language clarifies the Establishment and Membership, which is to add two (2) alternate Citizen Members and to clarify the process on how they would be appointed, noting that the Mayor appoints these members and the City Council, as a whole, appoints these Citizen members. There was also some time accountabilities added to fill vacancies.

§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, and up to two alternate citizen members. ~~who shall serve staggered two-year terms.~~
- B. ~~Citizen members and alternate citizen members shall be appointed by the City Council. The terms of the citizen members and alternate citizen members shall be staggered. Two citizen members and one alternate citizen member shall initially be appointed for terms of one year and the remaining two citizen members and one alternate citizen member shall be appointed for terms of two years. Thereafter, all citizen members and alternate citizen members shall be appointed for two-years terms. City Council representatives shall be appointed by the Mayor and shall serve one-year terms. The City Council shall act within 60 days to fill vacancies.~~
- C. ~~The City Council shall annually in January of each year appoint a Chairperson and Vice Chairperson from the seven members of the Committee to serve for the upcoming calendar year.~~

The purpose, again, was just looking to define what was discussed around the budgets. (Note: Changes are highlighted in red):

§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 annual operating and capital budgets 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.
- B. ~~The City Council shall review the City’s annual operating and capital budgets in conjunction with the Finance Advisory Committee, the City Manager, and Department Heads. The Finance Advisory Committee may advise the City Council on matters directly related to the annual operating and capital budgets of the City. The City Council ultimately determines the final operating and capital budgets, by vote, in accordance with the requirements and procedures of the City Charter.~~

BACKGROUND

On December 18, 2025, the City Council voted to pass, without alteration, a Citizens Binding Initiative Petition seeking to amend City Code Chapter 31, Boards, Committees and Commissions, to establish a Finance Advisory Committee (FAC), as reflected in Ordinance #2025-15, to become effective as of July 1, 2026.

Since the creation of the FAC was derived from a Binding Initiative Petition, the City Council had no opportunity to modify the petition or to amend the resulting Ordinance language. The Council’s only options at that time were to accept and pass the Ordinance without alteration, or to order that the original, unaltered petition question be placed on the ballot for voter consideration at the March 2026 municipal election.

Even though the original Ordinance was based on a Citizens Binding Initiative Petition process, the City Council, nevertheless, retains the authority, by virtue of the City Charter, state law and case law, to amend the City Code language at any point in time after the initiative-derived language takes effect.

In an effort to address some ambiguity in the petition language relative to membership and appointment procedures and to further clarify the role of the FAC before the committee comes into existence, the City Administration has proposed several amendments to Chapter 31, Article XVIII. Specifically, the proposed amendments would clarify the appointment of citizen members by the City Council to initially staggered terms. Thereafter, all citizen members would be appointed to two-year terms. Also, it is proposed that up to two alternate citizen members be incorporated into the membership to help ensure that a quorum of members is regularly available for meetings.

It is also recommended that the existing language be clarified with respect to the appointment of City Council representatives by the Mayor for one-year terms, which aligns with the Council's Rules and past practices for appointing Council representatives to other boards and committees. In addition, like the Economic Development Commission, it is suggested that the City Council appoint the Chairperson and Vice-Chairperson of the FAC each year from the membership of the committee. Finally, the proposed amendments attempt to clarify the role of the FAC in reviewing and advising the City Council on the annual operating and capital budgets.

As proposed, all amendments would become effective as of July 1, 2026, when the FAC comes into existence.

Council/Staff Comments:

Deputy City Manager Brooks noted that the language proposed in § 31-64 B. just spells out the idea that, based on the Charter, the City Manager is obligated to provide the Council with his/her proposed budget by the end of October each year. The Council spends much of November reviewing that budget very closely and in fine detail before leading up to a December Public Hearing. In that sense, there is really no time for a Finance Advisory Committee to get its own set of reviews directly with the City Manager and Department Heads, so the idea of this language is to clarify and confirm that basically the Council will review the Annual Operating Capital Budgets in conjunction with the Finance Advisory Committee and the City Departments and City Department Heads. The FAC may provide its advice/guidance to the Council, but the Council has the final decision-making authority.

Mayor Whittlesey explained the dates of the Workshops and noted that in December there are two (2) Public Hearings. From a timing perspective, the FAC, as related to the Annual Budget Process, will need to meet in November and early December in order to have recommendations either for that 1st or 2nd meeting in December. This will need to be hashed out a little bit once everything is set up.

Councilor Key wanted to be very clear that we worked collaboratively on a proposal for this Committee, and wanted to make sure that the language does not get in the way with what was agreed to regarding the work of the FAC.

Mayor Whittlesey explained that the City Council directs ad-hoc projects to the various Committees and that process would still be the same here. He did not feel the language, the way it is written, does not preclude doing a budget-to-actuals or in-depth financial reviews. The language, from his perspective, is sufficient to allow us to do what we have discussed, noting the City Council cannot assign its responsibilities of fiscal oversight to an Advisory Committee and further explained his reasons, noting it is ultimately the Council's responsibility. The purpose of the language is to provide that clarity in writing.

Councilor Key noted we just cannot dilute the opportunity we get from other opinions on how we think about things as Councilors and especially really delving into the Audited Financials, etc.

Councilor Cole questioned if there was any provision in here that allows the recommendations of the FAC to be memorialized somehow in the minutes. Mayor Whittlesey noted Boards/Committees/Commission give Quarterly Report-outs and that the FAC would be part of that process, whether it is through a written memo (to the Council) or verbal communication (at the time the Quarterly Reports are taken up by the Council. Councilor Cole questioned if the FAC suggestions would be presented to the Council before we vote (on a budget). Mayor Whittlesey explained how a report back to the Council would be done.

Assistant Mayor Wilkie noted this makes sense, given that minutes are done for all Boards, Committees, Commissions. He also spoke about the purpose of having motions for meetings. He also proposed two (2) language changes as noted below, and explained his reasoning:

1. § 31-63 C. Remove the word seven members
2. § 31-64 B. Swap in first sentence City Council and Finance Advisory Committee around

Councilor Key noted there needs to be a way that the changes are made, such as: The Finance Advisory Committee may advise the City Council on matters directly related to the Annual Operating and Capital Budgets for the City. She felt this was the essence of what the Committee was put together to do in order to add another layer of scrutiny and gave examples. This should take off some of the burden from the City Council by having a group like the FAC (looking into financials) and giving their opinion. She wants to make sure this happens because she felt that was what the public was looking for.

Councilor Key spoke about her concerns regarding the Quarterly Reports, noting the timing is off.

Councilor Stavis spoke about her experience on an Advisory Committee in the City noting that the purpose (of an Advisory Committee) is not to relieve the City Council of some burden, the purpose is to advise. Advice does not mean deciding, so the burden of deciding is the City Council's. She respectfully disagreed with the concept that the purpose of the Advisory Committee is to relieve the Council of a burden of analyzing financial issues.

Councilor Key noted that so far these Council Meetings have not ended until 10:30PM and she would like to have more detailed information prepared ahead of the meeting. She felt she has had to ask a lot of questions and wanted some of this stuff up front. This was part of the thinking when we worked together to put this FAC together. The FAC is not to usurp the responsibility of the Council, but it would be nice to have some of these things more in-depth than what she has seen before (i.e., questions that could be anticipated).

Mayor Whittlesey noted that if there are things the Council wants to see, it is also incumbent upon us say that these are some of thing we want to see in the packet (i.e. what is the total purchase price, what is the cost of maintenance; what goes into that; what are the alternatives; what are our cost savings from doing this vs. what we are currently doing, etc.) We can work on this again, but separately from a Council Meeting.

Councilor Cole echoed Councilor Key's sentiments and finds it frustrating with the lack of information that we are provided to make educated decisions on spending the taxpayer's money. He was looking forward to having the FAC weigh in on some of these expenditures. He would find it incredibly helpful to get some experts to help on the FAC. If we are not going to do this, then the administration needs to do a better job supplying us with better information on how these expenditure/how this money is going to

affect the taxpayers of Lebanon. It needs to be clear whether this money is coming from Debt; how it is going to affect taxpayers tax bills, etc.

Assistant Mayor Wilkie noted he has appreciated the administration's responsiveness when he has had questions about agenda items. He also felt it was important that we get more information and thought that should be incumbent upon the people who are actually paid to do this, and not necessarily on volunteers who have a purely advisory capacity. The changes that were proposed here are more clarifying than actually changing the purpose that was approved by the voters. If we do anything more substantive than this, he would be wary that we will need to make sure this is the will of the community and make sure we are not delegating some of these non-delegable duties. The Council really needs to take responsibility for ensuring it has the information that it needs to make decisions. It should be incumbent upon the Council, not the volunteers, and further explained his reasoning.

Councilor Key noted there is a reason why we have this (FAC) and why the voters wanted it. She is going to stay true to that and will continue to push forth the content functions that we had all discussed in the year that it took to create this proposal, noting that there was some 800 + people who signed the petition and are expecting to have this happen.

Mayor Whittlesey concurred with Assistant Mayor Wilkie that we are in many ways broadening the scope of what was brought forth to us when we accepted the Petitioned Ordinance. We are the only City that has a Finance Advisory Committee, so there is not a model to go off, and we are going to find that some things work, and some will not. This is a City Committee, and we can make adjustments in the future if we deem it appropriate.

Assistant Mayor Wilkie recognized that there was a petition, but what we have before us and what we are amending is the result of what Lebanon's residents voted on. The Binding Petition refers to the original language and not anything external to that. He agreed that in any case where we feel we do not have information, it does make sense for the Council to query (a response) from the FAC. Again, this is incumbent upon the Council because we should not just offload that burden and further explained his reasoning.

Councilor McNamara concurred with Assistant Mayor Wilkie and noted that in order to do this we need to make sure we allow ourselves enough time for the FAC to look at things that we want them to look at. We need to be out ahead of this enough because the FAC will not be able to meet the next day, do their analysis and be done.

Councilor Faunce asked if there was a possibility to have the information that comes to the Council be formatted/templated or somehow made more consistent so it would be easier to lock in on what it is we need to pay attention to. This is something the FAC could actually help us with, and then it could be applied by staff.

Councilor Stavis spoke about §8 of the Draft, in the last sentence, and questioned whether or not it would be wise to add: The final Operating and Capital Budgets by vote in accordance with the requirements and procedures of the City Charter and State Law. Mayor Whittlesey had no issues adding this.

Mayor Whittlesey said we are just voting to send this to Public Hearing with the 2 changes from Assistant Mayor Wilkie and Councilor Stavis as listed below:

1. § 31-63 C. Remove the word seven members
2. § 31-64 B. Swap in first sentence City Council and Finance Advisory Committee around
3. Add to last sentence in §8 Draft: In The final Operating and Capital Budgets by vote in accordance with the requirements and procedures of the City Charter and State Law.

ACTION:

Councilor Stavis MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, June 17, 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 on proposed Ordinance #2026-07, to amend City Code Chapter 31, Boards, Committees and Commissions, Article XVIII, Finance Advisory Committee, as amended in the May 20, 2026 City Council Agenda Packet. Seconded by Councilor N. Ford Burley.

**The Vote on the Motion was approved (9-0)*

12. NEW BUSINESS

- A.** Discussion and Set Public Hearing for June 17, 2026: Supplemental Appropriation of up to \$771,200 for Airport Taxiway A Extension capital project; Authorization to Transfer up to \$19,300 from Airport Fund Balance to Supplement the City’s Share (2.5%) of the Airport Taxiway A Extension capital project

Included in the agenda packet: [\(All supportive documents and information can be found on pages 92-96, Council agenda packet\)](#)

1. April 24, 2026 Memorandum from Alexandra Myers of Stantec to Airport Manager Carl Gross RE: 2026-RFx-044 Taxiway Alpha Extension to Runway 36-Recommendation of Bid Award

Deputy City Manager Brooks reviewed the background for this item as listed above, noting that Airport Director Carl Gross was in the audience to answer any questions the Council may have.

BACKGROUND

On December 17, 2025, the City Council approved the FY2026 capital budget, which included an amendment to the Capital Improvements Project list to add the Airport Taxiway A Extension project. The project was added to the capital budget because the Federal Aviation Administration (FAA) had offered to allocate unspent funds from another airport to the Lebanon Airport to complete the Taxiway A Extension project in FY2026 instead of FY2027. For projects undertaken in FY2026, the FAA will cover 95% of costs, the NHDOT will cover 2.5% of costs, and the City is responsible for the remaining 2.5% of costs. For projects undertaken in FY2027, the FAA will only cover 90% of eligible costs, NHDOT will cover 5%, and the City will be responsible for the remaining 5%.

At the time of the budget hearing, the City’s consulting engineer estimated the Taxiway A Extension project would cost approximately \$3,925,000, which was the amount of the appropriation added to the FY2026 capital budget. By agreeing to move the Taxiway A Extension project from FY2027 to FY2026, the City’s share of the project costs was reduced by 50% or approximately \$98,125.

The Airport advertised for bids for the Taxiway A Extension project in early March 2026 and the bid opening took place on April 22, 2026. As summarized in the enclosed Recommendation of Bid Award from Stantec, the lowest of the seven bids received for the project was \$3,942,570. After including final design, environmental, construction engineering, and administration, the total project cost is expected to be \$4,696,132. The increase in project cost is attributed primarily to the recent surge in oil and asphalt prices as a result of international activities in the Middle East.

Based on the bids received, the Airport is requesting a supplemental appropriation for the overall project in an amount of up to \$771,200, 97.5% of which will be funded by FAA and NHDOT. The City’s 2.5% share of the increased cost will be approximately \$19,300, which is requested to be funded from the Airport Fund

Balance. If the City elects not to proceed with the Taxiway A Extension project in FY2026, the City’s share of the project cost will double from 2.5% to 5% in FY2027, which will likely far exceed the additional \$19,300 currently being requested.

Council/Staff Comments:

The Council briefly discussed how these funds would be coming from Airport Fund; how going from 2.5% to 5% is close to a \$100K difference; how the top 3 bids were remarkably close; how the construction contractor is required to hold their bid for one (1) year; how the Aviation Administration Grant has been applied for (expected to come in July/August of 2026 and will need to go through the NH Governor and City Council approval); how construction can start in spring of 2027, but the contractors are required to hold their bids for one year; and, how construction could be done at the beginning of FY 2027.

ACTION:

Councilor McNamara MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, June 17, 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 up to \$771,200 to supplement current funding for the Airport Taxiway A Extension Capital Project; and to authorize the transfer of up to \$19,300 from the Airport Fund Balance to the Airport Taxiway A Extension Capital Project to fund the City’s 2.5% share of the supplemental appropriation. Seconded by N. Ford Burley.

**The Vote on the Motion was approved (9-0)*

B. Discussion and Set Public Hearing for June 3, 2026: Amendment to Ordinance #2026-04, C-PACER District Ordinance to address clarification requested by NH Business Finance Authority

Included in the agenda packet: [\(All supportive documents and information can be found on pages 97-102, Council agenda packet\)](#)

1. May 13, 2026 Memorandum from Attorney Matthew Decker RE: Recommended Amendment to C-PACER Ordinance, #2026-04, Section 10
2. Ordinance #2026-04, Commercial Property Assessed Clean Energy and Resiliency (C-PACER) District Ordinance, adopted March 18, 2026

Deputy City Manager Brooks reviewed the background for the item listed above.

BACKGROUND

On March 18, 2026, the Lebanon City Council voted to adopt NH RSA 53-F, Energy Efficiency and Clean Energy Districts, and established a Commercial Property Assessed Clean Energy and Resiliency (C-PACER) District encompassing the entire city. As part of the adoption process, the Council also adopted Ordinance #2026-04, the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) District Ordinance”.

Following the Council’s action, the City Manager’s Office executed a C-PACER Participation Agreement and filed all necessary documents with the NH Business Finance Authority (BFA) to effectuate the program. During the course of its review of the City’s documents, BFA noted and has requested the deletion of the last sentence of Section 10, which reads “A capital provider may otherwise accelerate the resale of the property by acting on its foreclosure right pursuant to RSA 53-F:8, II.”

As summarized in the enclosed memorandum from Attorney Matt Decker, although the C-PACER statute currently allows capital providers to foreclose on real estate, BFA’s concern is that they should not have such authority after a tax deed has been executed. BFA may explore legislative amendments to RSA 53-F in the future to clarify collection procedures for capital providers, but in the meantime, legal counsel supports the requested deletion of the last sentence of Section 10 of the C-PACER Ordinance #2026-04.

Council/Staff Comments: NONE

ACTION:

Assistant Mayor Wilkie MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, June 3, 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 amend Ordinance #2026-04, Commercial Property Assessed Clean Energy and Resiliency (C-PACER) District Ordinance, adopted on March 18, 2026, by deleting the last sentence of Section 10 as requested by the NH Business Finance Authority, as presented in the May 20, 2026 City Council Agenda Packet. Seconded by Councilor Stavis.

**The Vote on the Motion was approved (9-0)*

C. Review and Discussion of 2025 4th Quarter Budget Report

Included in the agenda packet: [\(All supportive documents and detailed financial information can be found on pages 103-132, Council agenda packet\)](#)

1. 2025 4th Quarter Budget Report

Finance Director Allesia Williams and Deputy Finance Director Victoria Paquin reviewed and explained the 2025 4th Quarter Budget Report as listed in the agenda packet.

BACKGROUND

This budget report provided a summary of year-to-date expenditures and revenue activity through the 4th Quarter of 2025.

The report highlighted key points for the City’s General Fund operating budget, Solid Waste Disposal Fund, Water Treatment and Distribution Fund, Sewage Collection and Disposal Fund and Municipal Airport Fund. (Please see agenda packet for a summarization of the General Fund Revenues (page 104): General Fund Expenditures (pages 104-106); Solid Waste Fund (page 106); Water Treatment and Distribution Fund (pages 106-107); Sewage Collection and Disposal Fund: (page 107); Municipal Airport Fund (page 107); and Line Item details for each of the above (pages 108 - 132).

The year-end figures are preliminary and subject to adjustment during the annual audit process.

Director Williams explained the following to the Council/Public:

General Fund Revenues:

Revenues collected through December 31, 2025 totaled 100.33% of the amount budgeted for FY 2025, which compares to 102.5% (2024) and 102.8% (2023) in the previous two fiscal years.

Revenue Highlights for the Quarter:

- Total Revenue collected was \$139,530 above the budgeted amount
- Interest on late tax payments was collected at 151.60% of the amount budgeted
- Sale of Municipal Property generated \$40,818 in unbudgeted revenue
 - o Trade in 2005 Skid steer, Sale of 2015 Ambulance, Sale of 1994 Sno-Go blower
- Miscellaneous Revenue received \$264,468, much higher than the budgeted amount
 - o Prior year reimbursements from Tri-County Cap
 - o Reimbursement of legal-related expenses
 - o Auto review AI reimbursement
 - o Casino charitable days
 - o Settlements of other legal items

General Fund Expenditures:

Expenditures and amounts encumbered as of December 31, 2025 (100% of the fiscal year) by department. For FY 2025 93.77% of appropriations have been expended or committed for future expenditures during the quarter. Not all operating costs are absorbed equally over the course of each year. For example, most debt service payments are due in the 1st or 4th quarter, and support for local non-profit organizations is typically disbursed in the first month of the fiscal year.

The 93.77% expended and encumbered to date is comparable to prior years. (97.1% in 2023 and 2024).

Expenditure Highlights for the Quarter:

- Most of the unspent funds are related to vacant positions which resulted in unspent wages and benefits.
 - o City Clerk’s Office experienced staffing transitions and discontinued support previously provided to the Assessing Department
 - o Police, Fire, City Manager, and Public Works had vacant positions throughout the year
- City Manager expenditures exceeded budget due to legal costs.
- Cyber Services underspent by \$384,000 due to adjustments made to some software licensing terms as well as some anticipated repairs/maintenance were ultimately not required
- Human Services underspent as winter shelter was not operational during December, Headrest returned some of the funding as they limited their programs, and rental assistance that was reimbursed. Due to some legislative changes and the potential discontinuance of Federal funding, \$25,000 of this was moved to the Public Assistance Revolving Fund in preparation for years when the operating budget may need additional funds.
- Planning expenditures exceeded budget due to restoration of Inspector position and costs associated with RSA 155-B enforcement action that was not budgeted for.
- Public Works underspent due to repair/maintenance items being less than anticipated.
- Recreation, Arts, & Parks expenditures exceeded budget due to issues with pool decking and vendor invoices received during year-end closeout activities. Changes for upcoming year:
- Cyber Services reduced their 2026 budget request by \$203,000
- Adjustments were made to the calculation used to estimate the Health Insurance budget and will continue to be refined as new trends emerge.
- Fire reduced their 2026 budget request in the training division by \$37,000.

Director Reichert explained that the RSA 155-B enforcement action is an administrative process that is begun by the Health Office and is followed through by the City Council to allow for the City to order the removal of a derelict building. In this particular case it was a building at 375 North Main Street, but unfortunately the paperwork did not flow from the Judge in time for us to be able to get it in under this year’s Tax Assessment. Eventually, the Lien that we (City) will have on the property will be a Tax Lien, which will then be collected in a normal manner. The taxes should be coming into the Assessing, not in 2025, but in 2026. While we have fronted the funding in 2025, we should be recuperating it in 2026 for

the cost to tear the building down.

Solid Waste Fund:

The Solid Waste Disposal Fund is responsible for the operation and maintenance of the landfill, recycling facilities and hazardous waste processing.

Highlights for the Quarter:

- Revenue collected above budget estimate due to sales of City Owned Property and Miscellaneous Revenue
 - o CAT 950 and compactor trade in/sale, Energy Direct Pay Tax Credit for Landfill Gas to Energy Project
- Expenditures were underspent due to vacant positions and purposely controlling other expenses as projected revenues were down

Water Treatment and Distribution Fund:

Water Treatment and Distribution Fund is responsible for the provision and distribution of clean and safe drinking water, the planning, maintenance and replacement of water treatment facilities, pump stations, water tanks, and the water distribution system.

Highlights for the Quarter:

- Revenues and expenditures remained generally consistent with budget expectations.
- Expenditures were in line with budget estimates with some lines being underspent to offset urgent expenses that were not budgeted.

Sewage Collection and Disposal Fund:

- Sewage Collection and Disposal Fund is responsible for the safe and hygienic collection and treatment of wastewater, and the planning, maintenance and replacement of the wastewater collection system, pump stations and wastewater treatment plant.

Highlights for the Quarter:

- Revenues and expenditures remained generally consistent with budget expectations.
- Sludge disposal and utility costs remained stable throughout FY 2025

Municipal Airport Fund:

The Municipal Airport Fund is responsible for the operation and maintenance of the Lebanon Municipal Airport.

Highlights for the Quarter:

- Revenues and expenditures remained generally consistent with budget expectations.
- Airport operations remained stable throughout FY 2025

Council/Staff Comments:

Councilor Key questioned where the \$166K Municipal Airport Balance was located. Director Williams noted there was \$466K left in the Operating Budget and noted the expenditures were underspent by \$66K so that amount will end up in the Unassigned Fund Balance for the Airport. Director Williams also responded to Councilor Key’s question regarding the Enterprise Funds and what the Airport’s Unassigned Fund Balance is by stating these were not included in these reports but could potentially be added in the future. The Finance Department does not have Audited Reports yet, and that is where we generally talk about these (accounts) because they are a real number at that point. They will provide Councilor Key with an estimate.

Mayor Whittlesey heard the Finance Department’s concern about not putting an unaudited number in the reports and suggested they present this number by using the terminology Draft-Unaudited. It’s best (for the Council) to have the estimated number in these reports.

ACTION: *This agenda item is for informational purposes only. No action is required by the Council.*

D. Review and Discussion of 2026 1st Quarter Budget Report

Included in the agenda packet: (All supportive documents and detailed financial information can be found on pages 133-161, Council agenda packet)

1. 2026 1st Quarter Budget Report

Finance Director Alesia Williams and Deputy Finance Director Victoria Paquin reviewed and explained the details of the 2026 1st Quarter Budget Report to the Council/Public as presented in the agenda packet, noting there was not much to highlight, or any significant stand outs or cause for concern. We are only three (3) months into 2026.

BACKGROUND

This budget report provided a summary of year-to-date expenditures and revenue activity through the 1st Quarter of 2026.

Council/Staff Comments:

The Council discussed documenting estimates in quarterly reports (i.e., documenting when and how this expense was done); how, in the past, the general practice has been that the Department Head has the ability to spend in what their department was appropriated but generally does not make those changes unless they have spoken with the City Manager and he has reviewed the changes; clarification on the tax bills - mailed on May 29th (due on July 1st); for reading purposes, a request was made to see what wages and salaries across the board are (i.e., also, gas bills, utilities, etc. It is really hard to see the total costs of certain expenses because those are spread out over so many departments); questions regarding why Fire Hydrants are listed in the General Fund and not in the Water Fund; the pros/cons and benefits of keeping the Fire Hydrants line item in the General Fund (examples given: used only by the Fire Department during fires, car accidents to save lives, which is a general benefit to the community); and, from an intergovernmental accounting perspective, Fire Hydrants are only put in to benefit the Fire Department because they are the only users of the Fire Hydrants.

ACTION: *This agenda item is for informational purposes only. No action is required by the Council.*

E. Presentation of 2027 Financial Outlook

Included in the agenda packet: (All supportive documents and detailed information can be found on pages 162-178, Council agenda packet)

1. 2027 Financial Outlook presentation

BACKGROUND

The City Manager, working with City staff, develops financial projections for the upcoming budget year and for the next several years beyond that. The projections are based on the information that is available at the time the document is published. There are multiple variables that can, and frequently do, impact actual rates, expenditures, and revenues. The Financial Outlook is a document that aids staff and the City Council in planning for next year's budget and what the future may look like.

City Manager Hosmer, Finance Director Allesia Williams and Deputy Finance Director Victoria Paquin reviewed and explained their detailed presentation on the 2027 Financial Outlook for the City of Lebanon, NH that included the following topics: Budget Objectives (page 164); Budget Challenges (page 165); Enterprise Funds 2025 Recap-unaudited (page 166); Enterprise Authorized Unissued Debt (page 167); Enterprise Debt Payments and Balances for 2025 (page 168); 2027 Budget Cycle (page 169); 2025 Recap-General Fund Unaudited-recap (page 170); General Fund Authorized Unissued Debt (page 171);

In response to Councilor McNamara's question regarding the payment completion of the Combined Sewer Overflow Separation Project (CSO), Director Williams noted this project has been completed. However, when they did the rescissions and transfers on the actual work done in 2025, the appropriation-related to the CSO was missing a sentence to rescind the bonding authority. Director Williams noted that to the best of her knowledge we will not need to bond any funds for the CSO since the project has been completed.

General Fund Debt Payments and Balances (page 172); General Fund 2025 Outstanding Debt by Principal Project Type graphs/charts (pages 173-175);

In response to Mayor Whittlesey's and Councilor Cole's questions regarding the decline in TIF supported funds, Director Williams noted that between 2025 and 2026 there was a change in language on what we were allowed to use the TIF funds for. That change was a difference in more TIF funds coming into the General Fund to be able to support those debt projects, primarily the Fire Station. The other thing that happened with the Downtown TIF is that we were drawing funds from the TIF Fund Balance, and we will have to back off in future years because the TIF Funds would stop being so available. She also noted that for years 2027 and 2028 there is a lengthy list of projects that are sitting in the so called parking lot that do not have funding sources identified yet, so there is not a list of active projects in 2028 or 2029 and further explained her reasons.

In response to Councilor Key's question regarding borrowing new funds in 2028-2029, Director Williams noted that it includes the currently authorized unissued funds but does not include anything that might be forthcoming in the new TIF funding. There is, however, some ability to consider adding projects with some various bonding authority and still be beneath the City's Debt Policy limit.

Councilor Cole noted that the slide (page 174) was a good slide as the Council was looking at CIP approvals. Councilor Key concurred with Councilor Cole. Director Williams noted that as part of the current policy anything supported by a TIF is not included within the policy limit, it is generally supported by General Fund Tax dollars.

Councilor Cole asked how we arrive at the Statutory Debt Limit and Director Williams noted that the Statutory Debt Limit is a percentage of the Grand List Value and she was uncertain what that percentage is. Councilor Cole also asked if there were any guidelines to go by that

describes what is/is not manageable for taxpayers/residents. Director Williams noted the City Policy is based on what the current debt principal is at that time and includes a small inflationary factor in the CPI. The Statutory Limit is based on the Grant List value as to what is a responsible amount of debt that any municipality could take on.

The Council continued discussions regarding how the Statutory Limits work; how the entire tax system is based off of property values, which does not figure in any one person’s ability to pay those taxes; whether or not there were any guidelines on what a reasonable percentage is for an individual taxpayer (City Manager Hosmer will look into this to see if there are any laws that regulate this); whether or not there is a body of research that equates to an individual percentage of debt load in the context of a speculative housing market, which affects the total of the Grant List; how it is not in the City’s purview to limit the value of property; how it might be potentially useful to contact The Public Resource’s Advisory Group who offers a debt affordable study for specific municipalities in the State of NH (City Manager will do some research on this group).

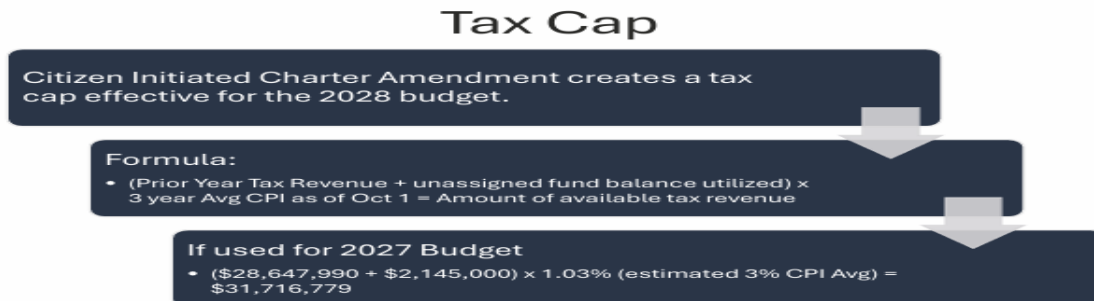
Unassigned Fund Balance History (page 176);

Director Williams reminded the Council that the range per City Policy is between 15% & 19% but in 2025 the Unassigned Fund Balance was almost 28% of the General Fund Appropriations. In 2026 this is being estimated at 18.5%, and going into 2027, so we will be at point where the City will be within our Policy range and there will not be an option to buy down the tax rate by using the Unassigned Fund Balance as we have been able to do in prior years.

For clarification to Councilor Cole’s question regarding the use of the Unassigned Balance to pay down the property taxes and whether or not we need to raise the amount of this fund, City Manager Hosmer noted that if we went higher, more funds would need to be put into the account but if you drop the range to 2% then these funds would be (unadvised) available. Director Williams noted this was not a random range that was picked, it was based on recommendations from the Department of Revenue and the general accounting principles. She spoke about a few potential theories and gave examples.

Deputy City Manager Brooks noted that in December of 2023 the Council voted to amend the Fund Balance Policy, which had been between 19%-24% (a legacy of the CSO era) and changed this range to 15%-19%.

Tax Cap and formula (page 177 and below).



Council/Staff Comments:

Councilor Cole questioned if there were any reasons why the City could not stick to these guidelines in 2027, even though we are not mandated to do in 2027. City Manager Hosmer explained the reasons why we went through this exercise here was to better inform ourselves. It is not a hard guide for the 2027 budget, but it is worth keeping in mind as he builds the budget with his Department Heads. There is no reason why this can't be done. He will follow whatever direction the Council chooses to go.

Mayor Whittlesey reminded the Council that it is the City Manager's job via the City's Charter, to present the budget to the City Council, even though we may not choose to pass it due to revisions, and spoke about his reasoning and gave examples of what was done in past years. He also spoke about the various actions the Council could take, noting it is incumbent upon the Council to sift through those budgets and ask questions during the work sessions to determine what is being asked for, what the need is, and then come to a consensus on what can be provided.

The Council continued discussions regarding how the formula (above) does not account for changes in the population; how the Finance Department is not opposed to using this formula (for 2027) but they would like to do a side-by-side review of the Tax Cap language as they are preparing the budget because of concerns over the current language (i.e., CPI, how Unions are tied to the CPI, and other revenues coming in outside of taxes); why using this formula might not be a bad place to start for this year (2027 Tax Year) to see how it aligns with what departments are looking at; whether or not other sources of revenue are predictable; how there is not a formula in the City's Tax Cap that was put to the voters, but the State Statute has a formula/calculation that includes population growth; how the City cannot figure in population inflation because it is not in the City's Charter and the City's Charter would require amendment(s).

Deputy City Manager Brooks spoke about what was put to the voters in March of 2027, noting that since no date was specified, the Council could specify that those amendments to the Charter Tax Cap language would take effect as of July 1, 2026 or whatever date the Council chooses, so they are actually in effect by the time we are having this conversation next year and can be figured in properly.

In response to Councilor Key's concern about this language equation not being included in the Ballot, Assistant Mayor Wilkie noted that in the Ballot, it was in section 3B.

ACTION: *This item is for the City Council's information; no further action is required.*

F. Discussion and Provide Guidance to City Manager Regarding the 2027 Budget

Included in the agenda packet: [\(All supportive documents and information can be found on pages 162-178, Council agenda packet\)](#)

1. 2027 Financial Outlook presentation

Deputy City Manager Brooks reviewed the background and process behind the preparation of the 2027 Budget.

BACKGROUND

In recent years, the City Manager and Finance Department have provided a Financial Outlook presentation to the City Council to highlight current conditions, budget objectives, and anticipated challenges for the remainder of the current fiscal year and for the upcoming years. This year, the Financial Outlook presentation will be provided as part of the May 20, 2026 regular City Council meeting.

Following the Financial Outlook presentation, the City Council will be asked to provide preliminary guidance to the City Manager and administration to help inform the budget preparation instructions provided to department heads.

As a reminder, City Charter Article VI, §6.05 requires the City Manager to submit a budget proposal to the Council no later than October 31st each year. The City Council reviews the budget proposal with the City Manager and department heads during a series of budget review work sessions during November prior to holding a public hearing in December. Per City Charter §6.07, the budget shall be finally adopted by the Council no later than December 31st. If the Council fails to approve a budget by such date, the budget submitted by the City Manager shall be deemed to have been finally adopted by the Council for the ensuing fiscal year. The City Council may choose to provide guidance to the City Manager relative to the budget. Such guidance is discretionary and is not binding on the City Manager.

Council/Staff Comments:

Below is only a summarization of what the City Manager and the Council discussed in considering the 2027 Budget:

- Constrain the budget unless we can find opportunities to increase our revenue (i.e., decrease waste, etc.)
- Looking at Departments for their potential of revenue generation
- The need to continue to define and research greater efficiencies throughout the City
- Adjust for the property tax rolls in the formula (above) to allow for the draw of resources for the Lebanon Fire Department, and Lebanon Police Department, especially as it relates to the simultaneous calls into the LFD
 - The need for four (4) new firefighters (cost, what would the impact be) – could potentially be discussed as a separate agenda item
- Whether or not more time is needed to prepare for a motion
- How not making a motion tonight would be setting things back much further
- Whether or not there is latitude within departments to rethink their fee structure and whether or not it would be beneficial to do so (i.e., the Pool, Day Camp, etc.)
- Creating a Motion with the caveat that a firm, numerical allocation allow for the increase in either population or for property values
- How \$2.1M (more in property taxes) is already being added back into the budget because it was brought down and paid for by the Unassigned Balance

Assistant Mayor Wilkie MOVED to extend the meeting by 10 minutes (10:10PM)

Seconded by Councilor N. Ford Burley.

****The Vote on Motion was approved (9-0).***

- Think about the level of services our residents receive now and extend them into next year and inform Department Heads that these services will be extended (i.e., if we go up by 3%, will we be losing services because we can't keep up with the rate of inflation or some other uncontrollable circumstance(s) like Health Insurance or property liability insurance increases)
- Putting ourselves (Council) in the same shoes that a lot of other people are in. There may be some hard decisions that need to be made.
- Concerns regarding the impact on morale for employees who may spend the next 6 months worrying about the security of their positions

- Potential of foregoing the sidewalk project or non-essential projects/things
- How the budget being proposed by the City Manager may not be the likely budget the Council approves. In the idea of figuring out where we are going to be making these hard decisions, knowing what decisions we are going to be making is going to be informed by knowing what it takes to keep things as they currently are. Let's see what the most efficient way is to keep the services that we currently have in place and see what the budget looks like after the whole process has been lined out.
- How it would be very difficult to define the level of services, as it would be very different depending on what department and what is considered a service
- Defining level of services (i.e., for now, hiring no new FTE's; cutting back on things other than personnel expenses, etc.)
- The need to know ahead of time what services would be given up; considering wants vs needs (i.e. sidewalk); and the need to be upfront with the public about what services would be eliminated

Mayor Whittlesey MOVED to extend the meeting by another 10 minutes (10:20PM)

Seconded by Councilor N. Ford Burley.

****The Vote on Motion was approved (9-0).***

- How the Council needs to be cognizant that part of what the City Budget does is provide services/support for the City's residents.
- Being honest with City Employees and saying this is going to be a difficult year while the Council figures out what does/does not add value (i.e. are there meetings that do not accomplish anything, is there a report that gets done that doesn't add value, employee pay raises, looking at open positions that do not need to be filled, and managing taxation in a different way, etc.)
- How the elephant in the room is the downshifting of the State service funds onto municipalities, which the City cannot control, and we can't call that waste or lack of constraint when someone is imposing things upon us against our will (i.e., providing services to those who need the services). There are things the City must do by Statute and things we must do by our own moral compasses that other businesses and corporations do not need to do.
- Reasons why cutting back on things this year will extend into next year's budget because the growth, expanse and downshifting will take another whack on the City's revenue side.
- Given the process that the Council has to go through, and given the Council will need to vote on this budget in December, the Council should make sure that the residents are not surprised by getting the word out ahead of time and making sure the Council has a reasonable number to give them

Assistant Mayor Wilkie MOVED to extend the meeting by another 10 minutes (10:30PM)

Seconded by Councilor Appleton.

****The Vote on Motion was approved (9-0).***

ACTION:

Assistant Mayor Wilkie MOVED that the Lebanon City Council hereby issues the following guidance to the City Manager for the preparation and presentation of the FY2027 City budget. The Council asks that the City Manager strives to maintain a budget of no more than 3% in (three percent) increase to the tax formula per the Tax Cap with the caveat that the Council also wishes to see no reduction in service and thereby asks that any amount above that 3% be presented and justified in order to maintain services.

Seconded by Councilor McNamara.

Assistant Mayor Wilkie spoke to his Motion by stating that his intention was to keep the 3% lower but he also wants to see what the budget looks like if we do not reduce services. That is why he included that caveat. It (the budget) is the Council's responsibility, as he always believed it should be, but felt the Lebanon Finance Advisory Committee should help the Council with this. It is the Council's responsibility to decide what services we are taking away from our constituents and that is why he wanted to give the City Manager latitude to maintain level services but wants to see those justifications, if they exceed 3%, so that the Council can then make those decisions with as much information as needed.

At the request of City Manager Whittlesey, Councilor N. Ford Burley re-read the Motion above again.

Assistant Mayor Wilkie MOVED that the Lebanon City Council hereby issues the following guidance to the City Manager for the preparation and presentation of the FY2027 City budget. The Council asks that the City Manager strives to maintain a budget of no more than 3% in (three percent) increase to the tax formula per the Tax Cap with the caveat that the Council also wishes to see no reduction in service and thereby asks that any amount above that 3% be presented and justified in order to maintain services.

****The Vote on the Motion was approved (9-0).***

13. NON-PUBLIC SESSION: NONE

14. ADJOURNMENT:

Assistant Mayor Wilkie MOVED for adjournment.

Finance Director Williams noted it would be helpful for staff to let them (Finance Department) and the City Manager know if there is anything they might need.

Seconded by Mayor Whittlesey.

****The Vote on the MOTION was unanimously approved (9-0)***

The meeting was adjourned at 10:26 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary