



CITY OF CONCORD

New Hampshire's Main Street™
City Manager's Office

Thomas J. Aspell, Jr.
City Manager

May 9, 2025

Honorable Mayor and City Council:

It is my pleasure to submit to you the proposed budget for Fiscal Year 2026. This budget includes a proposed tax rate increase of 3.96%, which is slightly higher than the CPI (U) All Items. This increase is due to settled collective bargaining agreements, increased debt service costs, reduced investment income, and is aligned with the City Council's priorities and goals. It also maintains and enhances the City's investments in public safety, recreation, and information technology, and increases funding to support the needs of the City's most vulnerable populations and leisure services. Capital projects that support improvements to quality of life are included in this proposal, while responsibly protecting the critical City services our residents and businesses rely on, and continuing to fulfill the City's commitments as an employer, asset owner, and economic driver. This budget provides increased funding for supplies, repairs and maintenance costs, employee recognition, improved technology and security systems, additional training and development, and continues library and recreation staffing at the new satellite Penacook Branch Library and Activity Center. There are four main drivers for the operational and capital costs within this budget: 1) wages and benefits as a result of the recently approved collective bargaining agreements and a significant increase to the Fire Department overtime budget; 2) robust, previously approved capital projects as evidenced by the increase in debt service costs; 3) increased technology support as shown by the increase in telephone and e-mail subscription services; and 4) continued high level effort in capital projects with a new Police Station, new fire engine, infrastructure and park improvements, new golf course facility, significant improvements to the Hall Street wastewater plant, and continuation of the highway improvement program.

Fiscal Year 2026 Challenges

Every year, the City encounters many issues while preparing the budget. For Fiscal Year 2026, recruitment and retention of qualified employees continues to present significant challenges. In addition to other vacancies across City Departments, the Police Department currently has fourteen vacancies and the Fire Department has nine. Both departments have many employees eligible for retirement at any time. This budget proposes using \$550,000 in Unassigned Fund Balance in order to help maintain a reasonable tax rate increase.

This budget was prepared in the midst of very uncertain times: costs continue to rise, significant ambiguity exists around the impact of tariffs on supplies and equipment costs and availability, compensation costs are up and investment income is down from a year ago. On a positive note, the City received 0% rate increases for health and dental insurance premiums. New Hampshire Retirement System rates decreased by 5.76% for Group I employees, Group II Police decreased by 1.05% and Fire decreased

by 3.95%. Motor vehicle registration revenues and ambulance charges are both projecting increases for next fiscal year.

One of the ways the City works to manage operating and capital budgets from year to year is through a very strong fund balance and responsible use of reserve accounts. Maintaining a strong General Fund Unassigned Fund Balance allows the City to maintain an excellent bond rating. If the City's bond rating drops and the interest rate rises as a result, the effects are long term. Currently, the City has \$118,200,000 in outstanding long-term debt. If the interest rates on all of that debt were ½% higher, the twenty-year additional interest costs would be approximately \$6,200,000 more than current schedules. This would then be translated to higher taxes and utility rates.

A similar thought process holds for the City's reserve accounts. The City uses these reserve accounts strategically to offset project and operational costs that would otherwise need to be added to the tax rate. In the Fiscal Year 2026 Budget, the City is using reserve funds for a variety of efforts: \$2.8 million for neighborhood street paving, \$205,000 for economic development related activities, and \$100,000 to help offset debt service costs for the City-Wide Community Center. If reserves were not available and these costs were all added to the operating budget it would be an increase of \$3,105,000. This would translate to an additional 6% increase to the tax rate.

Fiscal Year 2025 Review

During Fiscal Year 2025, the City Council approved the use of fund balance to support a number of initiatives including retention bonuses of \$405,000 for the Police Department and \$400,000 for winter operations, \$160,000 to support the Concord Stables project, \$40,000 for Diversity, Equity, Inclusion, Justice and Belonging efforts, and a \$3,049,000 transfer to reserves. These funds help resolve issues in the current and future budgets.

Key projects advanced throughout the City during Fiscal Year 2025 included:

Private Projects

- The 48-unit Davis Ridge workforce housing apartment complex was completed by CATCH Neighborhood Housing at 303 Sheep Davis Road;
- The 123-unit workforce housing apartment complex at 195 Pembroke Road by Brookline Opportunities is nearing completion;
- Phase I of the Railyard Redevelopment affordable housing project located at Langdon Avenue, which features 96-units, was substantially completed;
- Redevelopment of the 1st Congregational Church to a 30-unit market-rate housing development at 177 North Main Street is nearing completion;
- Redevelopment of the former NH Department of Transportation property at 11 Stickney Avenue into an 80-unit rental housing development continues;
- Development of 151 townhome units is underway at two separate projects located at Tanager Circle and Suffolk Drive in the Thirty Pines area of Penacook Village;
- Development of 13 single family detached homes at Shelburne Lane near Hoit Road is underway;
- Planning Board approval was obtained for a new Raising Canes restaurant at 287 Loudon Road;
- Construction of a new St. Mary's Bank at 16 Manchester Street is underway. This project is part of Phase I of the larger "ROI Properties" development on Black Hill Road;
- The redevelopment of the former Smokey Bones/Newick's into a new Texas Roadhouse was completed at 317 Loudon Road;
- Sierra opened in the former Bed Bath and Beyond space at 10 Loudon Road;
- Several new tenants expected to be added to the Capital Shopping Plaza on Storrs Street as the Burlington space was approved by the Planning Board to be divided into multiple tenant spaces. As part of the Planning Board's permitting process, the City secured an easement to facilitate

future beautification efforts to improve the view of Downtown Concord and the Opportunity Corridor from I-93;

- Renovation of the former Holiday Inn on North Main Street is underway;
- The State commenced construction of its new 409-space Legislative Garage at 30 Capitol Street; and
- Construction of the State’s 41-bed expansion at New Hampshire Hospital remained ongoing.

City Projects

- Design of the new Concord Police Station Headquarters at 4 Bouton Street is underway; schematic design will be completed in late Fiscal Year 2025;
- Design work for the \$25 million sewer pump station and distribution system improvement project in the Heights is nearing completion, with construction scheduled to commence in the coming months. In April, the City was awarded a \$860,000 grant from the State’s Housing Champions / InvestNH Program to support the project;
- The new Canal Street Riverfront Park project is substantially complete and a soft opening occurred in December 2024. Final construction will be completed this spring, which will be celebrated with a grand opening early this summer. This is the first new public park opened in the City since the 1980s;
- Design of proposed improvements to Tanner Street Riverfront Park and Bicentennial Square are both underway;
- Design continues for the McKee Square intersection project. In August 2024, the City was awarded a \$2.4 million grant for future construction of intersection improvements;
- The General Services Department completed paving projects identified in the Enhanced Neighborhood Paving Program; and
- Work continues on potential design options for renovation or replacement of the Beaver Meadow Clubhouse Project.

City Private Partnership Projects:

- The new Penacook Branch Library and Activity Center was completed in August 2024, and opened to the public on December 5, 2024. The project was completed in partnership with the Boys and Girls Club of Central New Hampshire;
- In August 2024, the former New Hampshire Employment Security Building completed its redevelopment into 64 units of market rate apartments, and has been fully occupied by new residents. This property was previously owned by the City and the project was accomplished via a public-private partnership with the City and the John J. Flatley Company;
- Construction continues on the “Arts Alley” redevelopment project at 20 South Main Street, including a Friendly Toast restaurant, event space, and other hospitality uses. This project was facilitated by a public-private partnership with the Duprey Companies regarding relocation of aerial utilities at the property a few years ago;
- Development of the “Merchants Way” project located on Whitney Road continues. Current activity includes: Concord Hospital Urgent Care (under construction), Chipotle restaurant (under construction), Starbucks (open), and Club Pilates (open). Construction of a new Evviva Trattoria Restaurant and Verizon Store are scheduled to start construction in Fiscal Year 2026. These developments were facilitated by a \$5.5 million public-private partnership between the City and Interchange Development LLC, concerning transportation improvements for the development;
- 12 units of special needs housing were developed by Next Step Living at 3 North State Street. The project was facilitated by a \$35,000 grant secured from the State’s InvestNH Program;
- The City is working with Hampshire Aviation, LLC, to finalize a lease agreement for the construction of a new 10 aircraft hangar facility on Development Zone 4 of the Concord Municipal Airport. Planning Board conditional approval was received in April, with the lease agreement and construction of the facility expected to be completed in early Fiscal Year 2026;
- The City has been working with Kearsarge Energy to develop a 5KW solar array at the Old Turnpike Road Landfill. Kearsarge has filed required applications with the City’s Planning

Board, as well as Department of Environmental Services. Construction is scheduled to begin in late fall 2025;

- The City partnered with the developers of the First Congregational Church on a 7-Year RSA 79-E Revitalization Tax Relief incentive valued at approximately \$400,000 to facilitate the 30-unit redevelopment project;
- The partnership with the Friends of the Merrimack River Greenway Trail continues regarding a 0.75-mile portion of the trail along the Merrimack River, between Exits 13 and 14. The project was funded by a Land and Water Conservation Fund Grant from the State of New Hampshire;
- In December 2024, the City was awarded a \$500,000 Land and Water Conservation Fund Grant to facilitate development of a new Skateboard Park at Kiwanis Park, in partnership with the local skating community;
- Design work continues with the New Hampshire Department of Transportation on the I-93 project specifications for Exit 13 with the Manchester Street corridor and Terrill Park, as well as the Loudon Road Bridge Design; and
- On December 17, 2024, the City was one of 18 municipalities in the state to be designated as a Housing Champion by the NH Department of Business and Economic Affairs. This designation will give the City and the other 17 communities exclusive, preferential access to special housing grants to be offered through the State's Housing Champions Program.

Fiscal Year 2026 Budget

The Fiscal Year 2026 budget presented here totals \$154,891,595 across all funds, including capital projects. This plan produces a 3.96% tax rate increase for the General Fund.

The recommended Fiscal Year 2026 Operating Budget comes after Standard and Poor's Global Rating agency's recognition of the City's strong fiscal management. The City's AA+ rating allows the City to secure favorable rates for infrastructure. However, a significant decline in fund balance may impact the City's rating.

Fiscal Year 2026 Budget Assumptions

For Fiscal Year 2026, both revenue and expense estimates used recent results and future expectations to help determine the recommended budget.

General Fund

Revenues:

While construction permit revenue in Fiscal Year 2024 was very strong and Fiscal Year 2025 continues on that path, it is anticipated that Fiscal Year 2026 will start to soften, which results in a slight decrease of \$26,000. Motor vehicle registrations have continued to exceed expectations, as the average sticker prices of new cars have continued to climb. New residential apartments and other properties that have been completed add to the number of vehicles registered in the City. This revenue is increased by \$636,000. Ambulance charges are regularly ahead of budget. When reflecting higher charges in the Fiscal Year 2026 budget, along with emergency and non-emergency planned fee increases, this provides an increase in the budget estimate by \$385,000 over Fiscal Year 2025. Investment Income is budgeted \$76,000 less than Fiscal Year 2025, as a result of interest rate decreases earlier in the fiscal year. Despite this, the City is able to maintain a strong projection of this income due to strategic purchases of staggered maturity dates for certificates of deposits. However, the unpredictability of the Federal Reserve's interest rate changes in the next fiscal year produces uncertainty regarding this revenue. Transfers in from trusts are down \$193,000 and Use of Fund Balance is budgeted at \$550,000, which is \$10,000 less than the Fiscal Year 2025 adopted budget. Overall, General Fund revenues are up 4.2%.

Expenses:

Compensation increased by a total of \$2.4 million or 6.2%. Fringe Benefits increased \$148,000 or .6%. This low increase is to the result of a 0% increase in both health and dental insurance rates. Utilities decreased \$258,000 or 17.3%, which primarily reflects a decrease in electricity costs budgeted for the street light program. Debt Service increased \$589,000 or 7.2% and reflects the increased principal and interest costs associated with new bonded capital projects from the February 2025 bond sale. Miscellaneous expenses are up \$55,800, largely due to a \$25,000 increase in the Human Services Special Programs line (rental/housing assistance). Funding for the Concord Coalition to End Homelessness has been increased by \$20,000 for the purpose of expanding their warming center hours to include the weekends. Transfer to Highway Reserve for paving is up \$53,000 (for a total of \$1 million annually and represents 2% of the tax rate); transfer to Solid Waste is up \$45,000. Overall, General Fund expenses are up 4.2%, slightly more than the tax rate increase.

Other notable items:

Finance and Technology – City Council Goal #1

This budget uses \$550,000 of fund balance to balance the budget and minimize the tax rate increase to 3.96%. While the use of fund balance does not meet Goal #1, action will be taken to reduce this use in future budgets. This budget includes an additional \$150,000 for the replacement of the City's e-mail system and moving to a subscription support format. This budget also supports the increased subscription costs for the new phone system, \$92,000. Cable TV revenues are projected to decrease again in Fiscal Year 2025 by approximately \$22,000. The City payment to Concord TV is based on a percentage of revenues, plus the capital pass through. This budget keeps the amount allocated to Concord TV consistent at \$334,630 for Fiscal Year 2026. This will require additional consideration in future years.

Organizational – City Council Goal #2

The City continues to invest in its employees through training opportunities. This budget continues to build on this by funding ongoing training, overtime support, educational bonuses, tuition and conferences, across all departments/funds, and increases by \$141,200. The Human Resources Department continues to use Circa Works, a service that promotes the City's job postings to over 600 national sites. This affords the City a more efficient and effective means to attract quality employees from a broad set of diverse candidate pools. The Human Resources Department is continuing its work on a citywide class and compensation study and will report the results and subsequent options to the City Council during Fiscal Year 2026.

Housing/Homelessness – City Council Goal #3

This budget includes increased funding in the Human Services budget for rental assistance and continues support for utilities, food, prescriptions, transportation, and staffing. The City works with community partners to secure grants and assistance where possible. This budget also continues funding for two Police Social Workers and adds a third to assist with opioid, health, and homeless issues. The Police, Fire, and Human Services Departments are all extremely involved in ongoing efforts to address housing and homeless issues.

Transportation and Utility Infrastructure – City Council Goal #4

This budget includes capital projects to support street paving and sidewalk programs, ornamental streetlight replacement, bikeway and streetscape improvements, traffic signal Gridsmart Processor replacement and intersection safety improvements, Manchester Street sewer main infrastructure replacement, Loudon Road Bridge project final design, water/wastewater plant and distribution system improvements, and improvements to McKee Square. The City is also working with State partners on the I-93 Widening Project and on the State Parking Garages.

Community and Economic Development – City Council Goal #5

Also included in the capital portion of this budget is funding for airport runway improvements and fuel farm replacement design, new Police Department Headquarters, Downtown Civic District Sidewalk replacement, golf course facility replacement, and park improvements at White, Rollins, and Kiwanis Parks. Other City initiatives also include an interim Master Plan Update.

Energy Environment and Sustainability – City Council Goal #6

This budget proposes funding for two autonomous lawn mowers for the wastewater treatment plant, and continues funding for certified laboratory analysis of Wastewater Treatment Plant influent and effluent stream and for PFAS sampling. The City continues to work on sustainability issues with operations and with City partners. The Energy and Environment Committee brought forward a Community Power program to the City Council, which was approved in the Summer of 2024. The City is working with Kearsarge Solar for the construction of solar arrays on the Old Turnpike Road landfill property, while the arrays at the Hall Street Wastewater Treatment Plant property have been completed. When the solar project is under agreement and complete, it will provide revenue for the City in the form of PILOT payments, Net Metering revenue, and Lease payments. This budget also includes funding to replace the remaining City ornamental street lights to LED lights.

Public Safety – City Council Goal #7

Construction costs of \$38 million for a new Police Station at 4 Bouton Street is projected as an asterisked item in this budget. The Police Department continues to build out the Social Worker positions and foster Community Policing with community engagement, and this budget adds a third social worker position. The Fire Department continues with replacement equipment for fire trucks and command vehicles, which have a very long lead time when ordering. Both the Police and Fire Departments continue to work on effectiveness, accountability, and toward accreditation. For both Police and Fire, recruitment and retention of employees are of the highest priority due to an unprecedented number of vacancies.

Recreation and Leisure – City Council Goal #8

Quality of life in the City is of paramount importance. The City continues its focus on providing opportunities for recreation and leisure within the community, with proposed funding for the Beaver Meadow clubhouse facility, the final phase of the irrigation system, and snowmaking at the course with support from Ski the Beav. Funding is included for building improvements at White Park, and recommends an equipment lift and life safety improvements, paving at Rollins Park, construction of a skateboard park at Kiwanis Park, and final design and permitting of Memorial Field in partnership with the Concord School District. This budget continues with full year funding of the new Penacook Library and Activity Center, and final design for the Merrimack River Greenway Trail (as a community partnership) between Sewalls Falls Road and the Boscawen town line.

This budget, including operating, capital, and TIF, is developed to work toward the City Council Priorities. A full listing of City Council Priorities (Goals) and status updates can be found in the City Council section of this document.

Other Staffing

This budget includes adding a new Assistant Fire Marshal for half a year, a third Police Department Social Worker. It also increases overtime in the Fire Department by \$496,400 including backfill for Paramedic, Firefighter AEMT, Swiftwater and quarterly training opportunities. Other position changes are on hold pending the results and recommendation of the class and compensation study.

Protection of Open Space

Protection of the City's trail system is critical to ensuring the quality of life that many in the community value. In Fiscal Year 2026, the City continues funding for the part-time Trails Ranger position.

Tax Increment Finance Districts

The City's three Tax Increment Finance Districts continue to perform well. The Fiscal Year 2026 Budget continues to release approximately 66% of the captured incremental assessed value of the North End

Opportunity Corridor TIF District to support the City's General Fund, as well as the Concord School District and other taxing authorities. The retained value will continue to preserve working capital for future construction of Storrs Street North, and portions of the Merrimack River Greenway Trail project, which will eventually traverse through the District. There are no significant changes to the Sears Block TIF District (SBTIF). However, the completed redevelopment of the former NH Employment Security property will result in the SBTIF likely being well positioned to commence releasing captured assessed value in the future to support the City's General Fund and other taxing authorities.

The Penacook Village TIF District (PVTIF) will continue to release 15% of its assessed value. This is due to the success of the City's investment in infrastructure for the Whitney Road Interchange Development and Market Basket projects, coupled with other past developments. This released value will support the City's General Fund, Merrimack Valley School District, and Merrimack County.

Arena Fund

As predicted in previous budgets, the Arena Fund will need General Fund support in future years. Looking back at the Fiscal Year 2025 proforma, it was projected that this support would start in Fiscal Year 2028. However, based on revenue reductions due to groups renting less ice time and non-ice rentals, the General Fund support will be needed a year sooner.

Solid Waste Fund

The budget for this fund includes second year funding for the increased costs of the new municipal solid waste contracts for collection, disposal, and recycling. The City is working on plans to start a pilot program for the automated collection system in July 2026.

Water & Wastewater

The two utility funds continue to provide the City with critical services to meet ever-growing demands. A 7.75% water rate increase and a 9.5% wastewater rate increase are proposed for Fiscal Year 2026.

These rate increases are necessary to meet ongoing operational costs and capital infrastructure needs. The Water Fund has regular ongoing capital proposals over the next several years. The Wastewater Fund has significant capital demands in Fiscal Year 2026 and future years that are driving additional debt service costs and larger rate increases in future years.

Fiscal Year 2026 Proposed Capital Budget

The proposed Fiscal Year 2026 Capital Program totals \$31,620,250. Two notable large projects requesting funding approval are: Golf Course Clubhouse, \$5,850,000; and the Hall Street Wastewater Plant Improvements, \$5,900,000. The new Police Headquarters project, \$38,370,000, is an asterisked item and will be presented to the City Council for funding approval during the fiscal year. Other proposed capital projects are presented in the capital section of the Budget. Notable items are described below.

The capital plan serves dual purposes of creating and preserving vital City assets while also stimulating the local economy. This year's capital plan continues to focus on equitable investments in the City's inventory of roads, parks, and utility infrastructure throughout the community. Taken together, these projects will support Concord's economy and improve quality of life for residents by encouraging affordability, increasing opportunities to access services, and promoting a healthy environment within our neighborhoods.

A number of other major capital projects in the Capital Improvement Plan include:

At the airport - Runway Pavement Improvements, \$195,000, and a new Fuel Farm, \$269,000.

Arena improvements to include design funding for an outside ice-making plant, \$107,000.

Loudon Road bridge project, \$550,000, funding for Fiscal Year 2026. \$24.4 million is slated for Fiscal Year 2028. This project is 80% federal funding for the participating portions of this project.

Iron Works Road Bridge Replacement, \$75,000.

Blossom Hill Cemetery improvements for roadway paving, \$275,000.

Community Development comprehensive master plan update, \$400,000.

Concord Stables hazardous material remediation, \$678,000, funded through general donations.

Downtown Civic District sidewalk replacement and improvements on portions of Green Street, North State Street, Capital Street, and School Street, \$630,000.

The Fire Department is programmed to replace Engine #7, \$1,180,000, and one boat, \$23,000. The Fire Department will also start the process of site evaluation for a new Central Fire Station and Headquarters, \$150,000, hose and equipment replacement, \$37,000, and personnel protective equipment replacement, \$50,000.

Golf Course New Facility, \$5,900,000, grounds improvement for the final phase of the irrigation project, \$400,000, a spray vehicle, \$90,000, and snowmaking equipment in conjunction with Ski the Beav, \$100,000.

The General Services Department anticipates \$1,769,000 in vehicle and equipment purchases, including dump trucks, a sidewalk tractor, loader, utility/pickup trucks, and other replacement equipment needs of the department.

Technology related projects include hardware and software replacement, \$236,000, Geographic Information Systems custom application update, \$30,000, development permitting software enhancements, \$78,000, fiber system replacement, \$25,000, and copier replacement, \$32,000.

Election equipment replacement for voting machines with 11 new electronic ballot counting devices, \$90,000.

McKee Square final engineering, \$400,000, with construction planned in Fiscal Year 2027, \$4,200,000.

Traffic signals and traffic operations improvements, \$1,160,000, intersection improvements for Washington and Centre Streets, \$180,000, Pleasant, Warren, and Fruit Streets, \$100,000, and Gridsmart processor replacements at eight signalized intersections, \$41,000.

Major improvements of Manchester Street are planned in future years. Final design, \$690,000, and construction is slated in Fiscal Year 2028, \$13,100,000, which is 80% funded from the State of New Hampshire for participating portions.

Sidewalks Bikeway and Streetscape improvements on Clinton and Harvard Streets, and design of crosswalk and bus stop improvement on North Main Streets, \$55,000.

Parks and Cemeteries small turf equipment – Vantrac mower, battery powered field paint machine, replacement of 72-inch zero turn mower and replace sod cutter, \$125,000.

The Police Department is provided funding to continue its programmed fleet replacement, acquiring four SUVs, \$280,000, and construction of a new headquarters building will be presented to City Council during the fiscal year for funding authorization, \$38,370,000.

State Street Parking Garage funding to further evaluate renovation or replacement options, \$113,000, and School Street Parking Garage maintenance and repairs, security cameras, reclaim pavement and signage, \$1,200,000.

White Park Phase 2 of building improvements, including an equipment list and life safety upgrades, \$453,000, Rollins Park grade and repave roadway, \$110,000, and Kiwanis Park skateboard park improvements, pending acceptance of grants and donations, and will be presented to City Council at a later date for appropriation, \$1,000,000.

Memorial Field final design and permitting, \$1,500,000. This is a joint project with the Concord School District and their portion of this project is \$750,000.

City Wide Recreation facilities, \$701,000, Garrison Park Pool and Green Street Community Center Locker Room HVAC replacement, \$35,000. City Wide Community Center, design and permitting of expanded parking lot, \$130,000.

Library property acquisition and expansion, \$401,000.

General Services Combined Operations and Maintenance Facility compressor replacement, \$40,000.

The Wastewater Capital Program provides for a Sewer main rehab and construction, \$40,000, a Master Plan update, \$850,000, and Hall Street Wastewater Treatment Plant improvement to include dewatering equipment refurbishment, process upgrades design, windows, HVAC, and other building improvements, \$5,900,000.

The Merrimack River Greenway Trail phase that runs from Sewalls Falls Road to the Boscawen Town Line is proposed for design, \$100,000.

Stormwater improvements on the Abbottville Sewer Access Road, in accordance with NHDES regulations, \$500,000, and inflow and infiltration removal on Fowler and Rolfe Streets, \$110,000.

LED Streetlight replacement for Ornamental Bishop Crook lights on Manchester, Water, and South Main Streets, and Loudon Road, \$1,150,000.

This budget proposes significant funding of the Enhanced Neighborhood Street Paving Program for street paving, pavement preservation, drainage repairs, and emergency overlays, \$2,800,000.

The Water Capital Program provides for water main replacements on Industrial Park Drive, and a portion of Pembroke Road, \$1,500,000, water meter replacement program, \$375,000, leak detection, \$10,000, water meter pit rehabilitation at a variety of locations, \$85,000, plant and SCADA improvements, \$210,000, storage tank repairs, \$50,000, and a booster station on Portsmouth Street, per Phase III of the Water Master Plan, \$1,020,000.

Looking ahead

The Proposed Fiscal Year 2026 Budget reflects moderate growth estimates that will enable us to maintain existing levels of service for all programs throughout the organization while providing enhanced services in public safety.

We have continued to experience revenue growth through smart economic development while preparing for shifts in value of real estate through the scheduled revaluation. This budget again prioritizes sustainable investments that position the City for continued stability and growth. This proposal supports the City workforce through appropriate collective bargaining agreements.

City Administration has prioritized adherence to comprehensive financial policies, fiscal discipline, and long-range strategies that preserve budgetary balance while enhancing essential services. The commitment to fiscal responsibility over the last two decades continues to yield tangible results. The City continues to strive to be more efficient, effective, and responsive to community needs than ever before.

I wish to recognize the employees that helped to bring many parts of this initiative together in this document for the City Council and this great community. All department heads and their staff have provided creative leadership in shaping their budgets, the various alternatives suggested, and the continued excellent financial management exhibited.

I recommend this budget to the City Council.

City of Concord
FISCAL YEAR 2026
Budget in Brief



www.concordnh.gov



AA+
S&P Bond
Rating

Certificate of
Achievement
for Excellence
in Financial
Reporting –
29th Year

Distinguished
Budget
Presentation
Award –
10th Year

The Fiscal Year 2026 Budget is the City’s roadmap for investments in the community, working towards City Council Goals and for the Citizens and taxpayers of Concord.

We trust that this document is straightforward to follow and will help the reader understand the needs and priorities of the City. This Budget in Brief is intended to provide a snapshot overview of the entire budget proposal.

The full budget is also available online at concordnh.gov.



COMMUNITY PROFILE



80+ Trail Miles



**220 Centerline
Road Miles**



346 Park Acres



**239K Library
Visitors & 314K
Items Circulated
(2024)**



**10K+ Fire
Service
Response
Calls (2024)**



**49K+ Police
Service
Response
Calls (2024)**



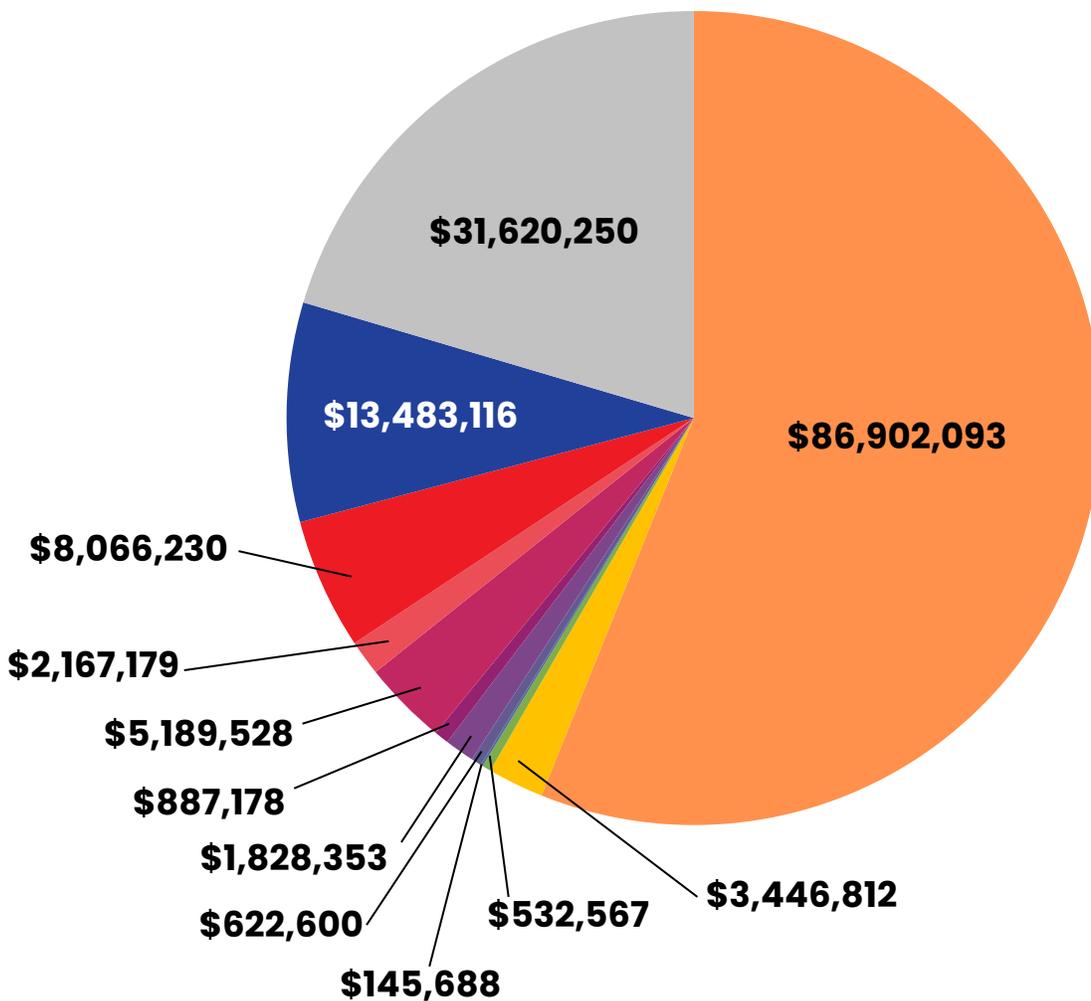
TOTAL BUDGET OVERVIEW

The FY26 budget includes a 3.96% tax rate increase

FY25 Adopted Budget*: \$170 Million

FY26 Budget*: \$155 Million

**Includes Capital Improvement Projects*



- General Fund
- Airport
- Revolving Loan
- Arena
- TIF
- Wastewater
- Parking
- Conservation
- Golf
- Solid Waste
- Water
- Capital

CURRENT PROPERTY TAX RATES

CONCORD: \$27.69



School
\$15.53

City
\$9.84

County
\$2.32

PENACOOK: \$30.64



School
\$18.48

City
\$9.84

County
\$2.32

TAX RATE IMPACT



A 3.96% tax rate increase (City portion) equates to \$156 for a \$400K house.

What Do City Taxes Pay For?



33%
Fire

30%
Police

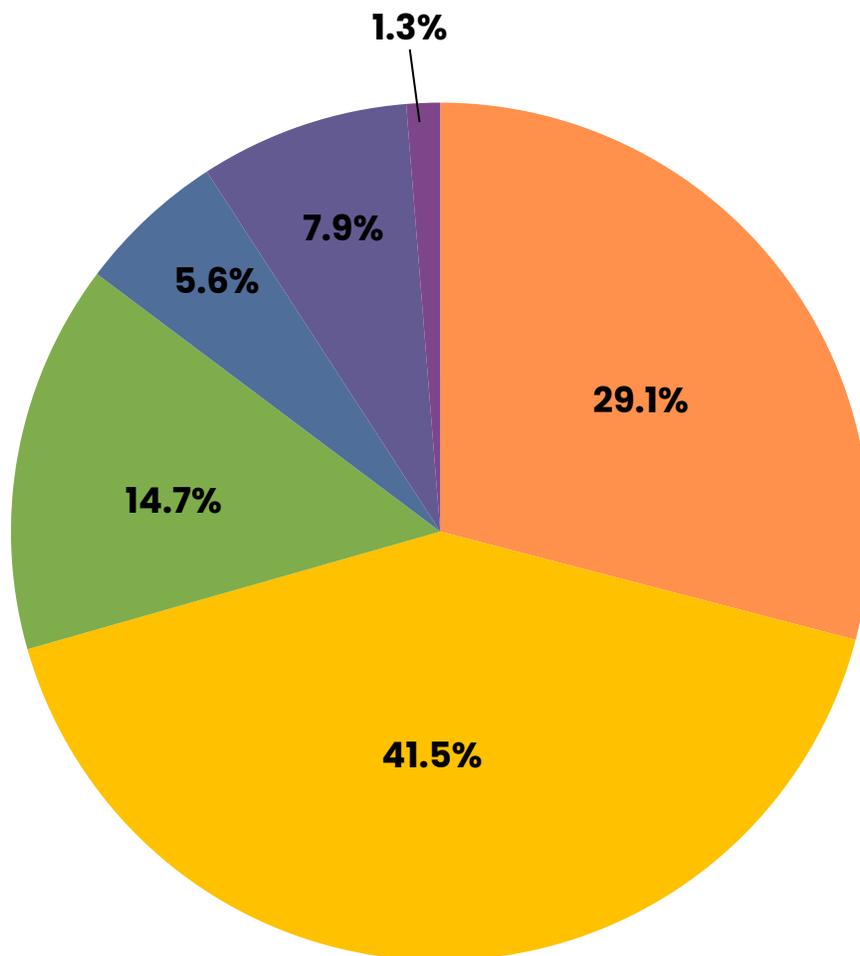
22%
**General
Services**

15%
**Debt
Service**

GENERAL FUND OVERVIEW

\$86.9 MILLION

General Fund Expenses By Function



● General Government

● General Services

● Information Services

● Public Safety

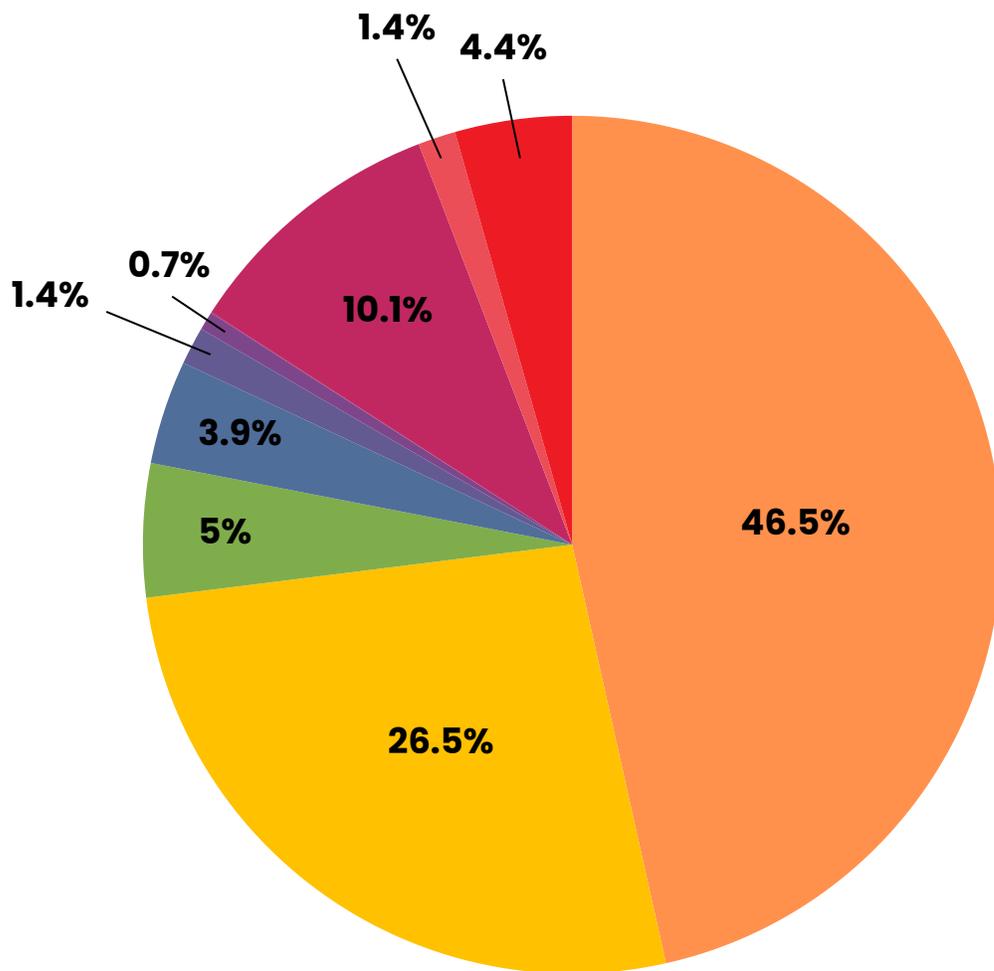
● Community Development

● Health

GENERAL FUND OVERVIEW

\$86.9 MILLION

General Fund Expenses By Classification



- Compensation
- Benefits
- Outside Services
- Supplies
- Utilities
- Insurance
- Capital Outlay
- Debt Service
- Miscellaneous
- Transfers

BUDGET TO BUDGET GENERAL FUND COMPARISON

FISCAL YEAR 2025 TO FISCAL YEAR 2026

Notable Budget Increases / Decreases



Compensation:
+\$2.4 Million



Benefits:
+\$148K



**Use of Fund
Balance:** -\$11K



Debt Service:
+\$589K

NOTABLE ITEMS IN THE FY26 BUDGET



**New Police
Headquarters:**
\$38.4 Million



**4 New Police
Vehicles:**
\$280K



Airport Improvements:
\$464K



Replace Engine 7:
\$1.2 Million



**Neighborhood Street
Paving Program:**
\$2.8 Million



**New Golf Course
Building:**
\$5.9 Million

NOTABLE ITEMS IN THE FY26 BUDGET



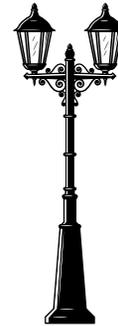
**Manchester Street
Final Design:**
\$690K



**Fire Department
Boat:**
\$23K



Water Rate:
7.75% Increase
Wastewater Rate:
9.5% Increase



**Ornamental LED Street
Light Replacement:**
\$1.2 Million



**Increase in Human
Services Funding for
Programs:**
\$25K



**Increase Funding
for Cold Weather
Shelter:**
\$20K

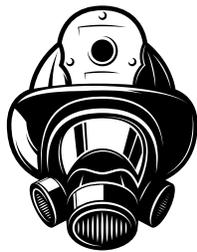


**Total Use of
Fund Balance:**
\$550K

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) section of the budget shows the City's investment in projects that enhance in the community and its infrastructure. Projects are budgeted under a number of categories. The 2026 CIP budget is \$31.6 million. A few projects under each category are highlighted in this document.

CAPITAL IMPROVEMENT PROJECTS

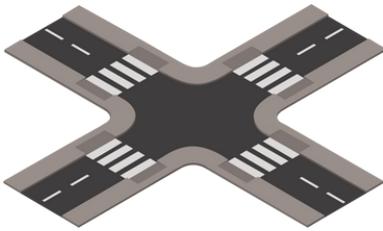


**Fire Department PPE,
Hose, & Equipment
Replacement:**
\$87K

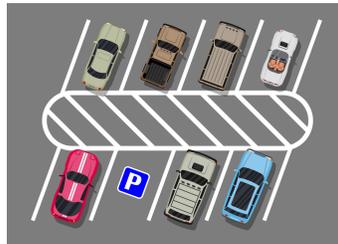


**New Central Fire Station
Site Evaluation &
Design:**
\$150K

CAPITAL IMPROVEMENT PROJECTS



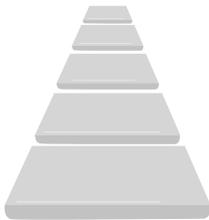
Intersection Improvements:
\$721K



City-Wide Recreation Center Parking Lot Design:
\$130K



City-Wide Recreation Center Improvements:
\$736K



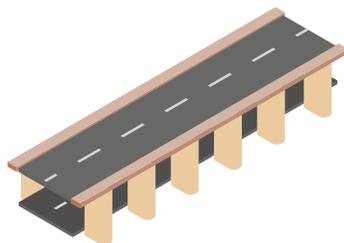
Downtown Sidewalks:
\$630K



White Park Building Improvements:
\$453K



Cemetery Improvements:
\$275K

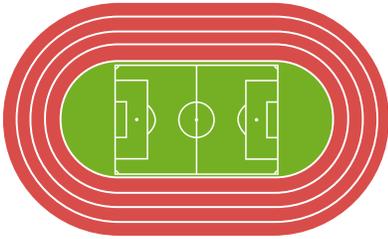


Bridge Projects:
\$625K



Golf Course Snowmaking Infrastructure:
\$100K

CAPITAL IMPROVEMENT PROJECTS



**Memorial Field
Final Design &
Permitting:
\$1.5 Million**



**Sidewalk Bikeway
Improvements:
\$55K**



**Merrimack River
Greenway Trail:
\$100K**



**Rollins Park Roadway
Improvements:
\$110K**



**Master Plan
Update:
\$400K**



**Concord Stables
Project:
\$678K**

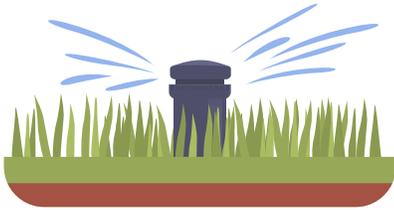


**Kiwanis
Skateboard Park
Improvements:
\$1 Million**



**Park &
Cemeteries Turf
Equipment:
\$125K**

CAPITAL IMPROVEMENT PROJECTS



Final Phase Irrigation Equipment:
\$400K



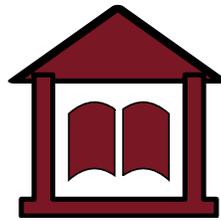
Election Equipment:
\$90K



Information Technology Hardware/Software Replacement:
\$401K



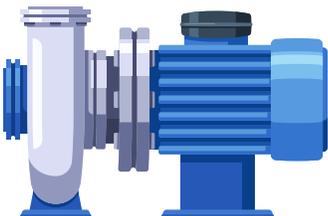
Wastewater Master Plan Update:
\$850K



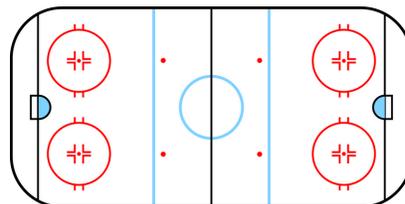
Library Property Acquisition:
\$401K



Traffic Signal Improvements:
\$1.2 Million



Water Pump Station Improvements:
\$1 Million



Arena Design Ice Making Plant Room:
\$107K

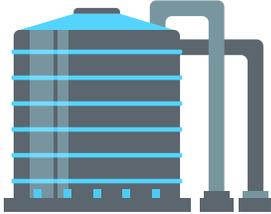


Parking Garage Improvements:
\$1.3 Million

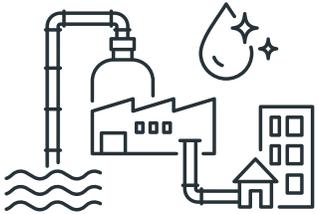
CAPITAL IMPROVEMENT PROJECTS



Stormwater Improvements:
\$500K



Water Plant SCADA & Tank Improvements:
\$260K



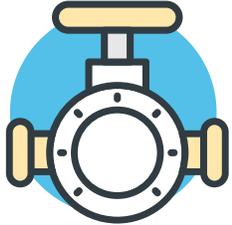
Hall Street Wastewater Plant Improvements:
\$5.9 Million



Inflows Infiltration Removal:
\$110K



Water Meter Replacement:
\$375K



Water Main Replacements:
\$1.5 Million



Wastewater Main Rehabilitation & Construction:
\$40K



General Services Vehicle Replacement:
\$1.8 Million



COMF Improvements:
\$40K

NEIGHBORHOOD STREET PAVING PROGRAM

The City of Concord continues with the neighborhood street paving program plan, 2% of the tax rate in FY26.

FY26: \$2.8 Million

Annual transfer from the General Fund to the Highway Reserve:

- FY25: \$1.5 Million
- FY26: \$1.6 Million



SUSTAINABILITY INITIATIVES



Solar Array Installations

Completed at Wastewater Treatment Plant
and Planned for Old Turnpike Road Landfill
& Golf Course Building Project.



Trails Ranger Position (continued in 2026)

FUND BALANCE LIFE CYCLE

Funds are typically assigned for:

Reserves:

Can be used in future years to help budgetary needs.

Overlay:

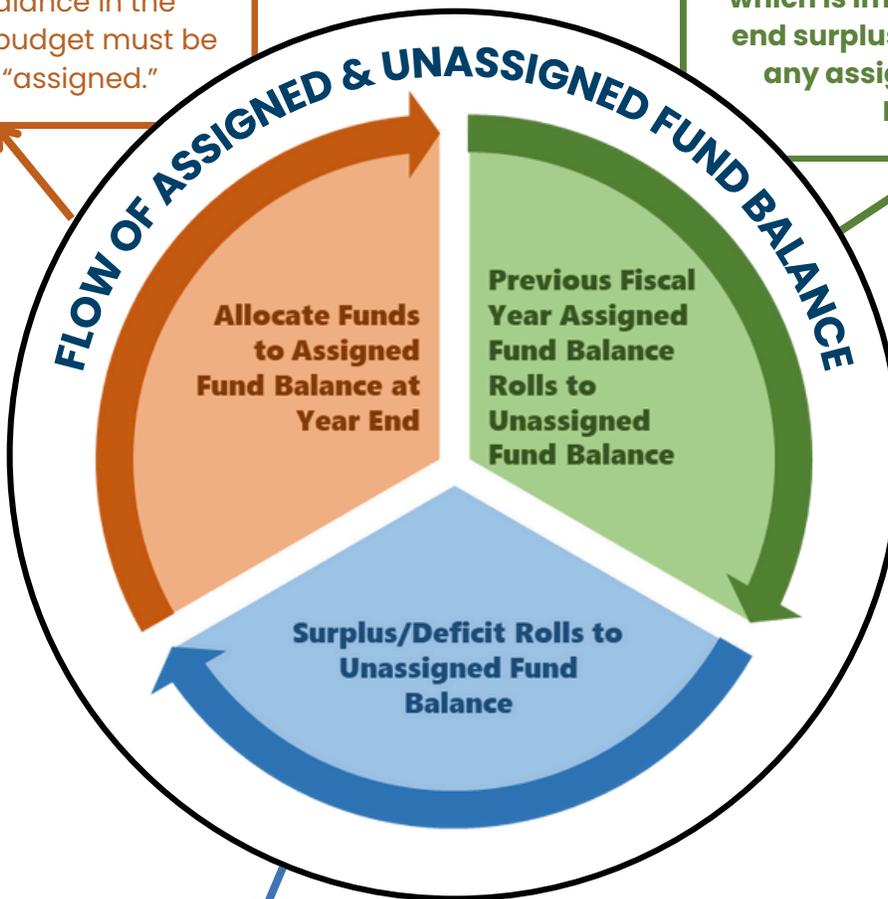
To offset uncollectible taxes.

Budgetary Use of Fund Balance:

Use of fund balance in the following year's budget must be set aside as "assigned."

Fund Balance Assigned in the previous fiscal year is rolled into the Unassigned Fund Balance in the current fiscal year. This results in a temporary increase in the Unassigned Fund Balance, which is impacted by the year end surplus/deficit, as well as any assignments of Fund Balance.

Additionally, the City also sets aside fund balance as non-spendable to cover the value of inventory & prepaid expenses at the end of the year.



For Fiscal Year 2024, the surplus was \$1,412,700, which rolled into the Unassigned Fund Balance at the end of FY2024.

What value does Fund Balance provide?

Maintaining a healthy fund balance is vital to the City's ability to fulfill payroll and vendor payment obligations and ensure continued operations. The City's largest source of revenue is property taxes, which are due quarterly. Cash on hand fluctuates throughout the year as tax deadlines approach, and a healthy fund balance helps the City weather these ebbs and flows. Fund balance can also aid in stabilizing the tax rate, particularly in unpredictable economic climates.

FUND BALANCE LIFE CYCLE

What does this look like in practice?

Here's a closer look at Fiscal Year 2024 and how the Assigned, Unassigned, & Non-Spendable Fund Balance amounts shifted as a result of the actions outlined on the prior page:

	Assigned Fund Balance	Unassigned Fund Balance	Non-Spendable Fund Balance
6/30/23 Balance	\$2,979,500.00	\$15,570,779.13	\$414,811.01
Roll FY23 Assigned Fund Balance to Unassigned	\$(2,979,500.00)	\$2,979,500.00	
Allocate Non-Spendable Fund Balance for Inventory/Prepaid		\$(607,684.29)	\$607,684.29
Assign Fund Balance at 6/30/24 to Transfer Reserves	\$3,049,000.00	\$(3,049,000.00)	
Assign Fund Balance at 6/30/24 to FY25 Budgetary Use	\$560,760.00	\$(560,760.00)	
Assign Fund Balance at 6/30/24 for Overlay	\$100,000.00	\$(100,000.00)	
Fiscal Year 2024 Surplus		\$1,412,702.40	
6/30/24 Balance	\$3,709,760.00	\$15,645,537.24	\$1,022,495.30

The amount of Assigned Fund Balance that is assigned to be transferred to reserves often represents the largest portion of the account balance at year end. Of the \$3,709,760 Assigned Fund Balance as of 6/30/24, \$3,049,000 of that was assigned to be transferred to reserves in Fiscal Year 2025. The \$3,049,000 transfer to reserves that was approved by the City Council in January 2025 will help to offset items in the Fiscal 2026 and future capital and operating budgets. The \$3,049,000 is detailed below:

Transfer to Reserves for Fiscal Year 2024 Assigned Fund Balance Allocation

Highway Reserve (Paving)	\$1,500,000.00	To help offset costs in the Annual Highway Improvement Program or other Highway projects.
Technology Infrastructure Reserve	\$50,000.00	To help offset costs in technology projects.
Equipment Reserve	\$299,000.00	To help offset costs in vehicle and equipment related efforts.
Recreation Reserve	\$400,000.00	To help offset costs in Recreation related projects and programs.
Human Resources Reserve	\$500,000.00	To help offset Class and Comp Study impact.
Economic Development Reserve	\$300,000.00	To help offset Economic Development related expenses.

\$3,049,000.00

LOOKING FORWARD

The Proposed Fiscal Year 2026 Budget reflects moderate growth estimates that will enable us to maintain existing levels of service for all programs throughout the organization while providing enhanced services in public safety.

The City has continued to experience revenue growth through smart economic development while preparing for shifts in value of real estate through the scheduled revaluation. This budget again, prioritizes sustainable investments that position the City for continued stability and growth. This proposal supports the City workforce through competitive pay, enhanced training opportunities, and other employee recognition programs.

City Administration has prioritized adherence to comprehensive financial policies, fiscal discipline, and long-range strategies that preserve budgetary balance while enhancing essential services. The commitment to fiscal responsibility over the last two decades continues to yield tangible results. The City continues to strive to be more efficient, effective, and responsive to community needs than ever before.

This budget recognizes the employees that helped to bring many parts of this initiative together for the City Council and this great community. All department heads and their staff have provided creative leadership in shaping their budgets, the various alternatives suggested, and the continued excellent financial management exhibited.