

**AGENDA
LEBANON CITY COUNCIL
JUNE 5, 2019**

5. ACCEPTANCE OF MINUTES:

MINUTES TO BE ACCEPTED

- May 8, 2019 (Work Session)
- May 15, 2019 (Regular Session)

MOVED, to approve the minutes as presented in the June 5, 2019 agenda packet.

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**CITY OF LEBANON
CITY COUNCIL**

Minutes, Work Session, May 8, 2019
City Hall – Council Chambers
5:30 P.M.

MEMBERS PRESENT Mayor Timothy McNamara, Assistant Mayor Clifton Below, Councilors Bruce Bronner, Erling Heistad, Karen Liot Hill, Shane Smith, Suzanne Prentiss, Jim Winny, Karen Zook

MEMBERS ABSENT None

STAFF PRESENT Shaun Mulholland (City Manager), Greg Colby (Finance Director), Vicki Lee (Deputy Finance Director), Doug Smith (Assistant Finance Director), Paula Maville (Deputy City Manager), Sandra Allard (City Clerk), Chris Christopoulos (Fire Chief and Interim Airport Manager), Gloria Leskiewicz (Human Resources Director), Lynne Goodwin (Human Services Director), Tad Montgomery (Energy and Facilities Manager), David Brooks (Planning & Zoning Director), Sean Fleming (Library Director), Rick Vincent (Chief Assessor), Richard Mello (Police Chief)

1
2 Mr. Mulholland started the meeting at 5:33 PM.

3
4 **1. DECEMBER 2018 and 1st QUARTER 2019 BUDGET REPORTS**

5
6 Mr. Mulholland introduced the finance staff. They are building their presentation on the work that was
7 started by the previous Finance Director, Len Jarvi, and working on some new approaches to presenting
8 the information to the Council this year.

9
10 Greg Colby began the presentation. He referred to the packets provided for the May 8, 2019 meeting.
11 The report is preliminary as the auditors will be coming later this month. The 2018 expenditures were
12 under budget by \$850,000 or 2.8% of the budget. Approximately \$800,000 have been encumbered for
13 ongoing repair and maintenance projects. The remaining funds will be returned to the fund budget. This
14 information is relative to the operating budget. CIP projects are not accounted for in this budget. A
15 detailed chart relative to each account in the budget was included in the packet.

16
17 The General Fund revenues exceeded the expected budget by \$1.3 million dollars or 4.71%. Motor
18 vehicle permits were strong as were the building permits, which increased the revenue. The City revenue
19 base appears to be stable. With the reduction in spending resulting in return of surplus and the increased
20 revenues, the City's reserves at the end of the year are healthy. It is a favorable position and puts the City
21 in a position to manage extraordinary unexpected expenses that arise. Mr. Colby began the discussion
22 reviewing several funds.

23
24 The Solid Waste Disposal Fund revenue exceeded the actual budget due to increased tonnage of waste
25 materials. The fund has a little over \$2.2 million. There are four capital reserve funds totaling over \$8.5
26 million for projects associated with the landfill.

27

1 The Water Treatment budget forecasted an additional funding spend balance. The goal is to build a
2 surplus in this fund over the next few years. The spendable fund balance increased by double the amount
3 that was anticipated. The long-term objective is to moderate fee increases to accumulate resources
4 before they are needed. This will leverage the State’s loan program and the bonded debt for these
5 projects. There is one capital reserve fund associated with the water treatment and distribution which is
6 used for improvements and equipment purchases.

7
8 The Sewer Collection and Disposal forecasted a draw on the City budget for FY 2018. Only 1/3 of the
9 amount that was anticipated was drawn down resulting in an increased fund balance. There is one capital
10 reserve fund that is associated with this area that has been targeted for funding in FY 2019.

11
12 The Municipal Airport Fund forecasted a draw of 1/3 of the forecasted amount, resulting in less deficit
13 than anticipated. The airport fund is subsidized from the General Fund for FY 2019. The Finance
14 Department is also reviewing the fee structures of tenants and airline carriers at the airport.

15
16 The Emergency Management Fund was not discussed.

17
18 The review of the Capital Improvement Fund included a chart of all the ongoing City projects that was
19 included in the meeting packet. The Finance Department reviewed all of the projects within each
20 department to gather information necessary for the auditors and to forecast the anticipated debt that may
21 need to be issued. Each of the CIP expenditures has a big impact on the tax rate, so it is scrutinized. New
22 bonds will not be issued during 2019 Q1. The servicing of the debt incurred in 2020 will not become due
23 until 2021.

24
25 Mr. Smith began the 2019 budget discussion¹. The department may change some of the presentation from
26 previous years, but the information will be the same pieces of data needed to make decisions. The first
27 quarter of 2019 is about preparing for the audit of 2018. In the past, a quarterly report is provided
28 throughout the year, with a monthly report each month during the last quarter. Revenues and
29 expenditures do not happen in a smooth relationship throughout the year. Some expenditures are not
30 spent evenly throughout the year and some are necessarily higher than benchmark in the first quarter. For
31 the quarter ending March 31, the benchmark would be 25%. However, Q1 expenditures are at 29.7%.
32 This is on trend with previous years. The staff compare the amounts to benchmarks to ensure that nothing
33 extraordinary is occurring. Revenues are not evenly spread, for example taxes and grants and revenue
34 sharing are not received and distributed monthly or quarterly. Hitting the benchmark is challenging.
35 Permits and fees are more evenly distributed. The revenue budget appears to be on target currently. The
36 important consideration is balancing the cash flow, that expenditures are not over spending the revenue
37 that is in the budget. From a tax rate perspective, the department is being as aggressive as possible, to
38 keep it level and stable. For 2019 Q1 the budget is level on both sides, the revenue and expenditures. In
39 terms of other funds, the benchmarking does not reflect any anomalies. Mr. Smith discussed how the fees
40 collected by the City will minimize impact on the general fund, and they are striving to have each
41 department collect enough fees to cover the operating expense so there is minimum dependence on the
42 General Fund.

43
44 **2. FINANCIAL OUTLOOK WITH GREG COLBY, FINANCE DIRECTOR**

45
46 Mr. Colby began the discussion of the Outcomes of Work Plan which is a financial outlook and
47 expectations for 2020 and going forward. In preparation for the budget, departments and outside

1 organizations are given guidelines by late June to prepare their 2020 budget. This culminates in the City
2 Manager presenting a proposed budget to the City Council by the end of October. At this time, they are
3 on target to propose a reasonable budget by October 2019. They are following the projections of the
4 previous Finance Director and the results of the audit will be incorporated.

5
6 The City’s financial outlook does not include formulation that incorporates the reclassification of
7 personnel, the expansion of existing services, basically assuming the same level of service, activities and
8 programs within each department, and no new initiatives. The CSO projects and other projects are a focal
9 point and key component that will affect the tax rate. The water and sewer rates will impact the tax over
10 the next three years. The \$10 million planned for capital projects and \$21 million planned for the CSO
11 are creating a daunting task. The projections of the tax rate have been revised based on the projected
12 outcomes of the 2018 budget. They are now projecting 2.5% instead of 3%. With limited time to re-
13 evaluate projects for future periods, they are anticipating staying with the 3% projections for 2020, 2021
14 and 2022. This does not include the other components of the property tax such as School rate, the State
15 School rates and County portions. Examples of the projected tax increase based on the value of a typical
16 resident’s home were provided.

17
18 The Council asked if the high level of building activity was incorporated into the projected budget.
19 Finance is being cautious about incorporating this until later in the year. What is added by new
20 construction will have a positive impact on the tax rates. The Council is interested in the building permit
21 values and the estimated project values that are stated on the building permits on a quarterly basis. This
22 will allow the Council to plan for the impact that new construction will have on the budget and taxes.

23
24 There are budgetary considerations, one is the 53rd pay period that needs to be considered this year. That
25 is approximately an additional \$400,000. The four new union contracts will require incorporating a cost
26 of living increase. Health insurance premiums will not be available until late 2019. There has been an
27 increase in use of the insurance and it is the new high deductible plan, so they are less able to estimate this
28 increase. There is new State legislation that may impact the budget, such as taxes on hotel room rentals,
29 new revenue sharing with the State, and some partial funding from State aid grants. The potential debt
30 service that will be needed in future years has to be considered.

31
32 Doug Smith talked about debt service being a key driver of property tax rates and water and sewer rates.
33 Things like the CIP for 2019 will influence the type and amount of debt service that will be needed over
34 the life of those projects. New debt will not be issued in 2019. The projected 2019 debt will be pushed
35 out at least one year. The next spike is anticipated for 2021. Anything to do with the State revolving loan
36 program is dictated by the completion date or sunset date with the State. Therefore, there is no flexibility
37 to manage that debt load. The CSO project is on schedule. The department will be working to smooth
38 out the debt flow to reduce any spike in the debt load for projects where they can manage the debt load.
39 Most of the spike that is anticipated in 2021 is the CSO project and combined sewer and over flow. The
40 heavy construction load for that work will be in the next 24 months, which results in the spike in the debt.
41 The CSO projects are varied in size and all the debt for those projects will show up in 2021. There are
42 three components to the debt, the general fund, water fund and waste water fund. All three funds are
43 being funded a different way.

44
45 Future debt impacts the water and sewer service rates that are charged. The staff are anticipating the
46 water and sewer rates at both a minimum charge or an actual usage rate. In December an 8% increase is
47 anticipated for water rates and a 7.2% increase for the sewer rates is predicted out through 2023. This is

1 required to cover operating costs and State debt.

2

3 To wrap it all up, Finance is trying to provide the best information in a timely way to help the Council
4 make good decisions. They are looking for any feedback that the Council has to offer.

5

6 The Council stated that there are so many things over which there is no control. Hopefully the new health
7 plan will help hold the increases down. The Council will look carefully at projects to hold down the debt,
8 but there are many projects that have to move forward. The Councilors want to make economically
9 responsible decisions, where returns are achieved from the investments. Efforts to bring in more
10 construction and businesses to the area would result in an increase of revenue. The Council will be
11 looking carefully at the discretionary projects. There are projects that are a less tangible return on
12 investment, but they are still a worthwhile investment. Revenues from the State have to be carefully
13 managed. If the money from the State diminishes, the budget has to be able to maintain the projects
14 without spikes in taxes. There is a backlog of projects, but there are some tough times and difficult
15 decisions that will need to be made.

16

17 The City is trying to maintain the same level of service and each year it is more difficult to do so on the
18 same budget. The Council hopes to work closely with the Finance department to keep the Council
19 advised of the budget and the discretionary expenditures. Knowing where the decision points are will be
20 helpful for the Councilors. This will keep them from making large reductions in parts of the budget at the
21 end of the budget cycle. Most of the discretion is about the number of capital projects that the Council
22 decides to do and how much debt will be taken on. The Councilors hope to continue to advance some of
23 the initiatives and find ways to generate revenue, including property taxes and funds from the State. One-
24 time infusions of revenue have to be carefully examined to make sure the Council does not plan long
25 range to receive those additional funds. A tax rate increase of 2.5% is reasonable. In 2020 and 2021 the
26 City will be in a survival mode. There is no windfall that will help with the spikes that will come those
27 years. And the projects during that time will have to be kept to a minimum.

28

29 **The meeting was adjourned at 6:45 PM.**

30

31 Respectfully submitted

32 Linda Billings

33 Recording Secretary

DRAFT

LEBANON CITY COUNCIL

Regular Meeting

City Hall – Council Chambers

Wednesday, May 15, 2019

7:00 P.M.

MEMBERS PRESENT Mayor Timothy McNamara, Assistant Mayor Clifton Below, Councilors Bruce Bronner, Erling Heistad, Karen Liot Hill, Suzanne Prentiss, Shane Smith, Jim Winny and Karen Zook

MEMBERS ABSENT None

STAFF PRESENT Shaun Mulholland (City Manager), Paula Maville (Deputy City Manager), James Donison (Director DPW), Vicki Lee (Deputy Finance Director), Tad Montgomery (Energy and Facilities Manager), David Brooks (Planning & Zoning Director), Shelly Hadfield (City Consultant)

GUESTS Dave Fox (Raftelis), Dan Weeks, Steve Dzubak and Kimberly Quirk (Revision)

1 **Mayor McNamara called the meeting to order at 6:58 PM.**

2
3 **1. PLEDGE OF ALLEGIANCE:** Councilor Winny led the Council in the Pledge.

4
5 **2. PUBLIC FORUM:** Mayor McNamara made the Public Forum announcement.

6
7 **3. OPEN TO PUBLIC:** No comments were put forth by the public.

8
9 **4. RESOLUTIONS:** None

10
11 **5. ACCEPTANCE OF MINUTES**

- 12
13 • **March 20, 2019 (Regular Session)**

14
15 *Assistant Mayor Below MOVED to approve the March 20, 2019 Minutes as presented in the May 15, 2019 agenda packet, with amendments.*

16 Amendments: Page 1, Line 31 Remove ‘reviewed’ and Add ‘revised.’ Page 3 Line 16 Remove ‘Below’ and Add ‘Winny’. Page 3 Line 28 Remove ‘Below’ and Add ‘Heistad’.

17 *Seconded by Councilor Prentiss.*

18 **The vote on the MOTION passed unanimously (9-0).*

- 19
20
21
22 • **April 23, 2019 (Work Session)**

23
24 *Councilor Hill MOVED to approve the April 23, 2019 Minutes as presented in the May 15, 2019 agenda packet, with amendments.*

25 Amendments: Page 6 Line 19 Remove ‘?stricter’ and Add ‘Stretch’.

26 *Seconded by Councilor Bronner.*

27 **The vote on the MOTION passed unanimously (9-0).*

- 28
29
30 • **April 25, 2019 (Work Session)**

1
2 **Councilor Prentiss MOVED to approve the April 25, 2019 Minutes as presented in the May 15, 2019**
3 **agenda packet.**

4 **Seconded by Councilor Winny.**

5 ***The vote on the MOTION passed unanimously (9-0).**

- 6
7 • **May 1, 2019 (Regular Session)**

8
9 **Councilor Winny MOVED to approve the May 1, 2019 Minutes as presented in the May 15, 2019**
10 **agenda packet.**

11 **Seconded by Councilor Heistad.**

12 ***The vote on the MOTION passed unanimously (9-0).**

13
14 **6. APPOINTMENTS**

15
16 The Mayor announced the following appointments.

- 17 • Fair Hearings Officer - Patrick Hayes: Reappointment as Fair Hearings Officer for a three-
18 year term (5/19- 5/22).
19 • Trustee of Trust Funds - John Jay Hutchins: Reappointment as Trustee of Trust Funds for a
20 three-year term (05/19-05/22).

21
22 **7. PUBLIC HEARING ITEMS**

23
24 **A. ORDINANCE #2019-06 TO AMEND CITY CODE CHAPTER 68**

25 Public Hearing for the purpose of receiving public input and taking action to amend City Code Chapter
26 68, Fees, §68-15, Enumeration of Fees to incorporate a new fee structure for water and sewer service
27 rates. (PH Set on 5/1/19)

28
29 Jim Donison and Dave Fox from Raftelis presented. Two public hearings have been held and this matter
30 has been studied for the last 9 months. The Council determined the final option. There will be an
31 increase of water fees, effective January 1 and a structure change to fixed charges and usage charges.
32 Single family residences will likely see a reduction in overall charges. Multi-family residences that share
33 one meter and industrial sites will see an increase.

34
35 **Mayor McNamara opened the Public Hearing.**

36
37 John Andrews, Ward 3, President of Wolf Run Condominium Association spoke against the higher rates
38 that single families that share a meter will have to pay. They seem to be adversely impacted. He
39 previously sent a letter to the Council outlining his concerns. At the association where he resides they are
40 locked into 5 single family units sharing a meter and they cannot retrofit the building to put a meter on
41 each unit. He was told to expect an increase of 16% and may be 20%, which seems inequitable. There is
42 some new technology that can be fit on the existing pipes and enable metering of the water use as single-
43 family units. If this technology works, it is feasible for each unit to have the same advantage as other
44 single families.

45
46 Pat Latona, Ward 3, also lives at Wolf Run. She asked for a delay in implementing the ordinance in order
47 to make revisions to allow all single-family residences to receive the same rate, even if they share a meter.

48
49 Jennifer Sweet, Ward 3, asked the Council if any consideration was given to the impact on families.
50 Rents will have to be raised, and this will impact the ability to retain employees in Lebanon.

1
2 Mr. Andrews spoke again. He said the simplest solution is to give all residences the same increase, so it
3 is the same for all. To base the cost of water on the size of the meter going into the building is unfair to
4 some families.

5
6 The Council also discussed the new sewer rates, saying the fixed charge is less for 5 units than a single-
7 family residence. The disjoint is on the consumption. The medium family in Lebanon uses about 1200
8 cubic feet of water. Mr. Fox said the average consumption at the 5-unit Fox Run Condominiums is about
9 1100 cubic feet of water. He said one potential way to remedy this discrepancy is to allow the shared
10 meter residences to be charged under the single-family residential rate instead of the multi-family
11 residential rate. Some communities use an averaging. Putting the total consumption for all the 5-unit
12 condominiums on the single-family tiered rate would result in a higher increase due to the quantity of
13 water used on the tiered charge rate.

14
15 One of the goals of the Council is to be thoughtful and support more efficient use of resources. The
16 Council discussed the option to carve out a waiver, at the discretion of DPW or City Manager, to consider
17 technology that would allow residents to benefit from the sub metering systems. Mr. Andrews would like
18 some exemption at this time. There is an overall rate, and if everyone is paying the increase, it is fair. He
19 asked to reserve the right to come back and appeal this decision if the rate increase is unfairly distributed.
20

21 **Mayor McNamara closed the Public Hearing.**

22
23 *Councilor Hill MOVED, that the Lebanon City Council hereby adopts Ordinance #2019-06 to amend*
24 *City Code Chapter 68, Fees, §68-15, Enumeration of Fees to incorporate a new fee structure for Water*
25 *and Sewer Service Rates.*
26 *Seconded by Councilor Smith.*

27
28 One of the considerations for changing the rates was to remove the disincentive to conserve water because
29 of the minimum charge. The elderly residents were paying a fixed fee even though their consumption
30 was low. There is potential to make single family and multi-family units more equitable. For example,
31 take the number of units multiplied by the 1200 cubic feet and charge the single-family rate for that
32 volume and any volume above that would be charged at the higher tier of the single-family rate of \$5.98.
33 That is more complicated in terms of the City’s billing system and if the data could be collected it could
34 be adjusted in the future. The goal is the stability and predictability in rates and the ability to cover the
35 costs of the system.

36
37 *Assistant Mayor Below MOVED Section 68-15 B(1) (a) [3] to read Non-Residential and Non-Single*
38 *Family Residential: \$4.49.*
39 *Seconded by Councilor Hill.*

40 **The vote on the amendment to the MOTION passed unanimously (9-0).*

41
42 **The vote on the MOTION passed unanimously (9-0)*

43
44 **B. CDBG FEASIBILITY STUDY FOR HEADREST**

45 A handout for this study was presented by Headrest and was available at the meeting.

46 A Public Hearing for the propose of receiving public input and taking action on a Community
47 Development Block Grant (CDBG) Feasibility Study Application for Headrest. Action is required
48 on the following:
49

1 1. Approval of CDBG Application for Feasibility Study in the amount of \$12,000 (up to
2 \$12,000 is available for feasibility study grants).

3
4 2. Adoption of the City of Lebanon Anti-displacement and Relocation Plan for Headrest

5
6 The City Council scheduled this public hearing at their April 3, 2019 regular meeting. The public
7 hearing was properly noticed in the *Valley News* on May 4, 2019 in accordance with City Code
8 and State Law.

9 Shelley Hadfield appeared on behalf of this request. The Hearings are being repeated due to an error in
10 the Public Noticing. Headrest is requesting funds to evaluate the sustainability of their 14 Church Street
11 building. The study will look at bringing the building in alignment with the long term needs of their
12 clients. They are looking at an expanded kitchen, and an increased counseling space. They intend to do
13 an energy audit to look at energy efficiency and to evaluate increasing the counseling space and a larger
14 space to operate a new teen hotline service. They will also include an energy audit. The City must
15 comply with the Uniform Relocation Act. There will be no displacement due to this study.

16 **Mayor McNamara opened the Public Hearing for 7.B.1.**

17 Hearing no comments for the Public, the Mayor closed the Public Hearing.

18 **Mayor McNamara opened the Public Hearing for 7.B.2.**

19 Hearing no comments for the Public, the Mayor closed the Public Hearing.

20
21 *Community Development Block Grant funds are available to municipalities for economic development,*
22 *public facility and housing rehabilitation projects and feasibility studies that primarily benefit low- and*
23 *moderate-income persons. The purpose of the public hearings required for CDBG funding is to solicit*
24 *the view of citizens on community development; furnish the citizens with information concerning the*
25 *amount of funds available and the range of community development activities which may be*
26 *undertaken under the Community Development Act.*

27
28 *For the year 2019, there will be approximately \$3.5 million dollars available for housing and public*
29 *facilities projects. Approximately \$3.5 million will be available for economic development. Economic*
30 *development applications are submitted on a rolling basis until the funds are used up. Approximately*
31 *\$500,000 is available for Emergency Grants and \$100,000 for Feasibility studies. The City of Lebanon*
32 *is eligible for up to \$500,000 per year for public facility/housing rehabilitation, up to \$500,000 per year*
33 *for economic development projects, as well as up to \$500,000 per year in emergency funds.*

34
35 *Feasibility Study funds are available for up to \$12,000 per application.*

36
37 *Councilor Hill MOVED, that the Lebanon City Council hereby approves the submittal of the CDBG*
38 *Feasibility Study Application for Headrest in the amount of \$12,000, and authorizes the City Manager*
39 *to sign, submit, and execute any documents which may be necessary to effectuate the CDBG contract.*

40
41 *Further MOVED, that the Lebanon City Council hereby adopts the City of Lebanon Residential Anti-*
42 *displacement and Relocation Plan for Headrest as presented in the May 15, 2019 City Council Agenda*
43 *Packet.*

44 *Seconded by Councilor Winny.*

45 **The vote on the MOTION passed unanimously (9-0).*

1 **C. CDBG FEASIBILITY STUDY FOR RVCC**

2
3 A handout for this study was presented by River Valley Community College (RVCC) and was available
4 at the meeting.

5
6 A Public Hearing for the propose of receiving public input and taking action on a Community
7 Development Block Grant (CDBG) Feasibility Study Application for River Valley Community
8 College (RVCC). Action is required on the following:

9
10 1. Approval of CDBG Application for Feasibility Study in the amount of \$12,000 (up to
11 \$12,000 is available for feasibility study grants).

12
13 2. Adoption of the City of Lebanon Anti-displacement and Relocation Plan for RVCC
14 The City Council scheduled this public hearing at their April 3, 2019 regular meeting. The public
15 hearing was properly noticed in the *Valley News* on May 4, 2019 in accordance with City Code
16 and State Law.

17
18 **Mayor McNamara opened the Public Hearing for 7.C.1.**

19 Hearing no comments for the Public, the Mayor closed the Public Hearing.

20
21 **Mayor McNamara opened the Public Hearing for 7.C.2.**

22 Hearing no comments for the Public, the Mayor closed the Public Hearing.

23
24 *Community Development Block Grant funds are available to municipalities for economic development,*
25 *public facility and housing rehabilitation projects and feasibility studies that primarily benefit low- and*
26 *moderate-income persons. The purpose of the public hearings required for CDBG funding is to solicit*
27 *the view of citizens on community development; furnish the citizens with information concerning the*
28 *amount of funds available and the range of community development activities which may be*
29 *undertaken under the Community Development Act.*

30
31 *For the year 2019, there will be approximately \$3.5 million dollars available for housing and public*
32 *facilities projects. Approximately \$3.5 million will be available for economic development. Economic*
33 *development applications are submitted on a rolling basis until the funds are used up. Approximately*
34 *\$500,000 is available for Emergency Grants and \$100,000 for Feasibility studies. The City of Lebanon*
35 *is eligible for up to \$500,000 per year for public facility/housing rehabilitation, up to \$500,000 per year*
36 *for economic development projects, as well as up to \$500,000 per year in emergency funds.*

37
38 *Feasibility Study funds are available for up to \$12,000 per application.*

39
40 *Councilor Winny MOVED, that the Lebanon City Council hereby approves the submittal of the CDBG*
41 *Feasibility Study Application for River Valley Community College in the amount of \$12,000, and*
42 *authorizes the City Manager to sign, submit, and execute any documents which may be necessary to*
43 *effectuate the CDBG contract.*

44
45 *Further MOVED, that the Lebanon City Council hereby adopts the City of Lebanon Residential Anti-*
46 *displacement and Relocation Plan for River Valley Community College as presented in the May 15,*
47 *2019 City Council Agenda Packet.*

1 *Seconded by Councilor Bronner.*
2 **The vote on the MOTION passed unanimously (9-0).*

3
4 **8. OLD BUSINESS**

5 **A. Remove from Table and Discuss Ordinance #2019-04 To Amend City Code Chapter 152,**
6 **Streets and Sidewalks, Article II, Excavations**

7
8 *Councilor Hill MOVED to take this off the table.*
9 *Seconded by Councilor Prentiss.*
10 **The vote on the MOTION passed unanimously (9-0).*

11
12 The amendments to the ordinance include an increase in the application fee; a Roadway Degradation Fee
13 and “Greenbelt” Excavation Fee. The ordinance is being amended to protect streets and sidewalks for
14 streets and pavements that are not more than seven years old. There was a prior request for these
15 amendments and Mr. Donison was available to the City Council to answer any questions. The Council’s
16 discussion focused on the additional burden to residents with limited finances and the additional hardship
17 these fees would put on them when there is already a financial burden of an emergency to replace a sewer
18 line because there is a failure. They considered the reduction of the excavation permit fee. The greenbelt
19 excavation fee could be reduced, as this area is usually thought of as the owner’s yard. The Council
20 asked what the City is going to do with the greenbelt fee, because the resident still has to pay to restore
21 the lawn and always maintains the lawns as well. The greenbelt is considered the area between the
22 sidewalk and the roadway but will also include the zone of influence that would be degraded by the
23 excavation. They discussed the greenbelt fees and what it covered, the roadway degradation fees, the
24 excavation permits, and the fees associated with each. They reviewed how the bond that has to be filed
25 with the City for this work can be pulled to make repairs if the owner comply. The City Manager
26 discussed how the rates were determined, including staff time to inspect and file the paperwork.

27
28 The Council would like more clarification on how the greenbelt fee is charged, relative to sidewalks and
29 those areas where the City has a risk. Does it include the area between the road, the sidewalk and a
30 certain distance behind the sidewalk? They would like to place some parameters on the greenbelt fee and
31 an adjusted rate to \$1.50 per square feet was discussed. They would like to consider language for the
32 discretion of the hardships, and distinctions between family and commercial premises. There is support
33 for waving the degradation and greenbelt fee for single family emergency situations, but not the permit
34 fee and the bond fee. They will discuss the details again before setting a public hearing.

35
36 **B. Westboro Yard**

37
38 The Council returned to this item on the agenda later in the meeting. Several staff and Councilors have
39 reached out to the Senate to emphasize how important it is to the City. It is important to keep the item in
40 the State budget in order to address the work at Westboro Yard.

41
42 **9. NEW BUSINESS**

43
44 **A. Presentation by ReVision Energy: City-Wide Solar Project; Authorization For City**
45 **Manager To Enter Into A Power Purchase Agreement With ReVision Energy**

46
47 On November 8, 2018, the City issued a Request for Proposals for the “City of Lebanon Municipal Multi-

1 Site Solar PV.” After an extensive review, ReVision Energy of Concord, NH was chosen for phase one of
2 the project. The representatives from Revision appeared before the Council and gave a PowerPoint
3 presentation on the proposed multisite installation, which incorporates 8 sites including the police
4 department. They are planning to add the electric vehicle charging station near City Hall.

5
6 Revision discussed the capacity of the arrays and the actual energy that will be produced. It will be just
7 under a million KWH per year. They showed a chart of the amount of energy that will be produced at
8 each site. The structural analysis has been done for each site. All the roofs that are selected are ready to
9 go for solar. The sites that were eliminated still need roof repairs. The sludge house roof and City Hall
10 new roof plans are underway. The intention is to install the arrays by 2019 to access the full tax benefit.
11 The systems will be roof mounted and ground mounted systems. Battery storage is not proposed at this
12 time, because battery economics are still not cost effective, but could be in the future. Most of the
13 production will be used behind the meter. All the systems they are building can be integrated with a
14 battery system in the future.

15
16 The solar edge inverters give opportunity for data collection for analysis and troubleshooting difficulties
17 in the panels. Any excess energy that is generated is proposed to be sold to Liberty Utilities. The
18 equipment provides a 25-year warranty, and most equipment lasts 30-40 years. Revision will continue to
19 be the contact person for the warranty during the PPA. Twenty-five years is the standard PPA contract
20 term with early buyout options after year six. The City can continue to operate under the PPA with the
21 option to extend out to 30 years.

22
23 They discussed the state of the solar technology and asked how quickly it is outdated. At this time, the
24 energy efficiency of the panels is maximized but the same technology has been used for 30 years. The
25 panels do not degrade. The inverters are the technology that are being improved and where more benefit
26 is gained. The inverters are planned to be replaced at 12 years. Because the City is not for profit it is not
27 able to get the tax benefits. Therefore, the investor will own the equipment and there will be a PPA for a
28 minimum of 5 years. This will make the investor whole at that time. The City agrees to purchase the
29 power and has the option to purchase the array after year six. There is potential to save \$1.8 million over
30 25 years.

31
32 ***Assistant Mayor Below MOVED, that the Lebanon City Council hereby authorizes the City Manager to***
33 ***negotiate and enter into a twenty five-year Power Purchase Agreement with ReVision Energy for the***
34 ***installation of solar photovoltaic systems at the following eight (8) locations: City Hall, Kilton Library,***
35 ***Wastewater Treatment Plant, Landfill Recycling Building, Landfill Maintenance Garage, Public***
36 ***Works Administrative Building, and the Public Works Maintenance Garage.***

37 ***Seconded by Councilor Prentiss.***

38 ****The vote on the MOTION passed unanimously (9-0).***

39
40 **B. Authorization for City Manager to Issue Request for Proposals for the Redevelopment of**
41 **20 Spencer Street (Former DPW Facility).**

42
43 The City Manager has been working with staff and members of the Economic Vitality Exchange
44 Committee (EVEC) to formulate a Request for Proposals (RFP) for the redevelopment of the City’s
45 former DPW facility at 20 Spencer Street, Lebanon. David Brooks and Shelly Hadfield worked on the
46 RFP and they explained the RFP. They are hoping to get this property back into the tax rolls and
47 redeveloped. The intention is to not have the RFP be too prescriptive, to allow the contractors to offer

1 their best potential plans. Some aspirational goals were included in the RFP to let the Contractors know
2 what the City is striving to achieve. The latest draft of the RFP includes guidelines for submission and
3 how the RFP will be evaluated and scored by the City. Staff hope to get responses to the RFP back by the
4 fall and plan to start development by the end of the year. Hopefully some developers will be engaged and
5 attracted by the RFP and will want to build in Lebanon. The inclusion of EVEC in the process has been a
6 model for this kind of initiative.

7 ***Councilor Hill MOVED, that the Lebanon City Council hereby authorizes the City Manager to issue***
8 ***the Request for Proposals (RFP) for 20 Spencer Street as presented in the May 15, 2019 Council***
9 ***Agenda Packet.***

10 ***Seconded by Councilor Prentiss.***

11 ****The vote on the MOTION passed unanimously (9-0).***

12
13 **C. Authorization for The City Manager to Enter Into A Lease Agreement With River Valley**
14 **Community College for Office Space for Recreation & Parks and General Meeting Space**

15
16 Recreation and Parks has to move out of City Hall by August and other efforts to find a location have not
17 worked out. City Administration has been searching for adequate space and has reached an agreement
18 with River Valley Community College (RVCC) for utilization of four (4) rooms totaling 1,158 square feet
19 at the rear entrance to the college. The location is convenient, it helps the City and helps the River Valley
20 College. The rental terms are all inclusive. They will be located on the main floor, near the parking lot
21 side of the building with direct access to the outside.

22
23 ***Councilor Bronner MOVED, that the Lebanon City Council hereby authorizes the City Manager to***
24 ***enter into and execute a lease agreement in the amount of \$28,950 with River Valley Community***
25 ***College for a one-year term for office space to house the Recreation Department.***

26 ***Seconded by Councilor Heistad.***

27 ****The vote on the MOTION passed unanimously (9-0).***

28
29 **D. Presentation & Discussion of Proposed Amendments to Chapter A191, City Council Rules**

30
31 Mr. Mulholland discussed the revisions regarding appointment applications. Council participation by
32 phone or video will be allowed under one of the amendments, provided there is a physical presence of a
33 quorum. This attendance is not encouraged, but it will be permitted. It will be helpful when it is used
34 occasionally. There is no action required tonight, but action will be scheduled for June 5, 2019.

35
36 **10. REPORTS**

37
38 **A. CITY MANAGER**

39
40 The Council appropriated \$200,000 of matching funds for the Miracle Mile pedestrian improvements.
41 The City applied for a TAP grant, but it was not received. Staff applied for a second grant to improve the
42 bus stop, but that also was not received. The DPW has put together a design for a safe haven on both
43 sides of the road, a sidewalk, crosswalk and signal, street lighting and a bus stop. The \$200,000 could be
44 repurposed, but it is not sufficient to do all the improvements that they want to make. There will be no
45 major improvement until 2020 but they will be doing some safety improvements that will not require
46 substantial investment. The council is concerned about the lack of lighting in the area where people are
47 already trying to cross, even if there is no crosswalk.

1 There are no updates on House Bill No 641. They are working with the State regarding the budget and
2 the funding streams that will be available to the City, and what funds go to municipalities. The budget
3 should be passed by July 1, 2019.

4
5 Assistant Mayor Below provided an update on the energy bills that are going through committees. A
6 number of energy bills are getting ready for passage at the State Legislature. He offered to continue to
7 represent the City at the State and the City Manager and Council gratefully accepted.

8
9 Mr. Mulholland reminded everyone of the special meeting on June 26, 2019, about the landfill issues.
10 There will be a number of public hearings for rates on the landfill and the business plan for the landfill.
11 The communities that use the landfill will be invited, as rates will be adjusted higher.

12
13 **B. COUNCIL REPRESENTATIVES TO OTHER BODIES-None**

14
15 **11. FUTURE AGENDA ITEMS-None**

16
17 **12. NON-PUBLIC SESSION-None**

18
19 **13. ADJOURNMENT**

20
21 *Councilor Bronner MOVED for adjournment.*

22 *Councilor Winny seconded the motion.*

23 **The MOTION passed unanimously, (9-0).*

24
25 **The meeting was adjourned at 9:25 PM.**

26
27 Respectfully submitted

28 Linda Billings

29 Recording Secretary

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