



## TOWN OF SALEM, NEW HAMPSHIRE

33 GEREMONTY DRIVE, SALEM, NH 03079  
(603) 890-2040 · FAX: (603) 890-2091

FINANCE DEPARTMENT

# Memo

**DATE:** November 12, 2025

**TO:** Budget Committee

**FROM:** Nicole McGee  
Finance Director

**THRU:** Joseph Devine  
Town Manager

**RE:** 2026 Default Budget

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### **Summary:**

Attached is the 2026 Default Budget, in accordance with RSA 40:13 XI (a), which requires that the Default Budget is disclosed and presented at the first public hearing.

As a reminder, the Budget Committee does not have authority over the Default Budget. Additionally, the Default Budget may be adjusted, acting on new information any time before the ballots are printed. Should this occur, an update will be provided to the Budget Committee

In addition to the draft default budget form, attached is detail of additions and reductions, and a list of one-time appropriations contained in the 2025 budget.

The comparison below shows that the 2026 Default Budget is \$7,868,166 lower than the 2026 Town Council proposed Operating Budget. This is primarily due to larger capital projects in the 2026 proposed operation budget (i.e. Rte 111 and Ermer Road project and the sidewalk improvement projects). The breakdown by fund is as follows:

	<u>2026 Default Budget</u>	<u>2026 Operating Budget</u>	<u>Net Change</u>
General Fund	\$ 56,673,764	\$ 63,812,810	\$ 7,139,046
Sewer	4,222,916	4,346,940	124,024
Water	5,229,623	5,834,719	605,096
Total	\$ 66,126,303	\$ 73,994,468	\$ 7,868,166

As a reminder RSA 40:13 IX-b requires that the default budget is calculated by using the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously

incurred and mandated by law, and reduced by one-time expenditures contained in the operating budget and by salaries and benefits of positions that have been eliminated in the proposed budget.

Thank you.



## **Default Budget of the Municipality Salem**

For the period beginning January 1, 2026 and ending December 31, 2026

**RSA 40:13, IX (b) "Default budget" as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision.**

This form was posted with the warrant on: \_\_\_\_\_

## GOVERNING BODY OR BUDGET COMMITTEE CERTIFICATION

Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.

Name \_\_\_\_\_

## Position

### Signature

# DRAFT

THIS IS A DRAFT REPORT FOR REVIEW PURPOSES ONLY  
THE DRAFT BUDGET PROCESS MUST BE COMPLETED IN THE TAX RATE  
SETTING PORTAL BEFORE A FINAL REPORT CAN BE GENERATED FOR  
THE PURPOSES OF CERTIFICATION AND PUBLIC POSTING

This form must be signed, scanned, and uploaded to the Municipal Tax Rate Setting Portal:

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NH DRA Municipal and Property Division  
(603) 230-5090

<https://www.revenue.nh.gov/about-dra/municipal-and-property-division/municipal-bureau>



### Appropriations

Account	Purpose	Prior Year Adopted Budget	Reductions or Increases	One-Time Appropriations	Default Budget
<b>General Government</b>					
4130	Executive	\$712,209	\$4	\$0	\$712,213
4140	Election, Registration, and Vital Statistics	\$328,032	\$36,960	(\$25,200)	\$339,792
4150	Financial Administration	\$3,451,098	\$64,078	(\$99,650)	\$3,415,526
4152	Property Assessment	\$0	\$0	\$0	\$0
4153	Legal Expense	\$164,500	\$0	\$0	\$164,500
4155	Personnel Administration	\$1,627,209	\$166,354	\$0	\$1,793,563
4191	Planning and Zoning	\$579,471	\$36,714	\$0	\$616,185
4194	General Government Buildings	\$264,743	\$0	(\$49,549)	\$215,194
4195	Cemeteries	\$713,892	\$23,680	\$0	\$737,572
4196	Insurance Not Otherwise Allocated	\$511,498	\$51,602	\$0	\$563,100
4197	Advertising and Regional Associations	\$0	\$0	\$0	\$0
4198	Contingency	\$0	\$0	\$0	\$0
4199	Other General Government	\$1,092,126	(\$112,124)	(\$130,000)	\$850,002
<b>General Government Subtotal</b>		<b>\$9,444,778</b>	<b>\$267,268</b>	<b>(\$304,399)</b>	<b>\$9,407,647</b>
<b>Public Safety</b>					
4210	Police	\$14,825,432	\$659,413	\$0	\$15,484,845
4215	Ambulances	\$0	\$0	\$0	\$0
4220	Fire	\$16,139,402	\$817,608	(\$125,934)	\$16,831,076
4240	Building Inspection	\$1,032,049	\$53,053	\$0	\$1,085,102
4290	Emergency Management	\$0	\$0	\$0	\$0
4299	Other Public Safety	\$0	\$0	\$0	\$0
<b>Public Safety Subtotal</b>		<b>\$31,996,883</b>	<b>\$1,530,074</b>	<b>(\$125,934)</b>	<b>\$33,401,023</b>
<b>Airport/Aviation Center</b>					
4301	Airport Administration	\$0	\$0	\$0	\$0
4302	Airport Operations	\$0	\$0	\$0	\$0
4309	Other Airport	\$0	\$0	\$0	\$0
<b>Airport/Aviation Center Subtotal</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Highways and Streets</b>					
4311	Highway Administration	\$579,921	\$3,699	\$0	\$583,620
4312	Highways and Streets	\$3,779,802	\$157,038	(\$106,613)	\$3,830,227
4313	Bridges	\$0	\$0	\$0	\$0
4316	Street Lighting	\$734,596	\$0	\$0	\$734,596
4319	Other Highway, Streets, and Bridges	\$0	\$0	\$0	\$0
<b>Highways and Streets Subtotal</b>		<b>\$5,094,319</b>	<b>\$160,737</b>	<b>(\$106,613)</b>	<b>\$5,148,443</b>



**Appropriations**

Account	Purpose	Prior Year Adopted Budget	Reductions or Increases	One-Time Appropriations	Default Budget
<b>Sanitation</b>					
4321	Sanitation Administration	\$0	\$0	\$0	\$0
4323	Solid Waste Collection	\$0	\$0	\$0	\$0
4324	Solid Waste Disposal	\$1,755,908	(\$11,689)	\$0	\$1,744,219
4325	Solid Waste Facilities Clean-Up	\$0	\$0	\$0	\$0
4326	Sewage Collection and Disposal	\$0	\$0	\$0	\$0
4329	Other Sanitation	\$0	\$0	\$0	\$0
	<b>Sanitation Subtotal</b>	<b>\$1,755,908</b>	<b>(\$11,689)</b>	<b>\$0</b>	<b>\$1,744,219</b>
<b>Water Distribution and Treatment</b>					
4331	Water Administration	\$0	\$0	\$0	\$0
4332	Water Services	\$0	\$0	\$0	\$0
4335	Water Treatment	\$0	\$0	\$0	\$0
4338	Water Conservation	\$0	\$0	\$0	\$0
4339	Other Water	\$0	\$0	\$0	\$0
	<b>Water Distribution and Treatment Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Electric</b>					
4351	Electric Administration	\$0	\$0	\$0	\$0
4352	Generation	\$0	\$0	\$0	\$0
4353	Purchase Costs	\$0	\$0	\$0	\$0
4354	Electric Equipment Maintenance	\$0	\$0	\$0	\$0
4359	Other Electric Costs	\$0	\$0	\$0	\$0
	<b>Electric Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Health</b>					
4411	Health Administration	\$0	\$0	\$0	\$0
4414	Pest Control	\$0	\$0	\$0	\$0
4415	Health Agencies and Hospitals	\$0	\$0	\$0	\$0
4419	Other Health	\$0	\$0	\$0	\$0
	<b>Health Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Welfare</b>					
4441	Welfare Administration	\$0	\$0	\$0	\$0
4442	Direct Assistance	\$103,920	\$3,764	\$0	\$107,684
4444	Intergovernmental Welfare Payments	\$0	\$0	\$0	\$0
4445	Vendor Payments	\$0	\$0	\$0	\$0
4449	Other Welfare	\$107,300	\$0	\$0	\$107,300
	<b>Welfare Subtotal</b>	<b>\$211,220</b>	<b>\$3,764</b>	<b>\$0</b>	<b>\$214,984</b>



**Appropriations**

Account	Purpose	Prior Year Adopted Budget	Reductions or Increases	One-Time Appropriations	Default Budget
<b>Culture and Recreation</b>					
4520	Parks and Recreation	\$645,387	\$50,146	\$0	\$695,533
4550	Library	\$1,716,440	\$14,714	(\$19,975)	\$1,711,179
4583	Patriotic Purposes	\$5,000	\$0	\$0	\$5,000
4589	Other Culture and Recreation	\$0	\$0	\$0	\$0
<b>Culture and Recreation Subtotal</b>		<b>\$2,366,827</b>	<b>\$64,860</b>	<b>(\$19,975)</b>	<b>\$2,411,712</b>
<b>Conservation and Development</b>					
4611	Conservation Administration	\$0	\$0	\$0	\$0
4612	Purchase of Natural Resources	\$0	\$0	\$0	\$0
4619	Other Conservation	\$0	\$0	\$0	\$0
4631	Redevelopment and Housing Administration	\$0	\$0	\$0	\$0
4632	Other Redevelopment and Housing	\$0	\$0	\$0	\$0
4651	Economic Development Administration	\$0	\$0	\$0	\$0
4652	Economic Development	\$0	\$0	\$0	\$0
4659	Other Economic Development	\$0	\$0	\$0	\$0
<b>Conservation and Development Subtotal</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service</b>					
4711	Principal - Long Term Bonds, Notes, and Other Debt	\$811,020	\$892,000	\$0	\$1,703,020
4721	Interest - Long Term Bonds, Notes, and Other Debt	\$921,162	\$967,703	\$0	\$1,888,865
4723	Interest on Tax and Revenue Anticipation Notes	\$1	\$0	\$0	\$1
4790	Other Debt Service Charges	\$0	\$0	\$0	\$0
<b>Debt Service Subtotal</b>		<b>\$1,732,183</b>	<b>\$1,859,703</b>	<b>\$0</b>	<b>\$3,591,886</b>
<b>Capital Outlay</b>					
4901	Land	\$0	\$0	\$0	\$0
4902	Machinery, Vehicles, and Equipment	\$4,217,030	\$0	(\$3,613,180)	\$603,850
4903	Buildings	\$0	\$0	\$0	\$0
4909	Improvements Other than Buildings	\$6,550,000	\$0	(\$6,400,000)	\$150,000
<b>Capital Outlay Subtotal</b>		<b>\$10,767,030</b>	<b>\$0</b>	<b>(\$10,013,180)</b>	<b>\$753,850</b>



**Appropriations**

Account	Purpose	Prior Year Adopted Budget	Reductions or Increases	One-Time Appropriations	Default Budget
<b>Operating Transfers Out</b>					
4911	To Revolving Funds	\$0	\$0	\$0	\$0
4912	To Special Revenue Funds	\$0	\$0	\$0	\$0
4913	To Capital Projects Funds	\$0	\$0	\$0	\$0
4914A	To Airport Proprietary Fund	\$0	\$0	\$0	\$0
4914E	To Electric Proprietary Fund	\$0	\$0	\$0	\$0
4914O	To Other Proprietary Fund	\$0	\$0	\$0	\$0
4914S	To Sewer Proprietary Fund	\$4,918,639	\$240,277	(\$936,000)	\$4,222,916
4914W	To Water Proprietary Fund	\$5,574,168	(\$134,463)	(\$210,082)	\$5,229,623
4915	To Capital Reserve Funds	\$0	\$0	\$0	\$0
4916	To Expendable Trusts	\$0	\$0	\$0	\$0
4917	To Health Maintenance Trust Funds	\$0	\$0	\$0	\$0
4918	To Non-Expendable Trust Funds	\$0	\$0	\$0	\$0
4919	To Fiduciary Funds	\$0	\$0	\$0	\$0
<b>Operating Transfers Out Subtotal</b>		<b>\$10,492,807</b>	<b>\$105,814</b>	<b>(\$1,146,082)</b>	<b>\$9,452,539</b>
<b>Total Operating Budget Appropriations</b>		<b>\$73,861,955</b>	<b>\$3,980,531</b>	<b>(\$11,716,183)</b>	<b>\$66,126,303</b>



**Reasons for Reductions/Increases & One-Time Appropriations**

Account	Explanation
4195	Salary and benefits
4442	Salary and benefits
4140	Salary, benefits, and equipment
4130	Benefits
4150	Salary, benefits, equipment, and contracted services
4220	Salary, benefits, and one time repairs
4194	Equipment
4311	Salary and benefits
4312	Salary, benefits, and equipment
4909	One time purchases
4196	Premium increase
4721	Debt service
4550	Salary, benefits, and equipment
4902	One time purchases
4199	Eliminated position and contracted service
4520	Salary and benefits
4155	Salary and benefits
4191	Salary and benefits
4210	Salary and benefits
4711	Debt service
4324	Salary and benefits
4914S	Salary, benefits, premium changes, GLSD, debt service, and one time purchases
4914W	Salary, benefits, premium changes, debt service, and one time purchases

		2025 Budget	Default Reductions & Increases	Explanation	Minus 1 Time Appropriations	Default Budget
4130	TOWN COUNCIL	10100	79,487	-		79,487
	Town Manager	10300	606,116	5		606,121
	Plan Board	10341	3,914	-		3,914
	Board of Adjustment	10342	1,761	-		1,761
	BUDCOM	10343	1,941	-		1,941
	Con Comm	10344	2,356	-		2,356
	Trustee of TF	10348	16,634	(1)	Benefits	16,633
	Communications Commit	10349	-	-		-
4140	Town Clerk	20400	247,741	44,211	Salary and benefits	291,952
	Elections	20500	80,291	(7,251)	Fewer elections	47,840
4150	Finance	20100	1,186,594	16,534	Salary and benefits	1,202,028
	IT	20200	1,107,870	-		1,107,870
	Assessing	20300	562,234	36,094	Salary and benefits	499,779
	Collections	20550	379,240	8,333	Salary and benefits	387,573
	Tax Coll	20600	215,160	3,117	Salary and benefits	218,277
4153	Legal	10310	164,500	-		164,500
4155	HR	10320	424,683	4	Benefits	424,687
	Emp Ben	10330	1,202,526	166,350	Benefits	1,368,876
4191	Comm Dev	30000	279,434	16,825	Salary and benefits	296,259
	Planning	30200	300,037	19,889	Salary and benefits	319,926
4194	Town Hall	10350	205,645	-		184,652
	Old TH	10351	12,538	-		12,538
	Hose	10353	29,811	-		5,511
	Old Lib	10354	3,320	-		3,320
	School H#5	10355	1,553	-		1,553
	Depot T S	10356	11,875	-		4,256 Camera Security System
	Town Facilities	10400	-	-		-
4195	Parks Prop	50300	713,892	23,680	Salary and benefits	737,572
4196	Insurance	20800	511,498	51,602	Premium increase	563,100
4199	District Court	10200	104,382	421	Premium increase	104,803
	Eng.	30100	987,744	(112,545)	Position Eliminated from 2026 Budget	(130,000) Engineering Study
4210	Police - Admin	40100	810,618	36,860	Salary and benefits	847,478
	Support Services	40110	3,004,324	48,477	Salary and benefits and position eliminated in 2026 budget	3,052,801
	Patrol	40120	6,826,999	285,957	Salary and benefits	7,112,956
	Special Services	40125	1,378,065	119,073	Salary and benefits	1,497,138

		2025 Budget	Default Reductions & Increases	Explanation	Minus 1 Time Appropriations	Default Budget
Investigative Services	40130	2,683,146	169,045			
Police Station	40140	122,280	-			
<b>Total Police</b>		<b>14,825,432</b>	<b>659,413</b>		<b>-</b>	<b>15,484,844</b>
4220 Fire - Admin	40200	1,250,765	27,232	Salary and benefits		1,277,997
Suppression/Prevention	40210	13,451,020	724,494	Salary and benefits		14,175,514
Communications	40220	898,361	65,882	Salary and benefits		964,243
Stations	40230	275,337	-			275,337
Central Station # 1	40231	188,453	-			62,519
South Station # 3	40233	34,043	-			34,043
North Station # 2	40234	41,424	-			41,424
<b>Total Fire</b>		<b>16,139,402</b>	<b>817,608</b>		<b>(125,934)</b>	<b>16,831,076</b>
4240 Inspect	40240	1,032,049	53,053	Salary and benefits		1,085,102
4311 Public Works Adm	50100	579,921	3,699	Salary and benefits		583,621
4312 PW Garage	50110	144,787	-			73,074
Fleet	50120	698,247	29,515	Salary and benefits		727,762
Streets	50130	1,765,729	124,490	Salary and benefits		1,855,319
Winter Weather	50135	1,171,039	3,033	Benefits		1,174,072
4316 Lights	50400	734,596	-			734,596
4324 Solid Waste	50200	1,755,908	(11,689)	Salary and benefits		1,744,219
4414 Animal Control	40135					-
4442 Human Services	60100	59,020	3,764	Salary and benefits		62,784
	60110	44,900	-			44,900
4449 Out Human Services	60200	107,300	-			107,300
4711 Debt Prin	20700-Prin Debt	811,020	892,000	Debt Service		1,703,020
4721 Debt Int	20700-Interest	817,552	1,021,063	Debt Service		1,838,615
4723 TANS	Interest on Tan	1	-			1
4790 Other Debt Service	Other Debt Servic	103,610	(53,360)	Debt Service		50,250
4520 Community Services Adr	60400	576,246	50,146	Salary and benefits		626,392
Recreational Facilities	60450	4,227	-			4,227
4589 Ingram Senior Center	60430	64,914	-			64,914

		2025 Budget	Default Reductions & Increases	Explanation	Minus 1 Time Appropriations	Default Budget
4550 Library	70100 70110	1,716,440	14,714	Salary and benefits	(19,975) Equipment	1,711,179 -
4583 Community Contribution	70200	5,000	-			5,000
Capital	80100			(10,013,180) Police Equipment, Bridge Construction, Fire Ambulance and Ladder Truck, Sidewalk Tractor, and Revaluation Services		753,850
		10,767,030	-			
<b>Total General Fund</b>		<b>63,369,148</b>	<b>3,874,717</b>		<b>(10,570,101)</b>	<b>56,673,764</b>
4326 Sewer Fund	Sewer Fund	4,918,639	240,277	Salaries and benefits, premium changes, GLSD, and change in debt service	(936,000) Engineering Study and Construction of Pump Station	4,222,916 -
4331 Water	Water Fund	5,574,168	(134,463)	Salaries and benefits, premium changes, and change in debt service	(210,082) Vehicles and Equipment	5,229,623
<b>Total Budget</b>	<b>Total</b>	<b>73,861,955</b>	<b>3,980,531</b>		<b>(11,716,183)</b>	<b>66,126,303</b>

## 2026 Default Budget- One time Appropriations in the 2025 Budget

### General Fund

Town Hall	20,993	Carpeting
Hose House	24,300	Windows
Depot Train Station	4,256	Camera Security System
Finance	1,100	Office Furniture
Assessing	98,550	Contracted Service
Elections	25,200	Voting Tabulators
Fire	100,000	Pave Parking Lot
Fire	25,934	Flooring Replacement
MS Garage	71,713	Large Vehicle Lifts
MS Streets/Shops	34,900	Skid Steer
MS Engineering	130,000	Engineering Study
Library	19,975	Equipment
Capital	345,000	Police - Taser Replacement
Capital	6,200,000	Bridge St. Bridge Construction
Capital	465,880	Fire - Ambulance
Capital	2,600,000	Fire - Ladder Truck
Capital	202,300	Sidewalk Tractor
Capital	200,000	Town-wide Revaluation
<b>Subtotal</b>	<b><u>\$ 10,570,101</u></b>	

### Sewer

Administration	61,000	Post-Thermal Remediation Groundwater Monitoring
Capital	875,000	Brookdale Pump Station
<b>Sub-total</b>	<b><u>\$ 936,000</u></b>	

### Water

Operations	19,682	Valve Replacement
Capital	105,400	Vacuum Trailer
Capital	85,000	Vehicle
<b>Sub-total</b>	<b><u>\$ 210,082</u></b>	

**Total One time**

**\$ 11,716,183**