

Town Manager's 2026 Recommended Budget



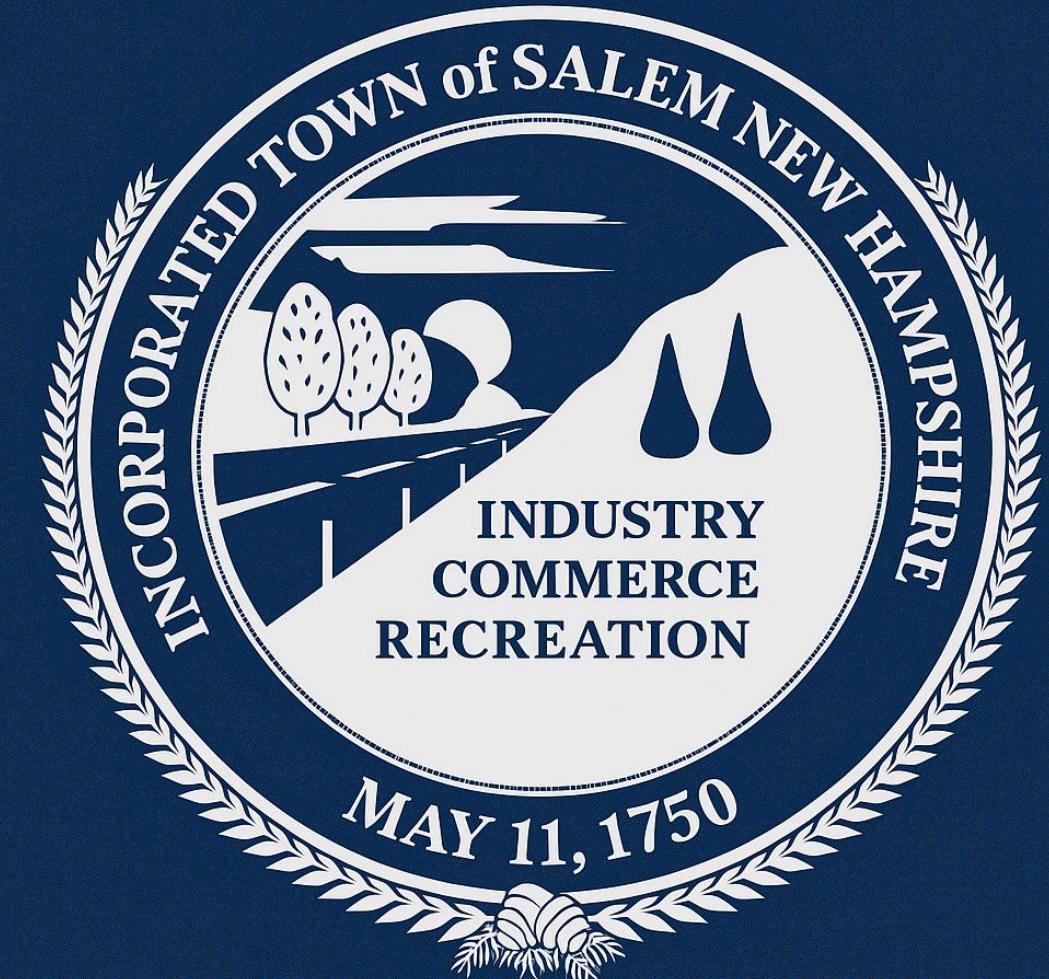
October 1, 2025

SALEMNH.GOV

Mission-Driven, Not Profit Driven

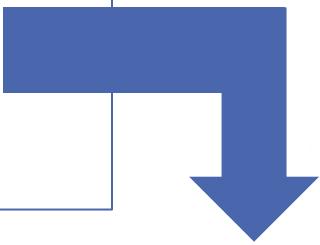
“A town’s budget is not about profit, it’s about purpose — aligning resources with our mission to serve residents.”

- Investing in Infrastructure – buildings, technology, staffing
- Guided by Our Mission – “Quality of life for all residents”
- Rooted in Our Values – Industry • Commerce • Recreation
- Essential services: Police, Fire, Utilities, Parks, Public Works
- Goal = Quality of Life (not profit)
- Efficiency through leadership & budgeting
- Outcome: Stronger community



Budget Process

1. ~~Budget Development~~
2. Budget Presentation
3. Budget Deliberation
4. Town Council Vote



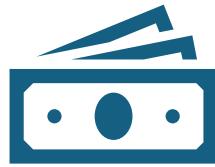
Budget is sent to Budget Committee



State of the Town



Property values remain high



2025 Municipal Tax rate
remains low at \$5.90
(Estimate)



Fund balance stable



Inflation Rate for July 2025
is 3.1%

Town of Salem

Salem School District 55%

Town of Salem
32%

State Education 9%

County 4%



Salem Schools \$9.74

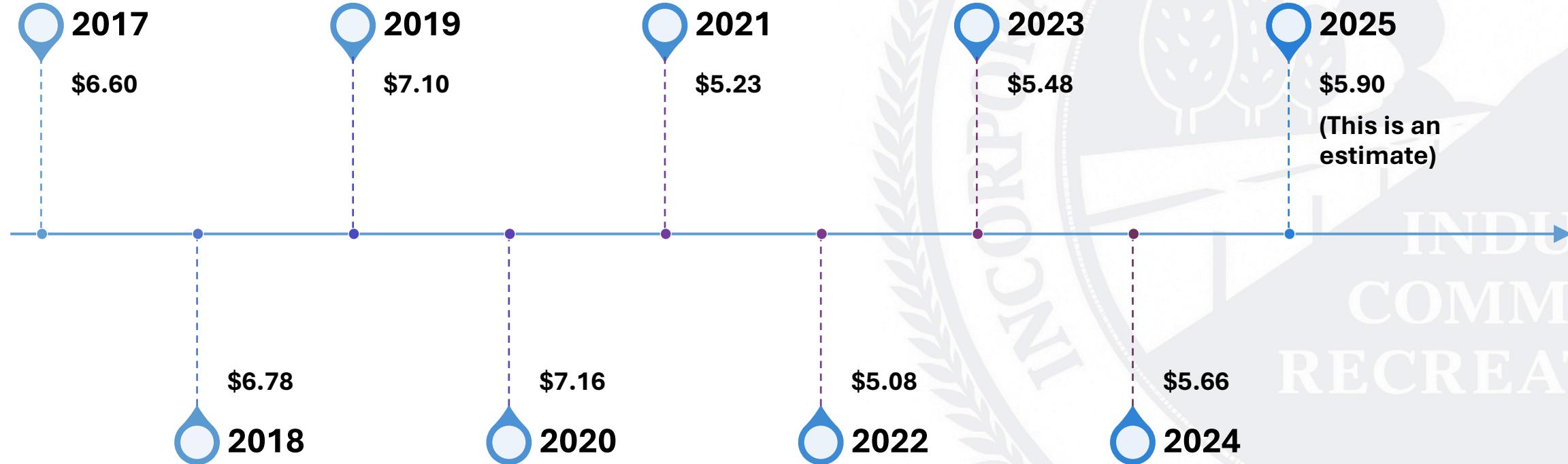
Town of
Salem \$5.66

State Education
\$1.46

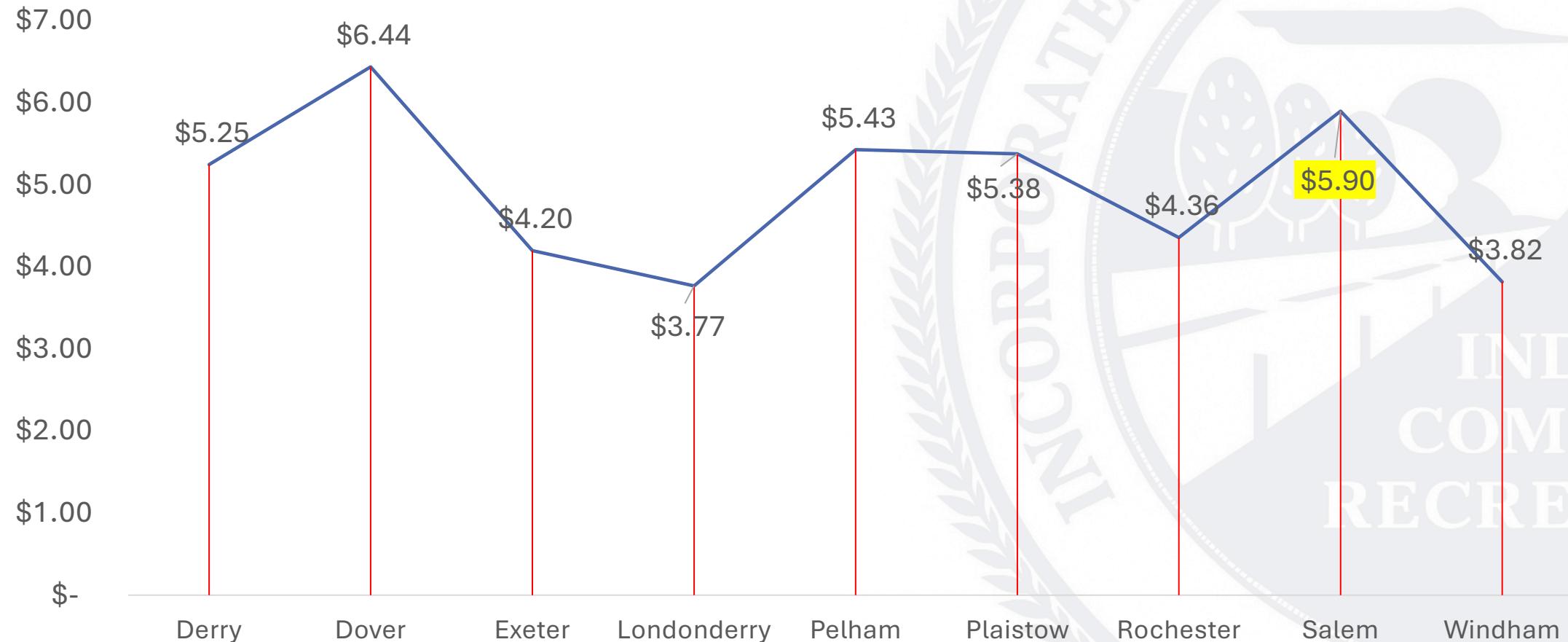
Rockingham County \$0.74

2024 Tax Rate—\$17.60

Tax Rate History



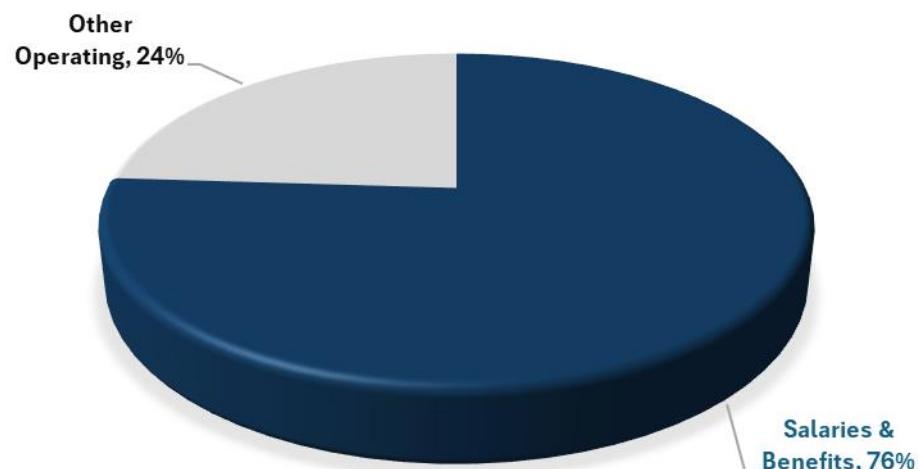
Municipal Tax Rate's 2024



Operating Budget

Including Debt Service

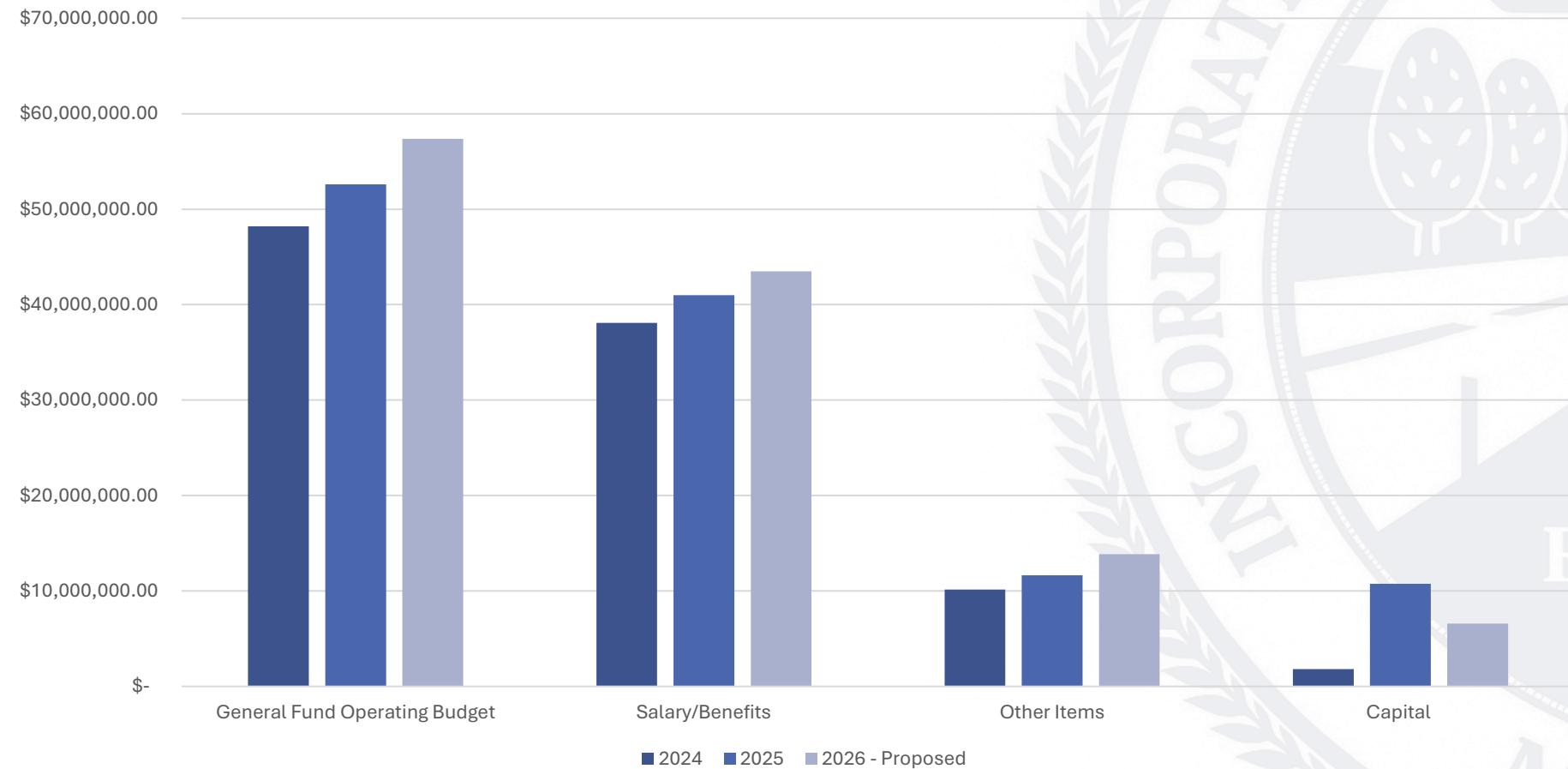
	2025 Budget	2026 Budget	% of Operating Budget	\$ Change from 2025	% Change from 2025
Salaries & Benefits	40,955,898	43,503,107	76%	2,547,209	6.2%
Other Operating	11,646,220	13,869,981	24%	2,223,671	19%
Total Operating	52,602,118	57,372,998		4,770,880	9%



Debt Services

	2025 Budget	2026 Budget	% of Operating Budget	\$ Change from 2025	% Change from 2025
Debt Service	1,732,118	3,591,886	6%	1,859,703	107% Increase

2024 vs 2025 vs 2026 (Proposed)



2026 - Tax Rate Estimates

General Fund Operations – Minus Debt Service

\$5.41

1.20% Tax Rate Increase from 2025

General Fund Operations – Including Debt Service

\$5.94

0.7% Tax Rate Increase from 2025

Note: This does not include any warrant articles or Collective Bargaining Agreements

Tax Burden on Homes

Estimated Tax Rate - \$5.94

Single Family Residential Home

\$600,000

Tax Rate Increase	Annual Increase	Monthly Increase
0.04	\$354	\$29.50

Impact on Tax Rate:

\$1.00 = 6,815,285

\$0.10 = 681,528

\$0.01 = \$68,152

Single Family Residential Home

\$900,000

Tax Rate Increase	Annual Increase	Monthly Increase
0.04	\$531	\$44.25

Personnel Cost Drivers

- Health Insurance: 10% Increase
- Dental Insurance: 15% Increase
- Retirement
 - Police: 30.95%
 - Fire: 29.15%
 - Group 1: 12.75%
- (Note: These rates will remain the same from January – December)
- Workers Compensation: 8% Increase

- CBA Adjustments
 - AFSCME: 3.5%
 - Fire: 4%
 - Library: 2.5%
 - Police: 4%
 - SEA: 4%
 - SPAA: 0%
 - Non-Affiliates: 3%

Other Cost Drivers

- Heat: 5% Increase
- Electricity: 5% Increase
- Telephone: 4% - 8% Increase

(Our copper lines have significantly increased over the year, so we tried to project the copper lines at a greater rate than our phone and cell phone lines.)

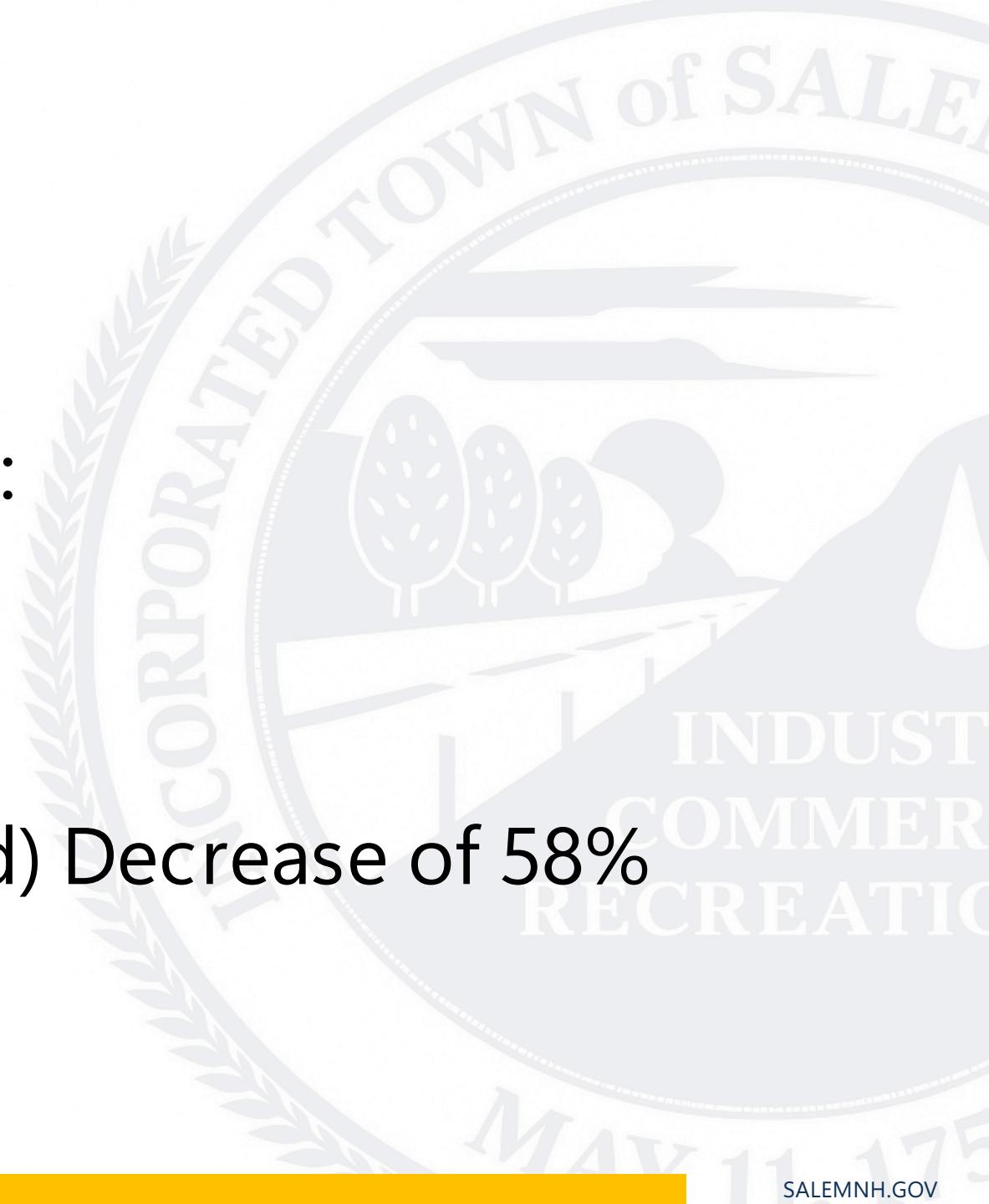
- Property & Liability Insurance: 7% Increase

Fund Balance

How much did the Town use:

2025 - \$5,953,000

2026 - \$2,500,000 (Proposed) Decrease of 58%



Offsets in the Budget

	Total Cost	Grant Money	Impact Fees	Revenue Offset	Cost to the Taxpayer
Ermer Road/Rt. 11	\$3,194,674	\$2,785,207	\$127,832	----	\$281,635
South Station Fire Design	\$390,000	----	\$150,000	\$67,403	\$172,597
Lawrence Rd & Vets Memorial Sidewalk	\$1,100,000	\$880,000	----	----	\$220,000
Cluff Rd Sidewalk Gap Connection	\$895,000	\$716,000	----	----	\$179,000

Proposed Full Time Staffing

Proposed Net Increase of 2 Full Time Employees

Funded Full Time Positions	2025	2026	Variance
Town Managers Office	4	4	0
Human Resources	2	2	0
Finance Department	8	8	0
IT Department	1	2	1
Assessing Department	3	3	0
Town Clerk	2	2	0
Collections	3	3	0
Tax Collector	1	1	0
Community Development	2	2	0
Planning Department	2	2	0
Police Department	87	86	-1
Fire Department	81	81	0
Inspectional Services	6	6	0
Municipal Services	29	31	2
Community Services Department	5	5	0
Utilities Division	14	14	0
	250	252	2

- IT Department - Network & Security Engineer (6 Months of funding)
- Municipal Services – Superintendent of Parks and Facilities
- Municipal Services – Building Maintenance Position for PD (Offset from the elimination below) (3 Months of funding)
- Police Department – Elimination of Support Services Clerk

Proposed Part Time Positions

- Police Department – Payroll Clerk (20 Hrs.)
- Fire Department – Administrative Secretary
– 6 Months of Funding (25 Hrs.)

Operational Changes

- New Municipal Services Division
 - Town Facilities
 - Staffing
 - Superintendent
 - Building Maintenance Technician
 - Custodian
 - Move Park and Properties under this division
 - Creation of a Building Maintenance Line

Capital Improvements

	Cost	Offset
Lawrence/Vets Sidewalk Improvements	\$1,100,000	Grant - \$880,000
Cluff Road Sidewalk	\$895,000	Grant - \$716,000
MS4 Reporting	\$150,000	
MS – Six Wheeler Dump Truck	\$235,000	
Fleet Replacement Plan	\$633,538	
Ermer Road/Rt. 111 Intersection	\$3,194,674	Grant/Impact Fees - \$2,913,039
South Fire Design	\$390,000	Revenue - \$217,403

Sewer Fund

	2025 Budget	2026 Budget	% Budget	\$ Change from 2025	% Change from 2025
Salaries & Benefits	396,993	431,699	10%	34,706	8.7%
Other Operating	4,456,646	3,915,893	90%	(\$610,793)	(13.5%)
Total Operating	4,923,639	4,347,552		(\$576,087)	(11.7%)

Water Fund

	2025 Budget	2026 Budget	% Budget	\$ Change from 2025	% Change from 2025
Salaries & Benefits	1,647,124	1,592,739	27%	(\$54,385)	(3.3%)
Other Operating	3,932,004	4,244,495	73%	\$312,451	7.95%
Total Operating	5,579,168	5,837,234		\$258,066	4.6%

Capital Improvements – Water/Sewer Fund

	Cost	Offset
Phase 2 of Water Treatment Plant Design	\$325,000	
Dump Truck	\$120,000	
CPU Replacement	\$72,250	
Generator Replacement Copper Pump	\$50,000	
Sewer Intake & Infiltration	\$200,000	

"Thank you for your continued support and dedication to moving Salem forward."

- Town Council – For your guidance, leadership, and support throughout the budget process
- Department Heads – For your hard work, collaboration, and commitment to serving our community
- The Budget Team – For your dedication and countless hours preparing this budget
 - Nicole – Finance Director
 - Cindy – Assistant Finance Director
 - Colleen – Assistant Town Manager

"Working together to shape Salem's future."

Public Participation

You can send budget questions to budget@salemnh.gov. Questions will be answered prior to the Town Council meetings. You can find a Q&A on Salem's budget webpage: www.salemnh.gov

