

FINAL

LEBANON CITY COUNCIL
MINUTES, REGULAR SESSION
Wednesday, June 3, 2020 - 7:00 pm
Remote Via Microsoft Teams: [LebanonNH.gov/Live](https://lebanonnh.gov/live)

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Bruce Bronner, Erling Heistad, Karen Liot Hill, Suzanne Prentiss, George Sykes, Karen Zook

MEMBERS ABSENT: Jim Winny

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager Paula Maville, City Clerk Kristin Kenniston, Police Chief Richard Mello, Director of Public Works Jim Donison, Assistant Director of Public Works Jay Cairelli, Finance Director Vicki Lee, Fire Chief & Emergency Management Director Chris Christopoulos, HR Director Gloria Leskiewicz, Parks & Recreation Interim Director Rick Desharnais, Digital Media Officer Melonie McDonough

Mayor McNamara called the meeting to order at 7:00 PM.

This meeting took place virtually due to the COVID-19 Pandemic and was conducted in accordance with the Emergency Orders issued by the New Hampshire Governor according to NH RSA 91-A "Right-to-Know."

A Roll Call of City Councilors was taken and all who attended the meeting are listed above.

1. PLEDGE OF ALLEGIANCE: Councilor Bronner led the Council in the Pledge.

Mayor McNamara felt it was both appropriate, and necessary, to acknowledge the extremely painful events that have rocked our country over the past nine days. The horrific death of George Floyd at the hands of a Minneapolis police officer is, to put it quite simply, a National disgrace. In his opinion, it was yet another example of the state of racial inequality that has haunted our nation for what is now hundreds of years. The protests that have followed the killing of Mr. Floyd show clearly that we must all do our best to end racism and racial inequality once and for all. He called for a moment of silence, both in the memory of Mr. Floyd and for all those who have similarly suffered over the years, and with the hope that we can finally work together to create a country where Liberty & Justice for All is a reality and not an aspiration.

2. PUBLIC FORUM: Mayor McNamara made the Public Forum announcement.

3. OPEN TO PUBLIC: No one from the public came forth.

Councilor Liot Hill came forth noting she appreciated the Mayor starting the meeting with a moment of silence and the recognition. She also thanked Lebanon's Police Chief, Richard Mello, for the statement he issued on behalf of the Lebanon Police Department.

4. RECOGNITIONS: Mike Hammond, **Retiring Operations & Maintenance Group Supervisor**

RESOLUTION HONORING MICHAEL HAMMOND

WHEREAS, Mike Hammond has devoted himself to a career in public service, having served in the Lebanon Public Works Department for 37 years, and;

WHEREAS, Mike began his service to the City on December 19, 1983, in the DPW Operation & Maintenance Group as a Truck Driver and Backhoe operator, and;

WHEREAS, on November 23, 2003, Mike was promoted to Public Works Team Leader, which in 2006 was renamed Operations & Maintenance Group Superintendent and he has remained in this position until his retirement date of June 1, 2020, and;

WHEREAS, Mike has served the Public Works Department over the past 37 years in a courteous and helpful manner, often going above and beyond his duties to assist the department whenever needed, and; **WHEREAS**, Mike has earned the respect, confidence, and friendship of his fellow coworkers, the business associates he has come in contact with, as well as the many citizens he has served for the past 37 years, and;

WHEREAS, Mike has demonstrated, during his employment with the City, those many attributes that were essential to his position, including earning the distinction of Senior Road Scholar status with UNH Technology Center, and continually giving of himself freely and unselfishly.

THEREFORE, BE IT RESOLVED, that we, the members of the Lebanon City Council, on behalf of the citizenry of Lebanon, Mike’s friends, fellow employees and associates, express our admiration of and respect for the career of our outstanding and faithful employee and extend to him our sincere gratitude and wish him well in his retirement.

BE IT FURTHER RESOLVED, that this resolution be written upon the minutes of the Lebanon City Council meeting and a copy be presented to Mike Hammond.

Dated this 3rd day of June 2020, in Lebanon, New Hampshire.

Timothy J. McNamara, Mayor
On behalf of the Lebanon City Council

5. ACCEPTANCE OF MINUTES:

- May 13, 2020 (Special Meeting)
- May 20, 2020 (Regular Meeting)

Councilor Prentiss MOVED to approve the May 13, 2020 (Special Meeting), and the May 20, 2020 (Regular Session) minutes as written and presented in the June 3, 2020 City Council agenda packet. Seconded by Councilor Bronner.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

***The Vote on the Motion was unanimously approved by those present (7-0).**

Councilor Zook arrived at approximately 7:10 PM.

6. APPOINTMENTS:

- Arts & Culture Commission: Joe Clifford (Reappointment)

Councilor Heistad nominated Joe Clifford for reappointment as an Arts Organization Representative member of the Arts & Culture Commission. Three-year term (6/20-6/23).

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

7. PUBLIC HEARING ITEMS:

A. Amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated Employees, To Include The Positions of Technical Advisor I & II, And General Intern I & II

Gloria Leskiewicz, Human Resources Director, came before the Council representing the above proposed amendment.

Due to past vacancies, retirements, and the possibility of unforeseen events, the City would like to add the positions of Technical Advisor I (Grade 11) and Technical Advisor II (Grade 16) to the Salary Plan as non-affiliated employees. Adding these positions will provide advantages to the City in that new employees, or those that have been promoted and will be transitioning into their promotional position, will have the benefit of utilizing the expertise of those that have worked for the City but are no longer working full-time. The inclusion of these positions will also permit the City to retain those employees with highly valued institutional knowledge to complete projects or assist in special events, when needed. This will also provide cost savings as Technical Advisor(s) will be paid an hourly rate, for hours worked, without the additional costs associated with full-time employment.

The City would also like to add two intern positions: General Intern I and General Intern II. The General Intern I is an entry level position and is proposed for inclusion in the Seasonal/Temporary & Stipend Employees Compensation Schedule. The General Intern II position has been classified as a Grade 1 position and is proposed to be included in the Regular Full- & Part-Time Employees Compensation Schedule. The General Intern II position will specialize in a City department which aligns with the student's course repertoire and department functions at an advanced level.

Process to Amend Ordinance No. 18

Amending Ordinance No. 18 requires three separate presentations (see City Charter subsections 419:22, 419:24, 419:25, 419:52) followed by a public hearing and the vote of at least two-thirds (2/3) of all members of the City Council – six (6) members - to adopt. The first presentation was May 6; the second was May 20. The Council was asked to finalize the process by acknowledging the third presentation and acting to amend the Salary Plan at the close of the public hearing.

The Council discussed what would happen if these positions became permanent, full-time, and eligible for benefits. Ms. Maville clarified that if the Unions feel there is a community of interest, and they approach the City wanting to make these positions part of the Union, they would come back before the Council because the Council would have to move them from the Non-affiliated compensation schedule to a Collective Bargaining Compensation Schedule.

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

1. PRESENTATION:

Councilor Bronner *MOVED*, that the Lebanon City Council acknowledges the third of three presentations to amend Ordinance No. 18, Salary Plan, Article II, by adding the positions of Technical Advisor I (Grade 11), Technical Advisor II (Grade 16), General Intern II (Grade 1), and the seasonal/temporary position of General Intern I to the Non-Affiliated Compensation and Classification schedules as follows:

Changes to the compensation and classification schedules is shown in red italics type

| REGULAR FULL-TIME/REGULAR PART-TIME NON-AFFILIATED EMPLOYEES – 2020 SALARY GRADES 1.6% GWI | | | | | |
|---|--|----------------|----------------|----------------|----------------|
| Grade | Position Title | Hourly | | Weekly | |
| | | Minimum | Maximum | Minimum | Maximum |
| 1 | <i>General Intern II</i> | <i>\$16.52</i> | <i>\$22.31</i> | - | - |
| 2 | Custodian | \$17.52 | \$23.64 | - | - |
| | Department Secretary | - | - | - | - |
| 3 | Airport Maintenance Worker | \$18.56 | \$25.06 | - | - |
| | Custodian I | - | - | - | - |
| 4 | Library Assistant | \$19.68 | \$26.57 | - | - |
| 5 | | \$20.86 | 28.15 | - | - |
| 6 | | \$22.11 | \$29.84 | - | - |
| 7 | Administrative Secretary | \$23.43 | \$31.64 | - | - |
| | Assessing Clerk | - | - | - | - |
| | Assistant City Clerk | - | - | - | - |
| | Assistant Human Services Director | - | - | - | - |
| | Communications Specialist | - | - | - | - |
| | Library Administrative/Technical Assistant | - | - | - | - |
| 8 | Administrative Assistant | \$24.84 | \$33.54 | - | - |
| | Benefits Coordinator/Payroll Specialist | - | - | - | - |
| | Deputy City Clerk | - | - | - | - |
| | Deputy Tax Collector | - | - | - | - |
| | Young Adult Librarian | - | - | \$993.65 | \$1,341.53 |

| | | | | | |
|----|--|----------------|----------------|------------|------------|
| | Outreach Librarian | - | - | - | - |
| 9 | Executive Assistant | \$27.32 | \$36.88 | - | - |
| | Digital Media Officer | - | - | - | - |
| | Information Technology Technical Specialist | - | - | - | - |
| | Systems Librarian | - | - | \$1,092.81 | \$1,475.23 |
| | Information Technology Librarian | - | - | - | - |
| | Children’s Librarian | - | - | - | - |
| 10 | Financial Analyst | 30.05 | \$40.57 | - | - |
| | Tax Collector | - | - | - | - |
| | Human Services Director | - | - | \$1202.11 | \$1,622.84 |
| 11 | <i>Technical Advisor I</i> | <i>\$33.09</i> | <i>\$44.67</i> | | |
| | Deputy Library Director | - | - | \$1,323.45 | \$1,786.70 |
| | | | | | |
| 12 | City Clerk | - | - | \$1,402.68 | \$1,893.45 |
| | Deputy Finance Director | - | - | - | - |
| | Prosecuting Attorney | - | - | - | - |
| 13 | Airport Manager | - | - | \$1,486.91 | \$2,007.28 |
| | Assistant Fire Chief | - | - | - | - |
| | Deputy Police Chief | - | - | - | - |
| | Human Resources Director | - | - | - | - |
| | Recreation Director | - | - | - | - |
| | Systems and Information Technology Administrator | - | - | - | - |
| 14 | Assistant Director/Public Works | - | - | \$1,576.13 | \$2,127.78 |
| | Chief Assessor | - | - | - | - |
| | Library Director | - | - | - | - |
| 15 | Information Technology Director | - | - | \$1,670.78 | \$2,255.37 |
| 16 | <i>Technical Advisor II</i> | <i>\$44.27</i> | <i>\$59.76</i> | | |
| | Chief of Police | - | - | \$1,770.86 | \$2,390.47 |
| | Director of Planning and Zoning | - | - | - | - |
| | Director of Public Works | - | - | - | - |
| | Finance Director | - | - | - | - |
| | Fire Chief | - | - | - | - |
| | Deputy City Manager | - | - | - | - |

SEASONAL/TEMPORARY& STIPEND EMPLOYEES

Seasonal, temporary and part-time positions with less than 20 hours are not placed into grades. These positions are based upon comparable municipal positions and wages and/or local current market values. These positions are NOT eligible for employee benefits. Seasonal positions are up to 6 months in

duration; part-time positions are less than 20 hours weekly and may be year-round or by event; temporary positions vary in length of service (less than 1 year).

| POSITION TITLE | HOURLY | |
|---|---------|---------|
| ELECTION POSITIONS (HOURLY) | | |
| Ballot Clerk | | \$10.00 |
| Election Assistant | | \$10.00 |
| Supervisors of the Checklist | | \$10.00 |
| Moderator | | \$12.50 |
| Ward Clerk | | \$12.50 |
| PARK AND RECREATION POSITIONS | | |
| Camp Counselors | \$10.00 | \$12.00 |
| Front Desk Attendants – Pool | \$10.00 | \$12.00 |
| Head Front Desk Attendants | \$11.00 | \$13.50 |
| Site Assistant | \$10.00 | \$13.00 |
| Lifeguards | \$10.00 | \$12.00 |
| Head/Lead Counselors | \$13.00 | \$16.00 |
| Site Assistant | \$10.00 | \$13.00 |
| Head & WSI Lifeguards | \$12.00 | \$15.00 |
| Head Front Desk Attendant - Pool | \$12.00 | \$15.00 |
| Outdoor Adventurer - Educator | \$12.50 | \$16.00 |
| Softball Coordinator | \$12.50 | \$16.00 |
| Camp Director | \$13.00 | \$16.00 |
| Day Camp Counselors | \$10.00 | \$14.00 |
| Arts & Craft Director | \$13.00 | \$16.00 |
| Farmers Market Coordinator | \$14.00 | \$18.00 |
| Market Assistant | \$12.00 | \$15.00 |
| Tennis Instructor | \$15.00 | \$19.00 |
| Stomp & Romp | \$15.00 | \$19.00 |
| Asst. Pool Director | \$15.00 | \$19.00 |
| Pool Director | \$16.00 | \$20.00 |
| LIBRARY POSITIONS | | |
| Circulation Substitutes | | \$13.21 |
| Reference Librarian Substitutes | | \$22.32 |
| PUBLIC WORK POSITIONS | | |
| Engineering Clerk | \$11.00 | \$14.00 |
| GIS Clerk - (or Intern) | \$15.00 | \$17.00 |
| Seasonal Laborers – Summer & Fall DPW, Parks & Rec. & Airport | \$16.00 | \$19.00 |
| CDL Seasonal Drivers | \$22.81 | \$27.30 |
| PLANNING POSITIONS | | |
| Park Ranger | \$15.00 | \$17.00 |
| POLICE DEPARTMENT POSITIONS | | |
| Crossing Guard | | \$16.29 |
| Police Administrative Aide | \$20.00 | \$23.00 |
| Parking Control Officer | \$20.00 | \$23.00 |

| | | |
|---|----------------|----------------|
| Police Officers | \$26.46 | \$31.91 |
| CITY CLERK POSITIONS | | |
| Assistant City Clerks (Part-Time/Temp. <20) | \$23.06 | \$31.14 |
| Recording Secretary | \$21.50 | \$23.50 |
| Recording Secretary Coordinator | \$22.00 | \$24.00 |
| SHARED POSITION | | |
| <i>General Intern I</i> | <i>\$13.00</i> | <i>\$16.50</i> |
| STIPEND POSITIONS | | |
| Sport Coaches – Seasonally (Lacrosse, Track, Youth – Basketball, Field Hockey, Football, Cheerleader Coach etc. – may vary due to Programs) | \$200 | \$700 |
| (Chair) Supervisors of the Check List | \$150 | \$250 |
| Supervisor of the Voter Checklist | \$150 | \$250 |

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

FOR THE PURPOSE OF amending Ordinance No. 18, Salary Plan.

NOW THEREFORE BE IT RESOLVED, that the Lebanon City Council amends Ordinance No. 18, Salary Plan, Article II, Non-Affiliated Employees by adding the positions of Technical Advisor I, (Grade 11), Technical Advisor II (Grade 16), General Intern II (Grade I), and the seasonal/temporary position of General Intern I to the Non-Affiliated Compensation and Classification Schedules.

B. Ordinance #2020-08 to Amend City Code, Chapter 68, Fees, Article III, Miscellaneous Fees, Section 68-15, Enumeration of Fees

Included in the agenda packet was Ordinance #2020-08.

This was a public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 68, Fees, Article III, Miscellaneous Fees, Section 68-15, Enumeration of Fees, to include a Stormwater Permit Application Fee.

Mr. Mulholland came before the Council representing the Ordinance as listed above. The City does not currently have an application fee. The amendments to City Code Chapter 124, proposed by Ordinance #2020-07, implements a Stormwater Use Application and Permit. Changes to City Code Chapter 68, as proposed by Ordinance #2020-08 are required to implement the fee associated with the permit and would establish a fee of \$250.00 to tie into the City’s storm drain system.

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

Councilor Bronner *MOVED*, that the Lebanon City Council hereby adopts Ordinance #2020-08 to amend City Code Chapter 68, Fees, Article III, Section 68-15, Enumeration of Fees, to include a Stormwater Permit Application Fee.

Seconded by Councilor Sykes.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

8. OLD BUSINESS

A. Ordinance #2020-07 Reschedule Public Hearing to July 1, 2020

Mr. Mulholland came before the Council representing the above Ordinance.

Regulations regarding discharges to the City’s Stormwater Drainage System have been in place since 2014. The purpose of the existing regulations is to control and prohibit illicit connections and discharges into the storm drain system in order to comply with the requirement of the National Pollutant Discharge Elimination System permit process, in conformity with the City’s Illicit Discharge Detection and Elimination Plan (November 2011).

Ordinance #2020-07 proposes to implement a permitting system for connections to and the extension or expansion of the existing stormwater system. Legal review of the proposed ordinance brought about questions that require further work before a legal opinion can be issued in accordance with City Code Chapter 115. Therefore, the Council is asked to reschedule the public hearing to July 1st.

Assistant Mayor Below *MOVED*, that the Lebanon City Council hereby reschedules the public hearing for proposed Ordinance #2020-07, to repeal and replace City Code Chapter 124, Use of Public Stormwater System, to Wednesday, July 1, 2020, beginning at 7:00 pm, Remote via Microsoft Teams.

Seconded by Councilor Heistad.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

B. 2021-2022 NHMA Legislative Policy Process

Included in the agenda packet were: 1. May 27, 2020 memo from Assistant Mayor and LEAC Chair Clifton Below with the following attachment: – November 5, 2019 Declaration on Energy Choice & Competition. 2. NHMA Policy Positions Relating to Economic Development and Substance Abuse Prevention and Response. 3. 2021-2022 Policy Proposal Form. 4. 2021-2022 NHMA Legislative Policy Process Q&A.

Assistant Mayor Below and LEAC Chair came before the Council to request the proposed “Energy, Climate, and Sustainability” be included in the NHMA Legislative Policy Process. This was taken up at

LEAC’s April 23rd meeting. On May 21, 2020, after further discussion and editing, LEAC approved and recommends the Council submit the proposed policy to the NHMA as follows:

Energy, Climate, and Sustainability

“NHMA supports legislation and state policies that preserve and enhance municipal energy, climate and sustainability planning, policies, and actions for their communities. In particular NHMA supports the ability of municipalities to enact measures that promote local energy and land use systems that: are both economically and environmentally sustainable over the long-term, protect and preserve local natural resources and public infrastructure, build community resilience, and foster adaptation to climate change and mitigate its risks. NHMA encourages policies that support customer and community choice in energy supply and use competitive market-based mechanisms to promote cost effectiveness, sustainability, and innovation.”

Councilor Sykes MOVED, that the Lebanon City Council supports the recommendation of LEAC for submission of a policy on “Energy, Climate, and Sustainability” as provided in the June 3, 2020, City Council Agenda Packet and directs the City Manager to submit a Policy Proposal Form to the NHMA for consideration at the Fall Policy Conference.

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

Mr. Mulholland reported on the proposed “Economic Development” and “Substance Abuse Prevention and Response” policies. These were added to the NHMA roster, but each still need a Committee to advocate for them. The proposed language on both was just for the Council to consider.

Assistant Mayor Below felt the Economic Development language needed to be changed due to the current economic situation. He read the following into the record with the proposed language changes highlighted in “red”:

Economic Development

NHMA supports allowing local government authority to implement measures to foster economic development which allows for the **preservation and** creation of jobs and vitality within our communities.

NHMA supports:

- Legislation that allows for local adoption of more options and more flexibility to provide incentives for **economic recovery** and development.
- Expansion and more flexibility of State tax credit and exemption programs to foster economic **recovery, development and vitality.**

NHMA opposes:

- Legislation that makes it more burdensome to implement economic **recovery and** development measures.
- CDFA administrative rules that are overly complicated and unnecessarily difficult to work through.

Assistant Mayor Below Moved that the Lebanon City Council supports the recommendation of an Economic Development and Vitality Policy for submission to NHMA as discussed and provided in

the June 3, 2020 agenda packet and subject to the tweaks from Nashua’s Development Director, that comes through in the next few days, and directs the City Manager to submit a policy proposal form to the NHMA for consideration and the fall policy conference.

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

Mr. Mulholland reported on the Substance Abuse Prevention and Response policy. This is a narrowly focused policy position and is not currently dealing with the big issues that municipalities are facing. NHMA has never had a policy position on this. However, the COVID-19 pandemic crisis has been traumatic to all towns/cities, so he drafted this up to make sure it gets included in the NHMA’s fall conference .

Assistant Mayor Below MOVED that the Lebanon City Council directs the City Manager to submit a policy proposal form to the NHMA for consideration at the fall policy conference for the Substance Abuse Prevention & Response policy as presented in the City Council agenda packet for this June 3, 2020 meeting reading as follows:

Substance Abuse Prevention & Response

NHMA supports programs to address substance abuse and response to the substance issues to include treatment and recovery programs.

NHMA supports:

- **State funding to address substance abuse for the following efforts;**
 - o **Prevention**
 - o **Treatment**
 - o **Recovery**
 - o **Enforcement**
- **Legislation that supports prevention, treatment, recovery and enforcement efforts.**

NHMA opposes:

- **Reductions in State funding for substance abuse programs.**
- **Legislation that makes it more difficult to address the substance abuse problem in our communities.**

Seconded by Councilor Heistad.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

9. NEW BUSINESS

A. Discussion & Set Public Hearing for June 17, 2020: Ordinance #2020-09 to Amend City Code Chapter 68, Fees, Article III, Miscellaneous Fees, Section 68-15, Enumeration of Fees, to Allow Exemptions of the Fixed Charge for 3/4-inch and 1-inch Water Meters Serving Fire Suppression Systems in One- and Two-Family Residential Dwelling Units

Included in the agenda packet was the proposed Ordinance #2020-09 (pages 69-70).

Mr. Mulholland came before the Council representing the proposed Ordinance #2020-09 change.

The City Council approved a new water rate structure on May 15, 2019, which included a base charge by water meter size for all water customers. Previously adopted Code provisions required that newly constructed single-family homes be equipped with a fire suppression system (commonly referred to as a sprinkler system). This provision was later repealed by the Council and is no longer a requirement. Several single-family homes were constructed during the time that fire suppression systems were required and are therefore serviced with water meters larger than single family homes without fire suppression systems.

At its May 20, 2020 meeting, the City Council addressed concerns expressed by residents related to the fixed charge for larger water meters. At the close of the discussion, Council directed administration to formulate an amendment to the Code to relieve those residents impacted by the larger fee. Ordinance #2020-09 proposes to amend City Code Chapter 68 to exempt the fees for ¾-inch and 1-inch water meters in those single- and two-family residences that contain a fire suppression system.

Assistant Mayor Below discussed the proposed changes to the Ordinance as presented on page 69 in the City Council agenda packet and suggested a change to the following sentence as highlighted in red: “As such, those one and two-family residential dwellings serviced by a ~~previously installed~~ fire suppression system may be exempt from the requirement to pay a higher fixed meter charge and will be charged the same rate as a 5/8-inch water meter.”

Councilor Heistad wanted to make sure this change would be retroactive for any charges that were assessed against the parties who already had these systems in place. Mr. Mulholland said he would abate these charges after a formal, on the record approval from the Council.

Councilor Sykes MOVED, that the Lebanon City Council hereby schedules a public hearing for Wednesday, June 17, 2020, beginning at 7:00pm, Remote via Microsoft Teams, for the purpose of receiving public input and taking action on proposed Ordinance #2020-09, to amend the Code of the City of Lebanon, Chapter 68, Fees, Article III, Miscellaneous Fees, Section 68-15 Enumeration of Fees, to exempt the fixed charge for ¾-inch and 1-inch water meters serving one- and two-family residential dwelling units that contain a fire suppression system.

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

Mr. Mulholland said a notification of this decision will be sent out to everyone with their water bills.

This Ordinance shall become effective upon passage.

B. 2021 Budget Guidance

In preparation for the FY 2021 budget process, information has been compiled for the Council's review relative to planned tax rate increases and their associated impacts.

Included in the agenda packet was the May 28, 2020 Memo by City Manager Shaun Mulholland re: Impacts of Tax Rate Reductions 2021 & 2022.

Mr. Mulholland came before the Council to provide information regarding the impacts of departing from the City's current financial management plan. He presented some good news to the Council noting the revenues through May were actually up by 4% overall. Also, when the budget was put together, it was anticipated there would be a .05% growth in the tax base for the City. However, as of Friday (May 29, 2020) there was actually at 1.7% growth in the tax base, which is one of the highest growth rates in a long time and more than 3 times what was originally anticipated when the 2020 budget was put together.

There has been \$3M added to the property values in the TIF District. This reduces the hole in the General Fund Revenues originally estimated to be a deficit of \$145K bringing it down to \$55K. We still need to wait to see what the actual assessments are and will not know that until September 1, 2020.

Mr. Mulholland explained that part of the Council's and the City Manager's responsibility is working together to develop a budget that works for the City. Issuing guidance to the City's Department Heads is the City Manager's responsibility under the Charter and he is planning to do this. He informed the Council people should be getting the first half of the tax bill them as of today (June 2, 2020) but we will not know the status of how many of these tax bills will be paid until sometime in July, since the deadline for payment is July 1st.

Ms. Vicki Lee informed the Council that about 93% of the first quarter water bills were paid, which is about the same amount every year at this time. As of the June 1, 2020 deadline, no one has asked for a payment plan.

Mr. Mulholland said the big tasks would be to see what the outcome data is of that first property tax bill and what the status will be regarding the stimulus bill now before Congress. At this time, he recommended the Council stay the course and continue with the City's financial management plan. The trajectory we have been on will allow the City to meet its financial obligations, maintain the level of service our citizens are accustomed to, and avert the need for spikes in tax rate increases in future years. At a minimum, he suggested the Council wait until after the first property tax bills are due and see what the outcome of the stimulus bill will be before it makes a final decision regarding the 2021 Budget.

Mr. Mulholland plans to submit a budget to the Department Heads that is in line with the City's long-term financial plan. At some time between now and December, if the Council chooses to issue some other budget guidance, City Administration will help the Council achieve what they would like to see. He reminded the Council that the City has a 34% increase in costs, not under our control, due to the long-projected spike in Debt Service coming in 2021. The proposed 3% increase in property taxes will help the City bring in sufficient revenues for 2020-2022 to meet that Debt Service payment and cover the operating budget, but this 3% increase in taxes means the budgets need to be flat other than the Statutory Requirements.

Mr. Mulholland also spoke about the use of the Unassigned Fund Balance to maintain the projected and planned tax rate increases of 3% for 2020-2021. The projections of the City's Unassigned Fund Balance will be at the bottom of the acceptable range (19%-24%) at the end of 2021 and remain in that state at the end of 2022. It is important to note that the impacts of changes to the City's financial management plan will have a compounding effect on the 2022 Budget.

(NOTE: For complete details regarding the amount of General Fund Reductions needed to achieve a 0.0% - 7% tax rate, the potential impacts of these reductions for 2021-2022, and details regarding the City's Unassigned Fund Balance, please refer to charts on pages 74 & 75 of the agenda packet.)

Mayor McNamara had reviewed the budget with Mr. Mulholland and agreed there is so much up in the air right now, primarily because of the unknown status of the property tax bills due on July 1st. While we did receive some good news regarding the TIF District, his personal feeling is still to go with a 3% property tax increase for now, see what this looks like and, after July 1st if there is a reason to adjust the tax rate, then the Council can adjust it, but the City's Debt Service will remain. What we do in 2021 can have a dramatic impact on 2022 and beyond.

Assistant Mayor Below concurred with the Mayor, noting there is so much uncertainty but while it was helpful to think about contingencies, trying to cut the budget would be difficult. He felt the Council should try to stick with the plan at this point, noting the biggest uncertainty is what Congress is going to do for State and local governments. He felt there needs to be some revenue support from the Federal Government.

Councilor Prentiss wanted to clarify with the City Manager that the Council will hold the budget at 3% and this will be the guidance he gives to Department Heads. If the Council sees a shift in the revenues that are not favorable from the first set of tax bills, then the Council will have an opportunity to shift course and come up with an alternative budget.

Mr. Mulholland concurred with Councilor Prentiss but suggested the Council should not take a position yet because they will not have the data to make an informed decision until after July 1st. He will be telling Department Heads that the budget needs to remain flat - no increases would be allowed except for the salary line, and if they increase one line item, cuts in another line item will be needed.

Councilor Hill agreed with the idea of contingency planning and understood the need to look at the budget to accommodate the Debt Service. She continued to express her concern about a 3% increase in the property tax rate, noting these sustained 3% increases were just too much. For the record, we have to be very sensitive to the economic environment that we are in and she could not support a 3% property tax increase based on the information the Council currently has, and agreed a decision should not be made on this issue at this time.

Mayor McNamara wanted the Council to bear in mind that if the budget were, hypothetically, held at 0%, we could be looking at a 5-7% increase in taxes next year, even with massive layoffs. He felt most people, if they had the choice, would go for stability over a period of years rather than going from a 0% increase to a 7% increase.

Councilor Hill suggested looking at a 1.5%, or even a 2% increase over the next three years, noting her concern for the tax payors of Lebanon, whose resources are rapidly diminishing, as they will ultimately have to pay not just property taxes, but the school and county tax bill.

Mayor McNamara put forth the argument that if the City was put in a situation where there were massive layoffs and the City was unable to provide services, this may have an impact on the economic growth that the City will need in the future.

The Council further discussed: People’s inability to pay taxes due to a lost job; working with the State to develop a property tax relief system; expressed confidence in the City’s teams to find ways to make cuts within their budgets; how keeping with a 3% budget increase would help to stave off layoffs; the City’s responsibility to pay the County/School Districts taxes, even if the budget is cut; and, the difficulties faced in paying taxes by those whom are on fixed incomes.

No action was taken by the Council and they agreed with Mayor McNamara to revisit this issue again in July, when more data should be available to make a more informed decision.

10. REPORTS

A. City Manager:

Mr. Mulholland presented the following updates to the Council:

- 20 Spencer Street
- Tax Credit Application for a developer: A 4% tax credit is being worked on for a 40 unit development that would provide affordable housing for the working class.
- City Hall Renovation: Projected move-in dates are November 9-13, 2020 and City Hall will be operational and open for business on November 16, 2020. Depending on the availability of a COVID-19 vaccine, and making a few construction adjustments, the plan is to have City Hall opened to the public at that time.
- Fire Works for the 4th of July: Working with the FAA.
- Westboro Yard Demolition: Still under negotiations.
- Packard Bridge: Completed.
- Mechanic Street: Repaving (as part of CSO 11) expected to be completed by the end of July.
- Sewer Line Project: The price came in at less than half of the amount anticipated.
- Rte. 12A: The final striping for the left hand turn is being completed.

B. Council Representatives to other bodies: None.

11. FUTURE AGENDA ITEMS: Not discussed.

12. NON-PUBLIC SESSION: None.

13. ADJOURNMENT:

Councilor Bronner MOVED for adjournment.

Seconded by Councilor Prentiss.

Roll Call Vote:

Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Prentiss, Sykes, and Zook all voting Yea.

None voted Nay.

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

The meeting was adjourned at 8:47 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary