

Finance Committee Budget Schedule

May 8	Friday		Budget Delivery to City Council
May 14	Thursday	5:30 PM	City Manager’s Fiscal Year 2027 Budget Presentation - Schedule - Transmittal Letter - Budget in Brief - Budget Summaries - Resolutions - General Fund Revenue and Expense Non-Public Session
May 18	Monday	5:30 PM	General Government Public Safety - Police - Fire General Services
May 21	Thursday	5:30 PM	Community Development Leisure Services - Library - Parks and Recreation Human Services Capital Improvement Program (CIP) - Tax Increment Finance (TIF) Districts - Capital Projects
May 25	Monday		Holiday
June 1	Monday	5:30 PM	Special Revenue Funds - Parking Fund - Airport Fund - Conservation Property Fund - Revolving Loan Fund - Golf Fund - Arena Fund - Solid Waste Fund Enterprise Funds - Water Fund - Wastewater Fund
June 4	Thursday	5:30 PM	Committee Work Session Public Hearings Public Hearing Action (Budget Adoption)



CITY OF CONCORD

New Hampshire's Main Street™

City Manager's Office

Thomas J. Aspell, Jr.
City Manager

May 8, 2026

Honorable Mayor and City Council:

It is my pleasure to submit to you the proposed budget for Fiscal Year 2027. This budget includes a proposed tax rate increase of 5.5%, which is higher than the CPI (U) All Items. Recognizing the pressures that many communities and school districts are facing in the surrounding area, this increase is a fiscally responsible approach to managing the City's obligations to its citizens. This increase is the result of settled collective bargaining agreements, increased health and dental insurance premiums, increased debt service costs, and increased premiums for property/liability and workers compensation. This budget is aligned with the City Council's priorities, maintains and enhances the City's investments in public safety, recreation, and information technology, and provides funding to support the needs of the City's most vulnerable populations.

Capital projects that support improvements to quality of life are included in this proposal. The Fiscal Year 2027 Capital Improvement Program protects critical City services upon which residents and businesses rely, and continues 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, and training and development. There are four primary drivers for the operational and capital costs within this budget: 1) wages and benefits 2) previously approved capital projects as evidenced by increased debt service costs; 3) increased technology support as shown by the increase in hardware and maintenance subscription services; and 4) continued high level effort in capital projects, to include a new fire engine, highway infrastructure, park improvements, significant improvements to both the Hall Street and Penacook wastewater plants, and continuation of the neighborhood highway improvement program.

Fiscal Year 2027 Challenges

This budget was prepared during unsettled times across New Hampshire and the nation as costs continue to rise. Like all other businesses, the City is at once experiencing the impact of tariffs on supplies and equipment costs and availability, the substantial increase of compensation costs, and uncertainty in investment income. On a positive note, ambulance revenues are up slightly and building permit revenue is projected to increase significantly for next fiscal year. This budget proposes using \$850,000 in Unassigned Fund Balance in order to help offset additional tax rate increases.

Every year, the City encounters myriad challenges while preparing the budget. For Fiscal Year 2027, recruitment and retention of qualified employees continues to present obstacles. In addition to various vacancies across other City Departments, the Police Department currently has ten vacancies and the Fire

Department has five. City Council has positioned the City well to meet these hiring challenges with the recent approval of labor contracts and continued funding of training and development opportunities.

The increases in collective bargaining agreements approved by the City Council last year provide an overall compensation increase of 5.5%, a fringe benefit increase of 8.4%, to include a 9.5% premium increase for the health insurance program, a 7.0% premium increase for dental insurance, and a 3.0% increase in the cost of workers compensation premiums. A 27.0% increase in the cost of property and liability insurance, a 27.6% increase in debt service costs, and a 7.0% increase in transfers out (to include a \$144,800 increase in transfer out to the Solid Waste Fund and a \$170,000 transfer out to the Arena Fund) simply compound the City's fiscal challenges. Important to note are first year debt service costs for the Police Department's new building is \$1,658,900 and the first year Beaver Meadow Clubhouse debt service is \$494,300.

Further increases to the proposed tax rate were averted as the result of increases in revenue from payment in lieu of taxes \$364,200; construction permits \$887,000; motor vehicle registrations \$125,000; ambulance charges \$135,000; master boxes/alarm boxes \$105,300; and transfers-in \$1,792,900. Included in the transfers-in are \$500,000 from the Community Improvement Reserve to help offset the new Police Department building debt service costs, \$250,000 from the Golf Fund and \$245,000 from the Recreation Reserve to offset the new clubhouse debt services costs, and \$380,000 from the OPEB trust to help offset retiree health insurance costs.

One of the multiple strategies the City employs to manage operating and capital budgets from year to year is through the maintenance of an exceptionally 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 (currently AA+) by providing consistent cash on hand to fulfill the City's obligations to employees and vendors as tax collections fluctuate throughout the year. This strong fund balance signals to current and potential lenders that the City is on a solid financial footing. If the City's bond rating drops and the interest rate rises as a result, the effects would be detrimental and long term. Currently, the City has \$155,215,000 in outstanding long-term debt. If the interest rates on all of that debt were ½ percent higher, using a twenty-year amortization, the additional interest costs would be approximately \$8,100,000 more than current schedules. That would translate to both 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 2027 Budget, the City is using reserve funds for a variety of efforts: \$2.7 million from Highway Reserve for neighborhood street paving and roadway improvements; \$190,000 from Technology Reserve to support server replacements; \$140,000 from equipment reserve to support police cruiser replacement; \$120,000 from Economic Development Reserve to support economic development related activities; \$100,000 from Recreation Reserve to help offset expenses for the City-Wide Community Center; \$5,000 from Recreation Reserve to support repairs to the snow groomer at Beaver Meadow; \$245,000 from Recreation Reserve to support debt service costs for the new Beaver Meadow Clubhouse; \$500,000 from the Community Improvement Reserve to support debt service for the new Police Station project; \$175,000 from the Opioid Reserve to support police social worker positions; and \$380,000 from the OPEB Trust to support retiree health insurance costs. If reserves were not available and these costs were all added to the operating budget revenues it would be an increase of \$4,555,000 in the amount to raise in taxes. This would translate to an additional 7.4% increase to the tax rate.

Fiscal Year 2026 Review

During Fiscal Year 2026, the City Council approved the use of fund balance to support a number of initiatives, including \$105,000 to offset the loss of real growth, \$370,000 for the acquisition of real estate, and a \$2,050,000 transfer to reserves. These funds help resolve issues in the current and future budgets.

Key projects advanced throughout the City during Fiscal Year 2026 included:

Private Projects:

- Redevelopment of the former NH Department of Transportation property at 11 Stickney Avenue into an 80-unit rental housing development was completed.
- Construction of the 83-unit townhouse development at Suffolk Drive continued, as did the 67-unit townhouse development at Tanager Circle.
- The new developer for the Railyard Project applied for building permits for Phase 2 of the project (103 units).
- Development of 144-units of senior housing at 33 Old Loudon Road was initiated.
- Development of 13 single family detached homes at Shelburne Lane near Hoit Road was nearing build-out.
- Lodestar Energy began construction of a 20-acre, 5-MW solar array on West Portsmouth Street. The project will be completed in FY 2027.
- The Hood Plant received Planning Board approvals for installation of a wastewater pre-treatment system and initiated construction of the improvements. This pre-treatment system will assist the City with, but not solve, challenges associated with Biological Oxygen Demand (BOD) treatment capacity at the Hall Street Waste Water Treatment Plant.
- A new Raising Canes restaurant opened at 287 Loudon Road.
- Service Credit Union applied for building permits for a new branch located at 285 Loudon Road.
- 603 Bar-B-Q leased the former Pit Road Lounge at 388 Loudon Road, and was actively renovating the space.
- Onyx Partners Ltd filed an updated Comprehensive Development Plan (CDP) application with the Planning Board for the former Steeplegate Mall and Regal Cinema properties on Loudon Road. The project is being facilitated by a 2019 Zoning Amendment which allowed for residential development in the Gateway Performance Zoning District, as well as the \$25 million Heights Sewer Project.
- Construction of a new St. Mary's Bank at 16 Manchester Street was completed, and construction was initiated for the Common Man Roadside Convenient Store / Deli. These projects comprised Phase I of the larger "ROI Properties" development on Black Hill Road. The ROI Properties development was facilitated by a 2019 Zoning Amendment which allowed for residential development in the Gateway Performance Zoning District, as well as changes to the City's Flood Hazard Zoning ordinance.
- William and Son announced it is opening a coffee shop at the Sanders Block on Village Street in Penacook, and began renovations.
- Brixmor completed renovation of the Capital Shopping Plaza on Storrs Street, which created several smaller storefronts for 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 into the Doubletree by Hilton was completed.
- The State continued construction of its new 409-space Legislative Garage at 30 Capitol Street.
- Renovation of 5 Depot Street began (14 apartments and 2 storefronts).
- Redevelopment of 59 South Main Street (additional apartments) was nearing completion. The project created 5 additional residential units and renovated the ground floor commercial space into a restaurant.
- The Planning Board approved plans for redevelopment of Phenix Hall, former CVS, and E&P Hotel buildings located at 34-56 North Main Street.

City Projects

- Construction of the new Beaver Meadow Golf Course Club House and parking began. The project will be completed in FY 2027 (CIP #107).
- Construction of the new Concord Police Station Headquarters (CIP #643) at 4 Bouton Street was initiated; the project will be completed in FY 2028.

- Work on the Heights Sewer Project continued. Construction contracts for the pump station were awarded (CIP 275). Design of 2+/- miles of sewer main improvements were completed and put out to bid (CIP #91). Construction of both components of this project will begin in late FY 2026. Project is scheduled for completion in FY 2028. The project is being funded in part by a \$860,000+/- grant from the State's Housing Champions / InvestNH Program.
- The new Canal Street Riverfront Park (CIP #567) was completed, and a dedication ceremony was held on August 13, 2025. This is the first new public park opened in the City since the 1980s.
- Design options for renovations to Tanner Street Riverfront Park (CIP #567) and Bicentennial Square (CIP #579) were completed.
- Design of the Loudon Road Bridge (CIP #588) was advanced to 60% design. The project is scheduled to begin construction in FY 2028.
- Achieved substantial completion of the Airport Road sidewalk project (CIP #17).
- Completed design and bidding of sidewalk improvements on Green, Capitol, and School Streets (CIP #590). Improvements will be constructed once the new Legislative Parking Garage is substantially complete in late FY 2026/early FY 2027.
- Accepted and appropriated \$3.17 million of Congestion Mitigation and Air Quality (CMAQ) grant funds for the McKee Square Intersection Project (CIP #31), and advanced Local Project Administration agreement with the NH Department of Transportation for the project.
- Completed the State Street Parking Garage alternatives feasibility study and presented to the Parking Committee for their consideration (CIP #432).
- Continued construction of the Abbottville Sewer Improvement Project (CIP #83).
- Completed realignment of the Sewalls Falls/Abbott Road intersection (CIP #520).
- Completed design and permitting for the Pembroke Road/Industrial Park Drive water main replacement project (CIP #85), and put project out to bid.
- Completed design, permitting, and bidding for traffic signal replacement projects located at Center/North State Street and Washington/North Main/Ferry Streets; and initiated construction thereof. Also initiated design of traffic signal improvements at North State/Bouton Street and North State/Horseshoe Pond Lane/Penacook Street.
- Completed design and permitting for the School Street water main lining project, and bid the project.
- Completed design of Penacook Village sewer inflow and infiltration project (CIP #647).
- Completed design of North Main Street pedestrian improvements (crosswalks and bus stop improvements).
- The City initiated replacement of the 72 ornamental light poles located on Manchester Street, Water Street, South Main Street, and Loudon Road with new ornamental poles and LED lamps (CIP #628). The project will be completed in FY 2027.
- The General Services Department completed paving projects identified in the Neighborhood Paving Program (CIP #78).
- The General Services Department continued to advance design and permitting for the new East Concord water pump station, which will be constructed at City-owned real estate on South Curtisville Road.
- The General Services Department began the process of updating the Sewer Master Plan.
- The General Services Department began design of improvements to the Hall Street Waste Water Treatment Plant to expand Biological Oxygen Demand (BOD) treatment capacity (CIP #104).

City Private Partnership Projects:

- Redevelopment of the former First Congregational Church located at 177 North Main Street into a 30-unit market-rate housing development at 177 North Main Street was completed. The project was facilitated by an RSA 79-E Community Revitalization Tax Relief incentive valued at approximately \$400,000.

- The City entered into a Purchase and Sales Agreement to sell the former Penacook Branch Library and another parcel to a private developer, who will preserve and renovate the building into a residential duplex.
- The City entered into a Lease Agreement with Concord Trailways for 3.48 acres of land located within the North-End Opportunity Corridor Tax Increment Finance (NEOCTIF) District for the construction of a temporary 230+/- parking lot to support the multimodal transportation center on Stickney Avenue.
- Hampshire Aviation LLC completed construction of a 10-unit T-Hangar located at Development Zone 4 of the Concord Municipal Airport. The hangars are located on land which is leased from the City.
- The City approved a License Agreement for installation of a patio on City owned land at the Storrs Street garage to facilitate redevelopment of 10 Pleasant Street Extension into a mixed-use project featuring a ground floor restaurant.
- The initial phase of the “Arts Alley” redevelopment project at 20 South Main Street was completed in October 2025, featuring a Friendly Toast restaurant, event space, and other hospitality uses. Work on the future “Dukes” restaurant was ongoing. 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. During FY 2026, Concord Hospital’s new Urgent Care facility, a Chipotle restaurant, and the Evviva Trattoria Restaurant buildings were completed. Currently, a new 29,700SF multi-tenant building, featuring a Marshalls Department Stores, is currently under construction. These developments were facilitated by a \$5 million public-private partnership between the City and Interchange Development LLC, concerning transportation improvements for the development.
- Kearsarge Energy began construction of a 5-MW solar array at the Old Turnpike Road Landfill. The 11,000-panel array will be completed in early FY 2027.
- The Concord Coalition to End Homelessness completed renovation of 6 South State Street into 8-units of housing to support people exiting homelessness. The project was financed in part by a \$500,000 Community Development Block Grant secured by the City.
- The City applied for and secured \$130,000 of Community Development Block Grants to support Concord Coalition to End Homelessness’ winter shelter and resource center.
- The City applied for, and was tentatively awarded, \$500,000 of Community Development Block Grants to support the development of four dwelling units in Bicentennial Square by Families in Transition. (Final award subject to Governor and Executive Council approval).
- 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.

Fiscal Year 2027 Budget

The Fiscal Year 2027 budget presented here totals \$156,626,337 across all funds, including capital projects. This plan produces a 5.5% tax rate increase for the General Fund.

The recommended Fiscal Year 2027 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 2027 Budget Assumptions

For Fiscal Year 2027, 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 2025 was strong and Fiscal Year 2026 continues on that path, it is anticipated that in Fiscal Year 2027, this revenue will increase due to multiple significant projects. Motor vehicle registrations have leveled off and growth in this revenue is expected to be moderate after a substantial increase in Fiscal Year 2026. Ambulance charges have also leveled off and this revenue source is expected to grow only slightly in Fiscal Year 2027. Investment Income is budgeted to be flat in Fiscal Year 2027, due to increased cash flow for portions of the fiscal year based on larger than normal bond sales and the timing of capital spending. The City will continue with strategic purchases of staggered maturity dates for certificates of deposits to help mitigate fluctuations in interest rates throughout the fiscal year. 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 and reserves are up \$647,000 and Use of Fund Balance is budgeted at \$850,000, which is \$300,000 more than the Fiscal Year 2026 adopted budget. \$200,000 of this increase covers a portion of the debt service on the new Police Station project. Overall, General Fund revenues are up 7.8%.

Expenses:

Compensation increased by a total of \$2.2 million or 5.5%. Fringe Benefits increased \$1.9 million or 8.4%. Health Insurance rates increased 9.5%; Dental Insurance rates increased 7.0% and workers compensation expenses increased 3.0%. Outside Services decreased \$206,000 or 4.4%, Utilities increased \$63,900 or 5.1%. Property and Liability insurance increased \$166,400 or 27.4%. Debt Service increased \$2.4 million or 27.6% and reflects the increased principal and interest costs as the result of the January 2026 bond sale. A portion of this Debt Service is offset by the planned use of Recreation Reserve in the amount of \$245,000 and a \$250,000 transfer in from the Golf Fund for the Beaver Meadow Clubhouse Project, which covers all of the first-year payment. Additionally, a \$200,000 use of Fund Balance and \$500,000 from the Community Improvement reserve covers 42.2% of the first-year debt service on the new Police Station Project. Transfer to Highway Reserve for paving remains consistent at \$1.6 million (\$1.04 million represents approximately 2% of the tax rate), the transfer to Solid Waste is up \$144,800, the transfer out to the Arena Fund (first year) is \$170,000, and the transfer out to general capital is down \$52,500. Overall, General Fund expenses are up 7.8%, higher than the tax rate increase, due to increased revenues and the strategic use of trusts and reserves.

City Council Goal #1 - Fiscal Responsibility and Communications

This budget uses \$850,000 of fund balance to balance the budget to keep the tax rate increase to 5.5%. While the use of fund balance does not meet Goal #1, action will be taken to reduce this use in future budgets. Cable TV revenues are anticipated to decrease again in Fiscal Year 2027 by approximately \$66,900. The City payment to Concord TV is based on a percentage of revenues, plus a capital pass through. This budget keeps the amount allocated to Concord TV consistent at \$334,600 for Fiscal Year 2027. This will require additional consideration in future years.

City Council Goal #2 - Economic and Community Development

This budget proposal is designed to support and encourage a quality of life that sustains a robust economy and the creation of quality employment opportunities. Economic conditions in Concord are strong. Low unemployment, a high demand for all income brackets of housing, and a focus on staff retention and attraction exists in all sectors. Development projects have achieved a sustainable trajectory following a relatively high growth rate during pandemic recovery. Rising property values and continued interest in new development projects demonstrates interest in Concord as a high-quality place to invest, conduct business, and live.

City Council Goal #3 - Infrastructure Investment and Asset Management

The City continues to invest in infrastructure and equipment, and this budget allocates capital funds to replace police cruisers, a fire engine, and emergency vehicles; new Everett Arena Mechanical room; replace the airport fuel farm and hanger improvements; parking garage improvements and parking meter and vehicle replacements; stormwater system improvements, water plant and infrastructure improvements, wastewater plants and infrastructure improvements; annual paving program, sidewalks and corridor improvements; improvements and equipment at Beaver Meadow Golf Course; parks improvements and investments in the Merrimack River Greenway Trail

City Council Goal #4 - Housing Stability and Human Services coordination

This budget includes continued funding in the Human Services Department to help the City's most vulnerable citizens and supports non-profit organizations that can assist with temporary shelter space. The City is also very supportive of continued housing expansion in both market rate and affordable housing opportunities, which is highlighted by the NH Housing Champions incentive program grant award.

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

Other Staffing

This budget includes funding for a position upgrade at Fire Department Headquarters, and Custodian and Guest Services Associate position hour changes in the Parks & Recreation Department.

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 2027, the City continues funding for the part-time Trails Ranger position. Also included are improvements to Terrill Park for increased community usage and design and permitting for Phase III of Merrimack River Greenway Trail Project to connect Phase I (Terrill Park) and Phase II (Gully Hill fields).

Tax Increment Finance Districts

The City's three Tax Increment Finance Districts continue to perform well. The Fiscal Year 2027 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) for Fiscal Year 2027. However, the completed redevelopment of the Isabella property is resulting in the SBTIF 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 increase its release from 15% to 20% 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.

Additional funding from all three TIF districts has resulted in additional transfers in from TIFs into the General Fund in the amount of \$334,600.

Arena Fund

As projected in last year's budget, the Arena Fund is in need General Fund support. As calculated, the amount of \$170,000 in Fiscal Year 2027 is needed. This support is projected to continue and increase in future years. Support for debt service on future capital projects will also be needed.

Solid Waste Fund

This is the third year of the new municipal solid waste contracts for collection, disposal, and recycling. The City is embarking on plans to start a pilot program for the automated collection system in July 2026. In Fiscal Year 2026, this fund also received the City's prorated portion of the sale of land on Whitney Road, that was previously owned by the Solid Waste Cooperative. The transfer to the Solid Waste fund increases by \$144,800 in Fiscal Year 2027. A purple bag price increase is anticipated in Fiscal Year 2028.

Water & Wastewater

The two utility funds continue to provide the City with critical services to meet ever-growing demands. As highlighted in the proforma, the variable portion of the proposed rates for water increase by 6% and wastewater increases by 15% for Fiscal Year 2027.

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 2027 at both the Hall Street and Penacook plants and in future years that are driving additional debt service costs.

Fiscal Year 2027 Proposed Capital Budget

The proposed Fiscal Year 2027 Capital Program totals \$23,410,200. Three notable large projects requesting funding approval are: Hall Street Wastewater Plant Improvements at \$2,045,500; the Penacook Wastewater Treatment Plant Improvements at \$2,730,000; and \$3,183,600 for the Arena.

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 healthy environments within our neighborhoods.

The proposed capital projects are included in the budget in brief portion of this letter and can be viewed in the CIP detail section of this budget.

Looking ahead

The proposed Fiscal Year 2027 Budget is a disciplined approach to protect the core services the City provides to our residents and businesses. Simultaneously, the proposal positions Concord for long-term fiscal stability.

Cities and towns across the state and the nation face challenging economic environments, with slowing revenue growth, economic uncertainty at both state and national levels, and rising costs. Despite these challenges, Concord remains in a position of strength, with an AA+ bond rating, strong reserves, and a long history of consistent and responsible fiscal stewardship. Concord is well-positioned to meet this moment. The City is in a secure position in both the short-term and long-term to continue to deliver needed core services to our entire community.

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 2027

Budget in Brief

www.concordnh.gov



AA+
S&P Bond
Rating

Certificate of
Achievement
for Excellence
in Financial
Reporting -
30th Year

Distinguished
Budget
Presentation
Award -
11th Year

The Fiscal Year 2027 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+ Miles of Trails



220 Centerline Road Miles



346 Park Acres



247K Library Visitors & 331K Items Circulated (2025)



10K+ Fire Service Response Calls (2025)



50K+ Police Service Response Calls (2025)



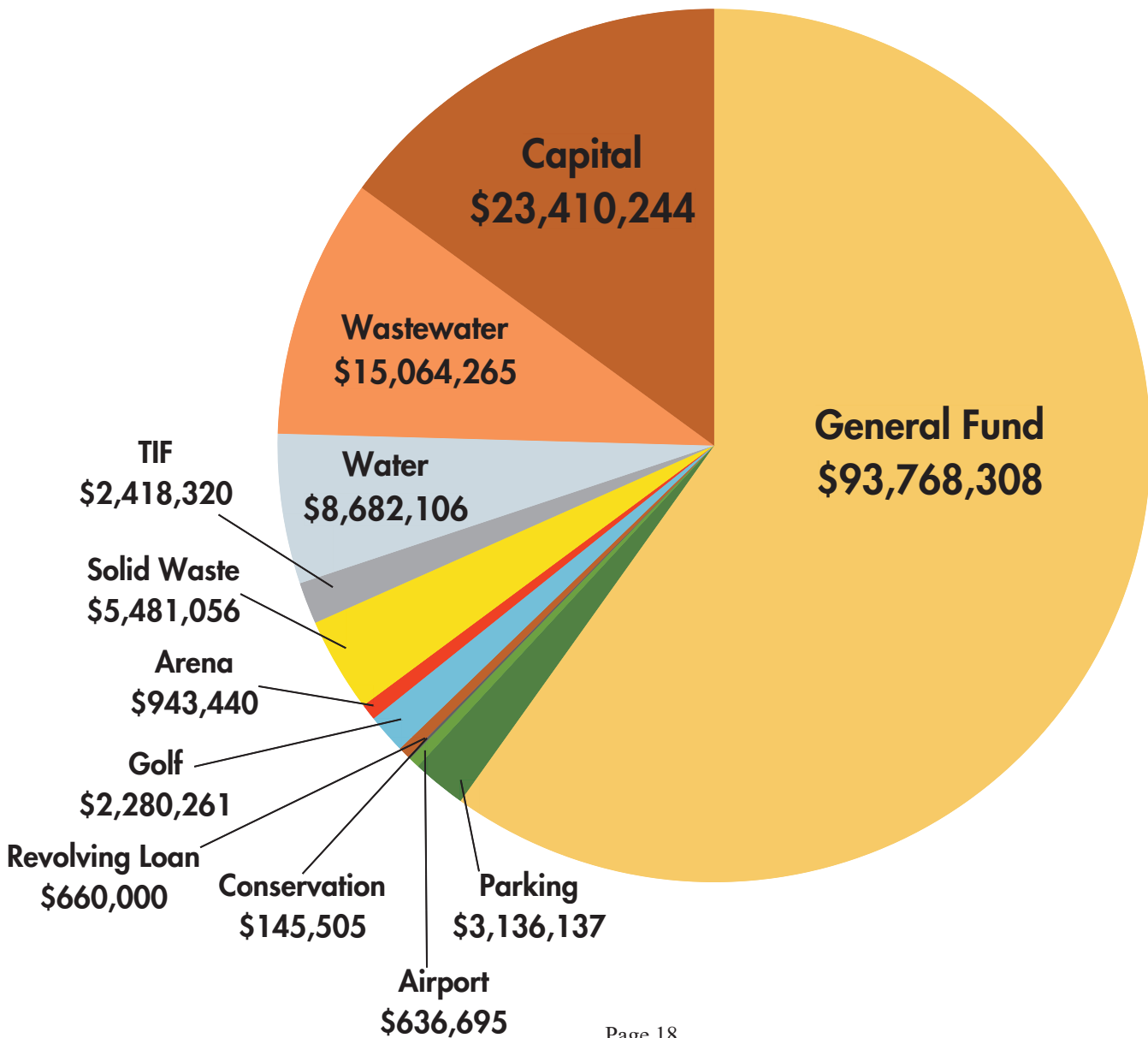
TOTAL BUDGET OVERVIEW

The FY27 budget includes a 5.5% tax rate increase

FY26 Adopted Budget*: \$154.3 Million

FY27 Budget*: \$156.6 Million

**Includes Capital Improvement Projects*



CURRENT PROPERTY TAX RATES

CONCORD: \$29.11



School \$16.39 **City \$10.18** **County \$2.54**

PENACOOK: \$30.74



School \$18.02 **City \$10.18** **County \$2.54**

TAX RATE IMPACT



A 5.5% tax rate increase (City portion) equates to \$224 for a \$400K house.

What Do City Taxes Pay For?



32%
Fire

29%
Police

21%
**General
Services**

18%
**Debt
Service**

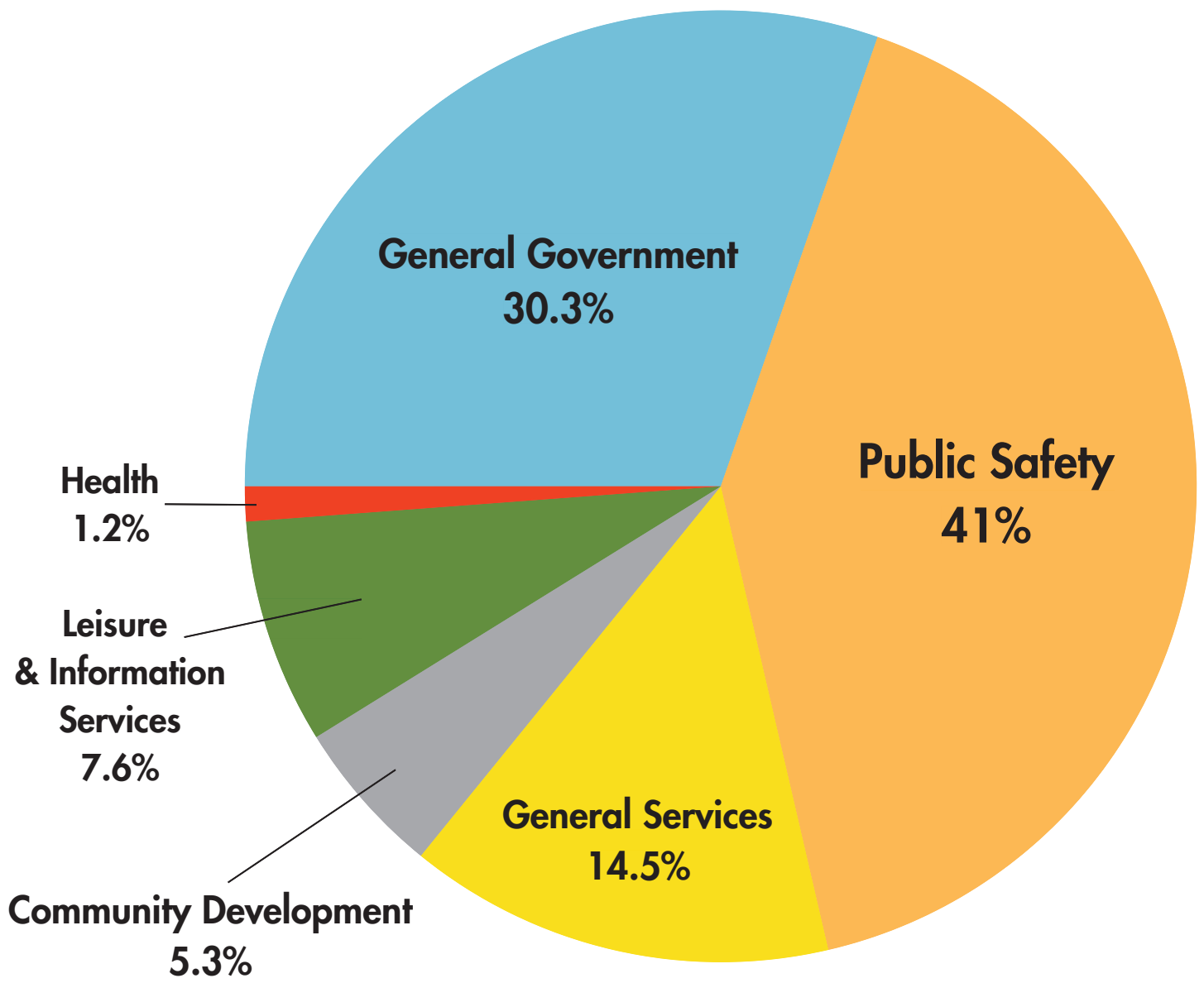
To offset increased debt service costs for the new police station project and the clubhouse at Beaver Meadow, this budget allocates:

- \$500,000 from Community Improvement Reserve
- \$200,000 use of Fund Balance
- \$250,000 from Golf Fund
- \$245,000 from Recreation Reserve

GENERAL FUND OVERVIEW

\$93.8 MILLION

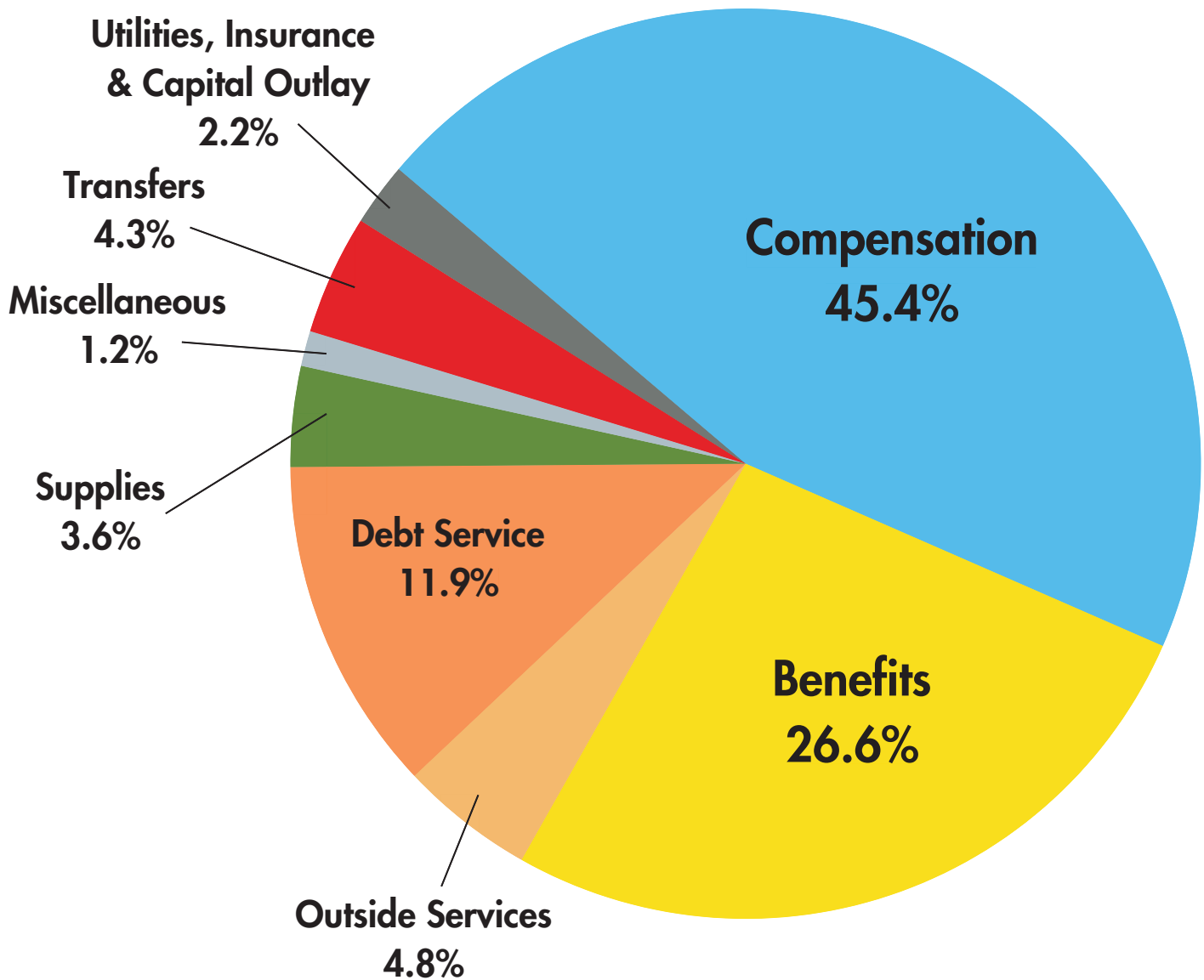
General Fund Expenses By Function



GENERAL FUND OVERVIEW

\$93.8 MILLION

General Fund Expenses By Classification



BUDGET TO BUDGET GENERAL FUND COMPARISON

FISCAL YEAR 2026 TO FISCAL YEAR 2027

Notable Budget Increases / Decreases



Compensation: +\$2.2 Million



Benefits: +\$1.9 Million



Use of Fund Balance: +\$300K



Debt Service: +\$2.4 Million

To offset increased debt service costs for the new police station project and the clubhouse at Beaver Meadow, this budget allocates:

- \$500,000 from Community Improvement Reserve
- \$200,000 use of Fund Balance
- \$250,000 from Golf Fund
- \$245,000 from Recreation Reserve

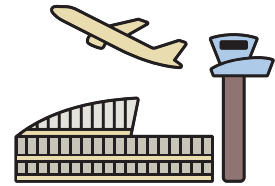
NOTABLE ITEMS IN THE FY27 BUDGET



**4 New Police
Vehicles:**
\$285K



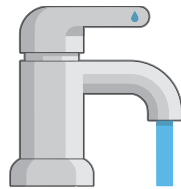
**Neighborhood Street
Paving Program:**
\$2 Million



**Airport Fuel Farm & Snow
Removal Equipment:**
\$1.8 Million



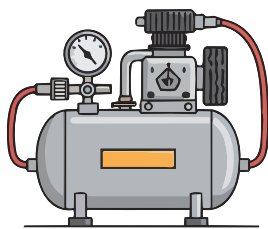
Replace Engine 4:
\$1.3 Million



Water Rate Increase:
6%



Wastewater Rate Increase:
15%



**Everett Arena New Mechanical
Room & Compressors:**
\$3.2 Million



Total Use of Fund Balance:
\$850K

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) section of the budget shows the City's investment in projects that enhance the community and its infrastructure. Projects are budgeted under a number of categories. **The 2027 CIP budget is \$23.4 million.** A few projects under each category are highlighted in this document.

FIRE DEPARTMENT



- **PPE Hose & Equipment: \$30K**
- **Communications Equipment: \$835K**
- **EMS Equipment Replacement: \$180K**
- **Replace Failing Knox Key Secure: \$50K**
- **Fire Alarm Infrastructure Improvements: \$20K**
- **Parking Area Improvements at Heights, Broadway & Central Fire Stations: \$350K**

POLICE DEPARTMENT

- **Ballistic Vest Replacement Program: \$40K**
- **Patrol Rifle Replacements: \$10K**
- **Handgun Replacement: \$120K**
- **Video System Replacement (Including Firing Range): \$10K**
- **Records Management System Replacement & Computer Aided Dispatch: \$363K**
- **Communications Equipment: \$80K**



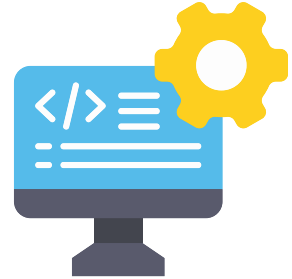
CAPITAL IMPROVEMENT PROJECTS



**Golf Course Improvements
& Equipment:**
\$200K



**Cemetery
Improvements:**
\$425K



**Information Technology
Hardware/Software
Replacement:**
\$655K



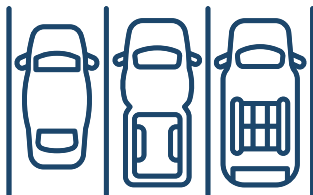
**Library HVAC
Design:**
\$30K



**Traffic Signal
Improvements:**
\$61K



**Parking Vehicle
Replacement:**
\$65K



**Parking Garage
Improvements:**
\$300K



**Sidewalk & Bikeway
Improvements:**
\$515K



**Pembroke Road
Corridor
Improvements:**
\$200K

CAPITAL IMPROVEMENT PROJECTS



**Airport Hangar
Improvements
& Tree Removal:**
\$235K



Airport Master Plan:
\$370K



**Water Plant
Improvements:**
\$628K



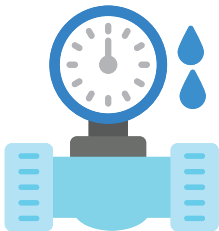
**Water Main Cleaning
& Lining:**
\$76K



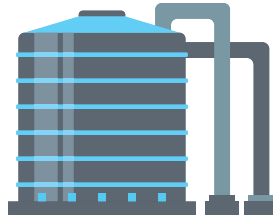
**Water System
Master Plan:**
\$80K



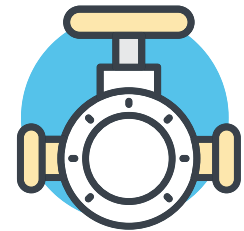
**Water Line & Meter
Installation:**
\$270K



**Water Meter
Replacement:**
\$402K

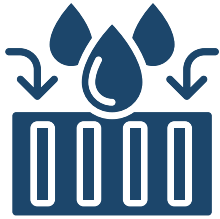


**Water System SCADA
Improvements:**
\$30K

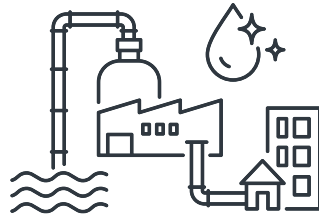


**Water Main
Replacements:**
\$625K

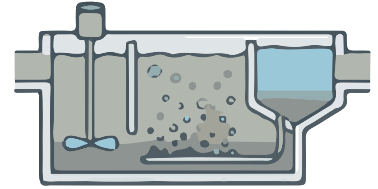
CAPITAL IMPROVEMENT PROJECTS



Stormwater Improvements:
\$86K



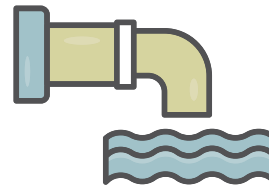
Hall Street Wastewater Plant Improvements:
\$2 Million



Penacook Wastewater Plant Improvements:
\$2.7 Million



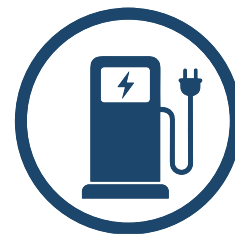
Sewer Video System Equipment:
\$20K



Sewer Pump Station SCADA Improvements:
\$256K

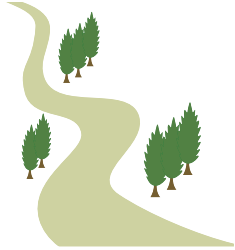


General Services Vehicle Replacement:
\$1.9 Million



COMF Electric Vehicle Charging Stations:
\$75K

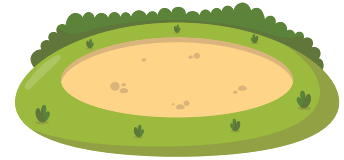
CAPITAL IMPROVEMENT PROJECTS



**Merrimack River
Greenway Trail:**
\$328K



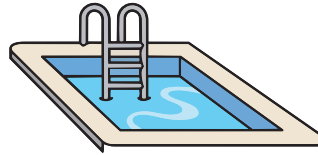
**Park & Cemeteries
Turf Equipment:**
\$45K



**Terrill Park Field
Improvements:**
\$300K



**White Park Hockey Rink &
Boards Improvements,
Pond Improvements:**
\$475K



Rollins Park Pool:
\$350K

NEIGHBORHOOD STREET PAVING PROGRAM

The City of Concord continues with the neighborhood street paving program plan.

FY27: \$2M

**Annual transfer from the General Fund to
the Highway Reserve:**

- FY26: \$1.6 Million
- FY27: \$1.6 Million



SUSTAINABILITY INITIATIVES



Solar Array Installations: ongoing for Old Turnpike Road Landfill and Golf Course Building Project



Trails Ranger position: continued in 2027

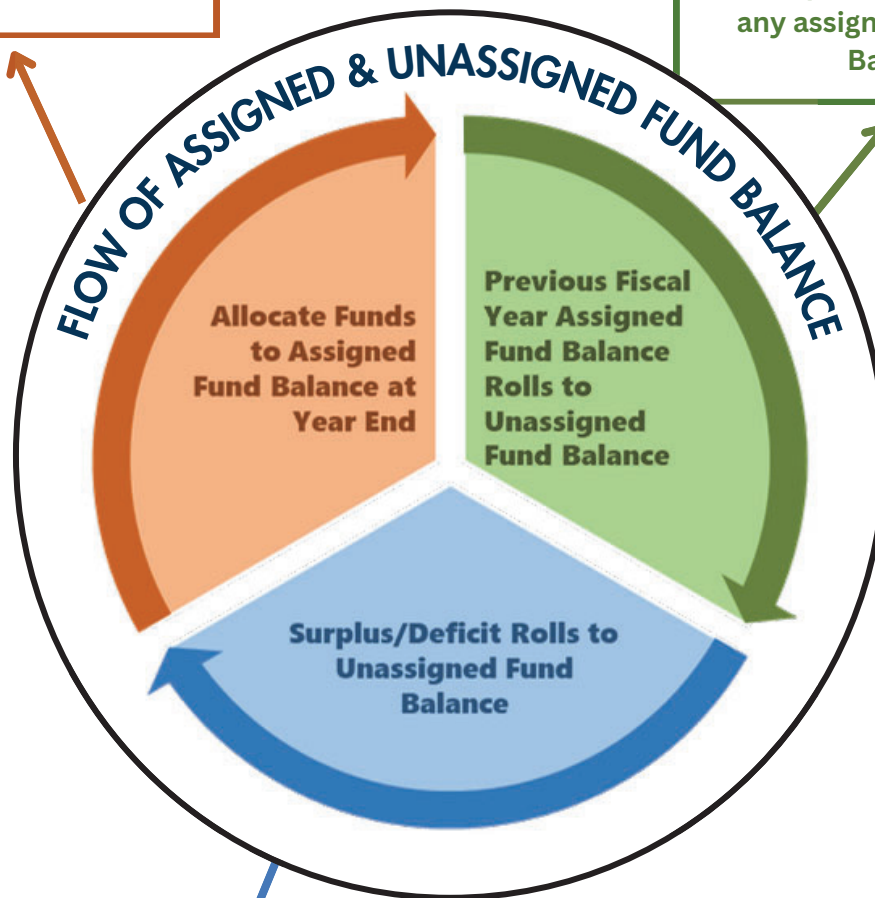
FUND BALANCE LIFE CYCLE

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"

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.

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.



For Fiscal Year 2025, the deficit was \$906,800, which rolled into the Unassigned Fund Balance at the end of Fiscal Year 2025.

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 2025 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
6/30/24 Balance	\$3,709,760.00	\$15,645,537.24	\$1,022,495.30
Roll FY24 Assigned Fund Balance to Unassigned	\$(3,709,760.00)	\$3,709,760.00	
Allocate Non-Spendable Fund Balance for Inventory/Prepaid		\$7,592.23	(\$7,592.23)
Assign Fund Balance at 6/30/25 to Transfer Reserves	\$2,050,000.00	\$(2,050,000.00)	
Assign Fund Balance at 6/30/25 to FY26 Budgetary Use	\$655,000.00	\$(655,000.00)	
Fiscal Year 2025 Deficit		\$(906,830.85)	
6/30/25 Balance	\$2,705,000.00	\$15,751,058.62	\$ 1,014,903.07

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 \$2,705,000 Assigned Fund Balance as of 6/30/25, \$2,050,000 of that was assigned to be transferred to reserves in Fiscal Year 2026. The \$2,050,000 transfer to reserves that was approved by the City Council in January 2026 will help to offset items in the Fiscal 2027 and future capital and operating budgets. The \$2,050,000 is detailed below:

Transfer to Reserves for Fiscal Year 2025 Assigned Fund Balance Allocation

Highway Reserve (Paving)	\$1,500,000	To help offset costs in the Annual Highway Improvement Program or other Highway projects.
Technology Infrastructure Reserve	\$50,000	To help offset costs in technology projects.
Equipment Reserve	\$150,000	To help offset costs in vehicle and equipment related efforts.
Recreation Reserve	\$250,000	To help offset costs in Recreation related projects and programs.
Economic Development Reserve	\$100,000	To help offset Economic Development related expenses.

\$2,050,000



LOOKING FORWARD

The proposed Fiscal Year 2027 Budget is a disciplined approach to protect the core services the City provides to our residents and businesses. At the same time, the proposal positions Concord for long-term fiscal stability.

Cities and towns across the state and the nation face challenging economic environments, with slowing revenue growth, economic uncertainty at the state and national level and rising costs. Despite these challenges, Concord remains in a position of strength, with an AA+ bond rating, strong reserves, and a long history of consistent and responsible fiscal stewardship. Concord is well-positioned to meet this moment. The City is in a secure position in both the short-term and long-term to continue to deliver needed core services to our entire community.

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 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.