

2026 Proposed Budget Highlights

Overall Operating Budget (Article 12):

- 2026 has 53 pay weeks versus the usual 52, so each department wage lines (including payroll taxes & retirement) are increased due to this. The extra week accounts for approximately 1% of the total budget increase from 2025.
- Non-Union COLA of 3% applied to each department applicable, as well as step increases for eligible employees.
- COLA for Employee Union = 3%; Police & Dispatch = 2.75%
*Some employees are also eligible for step increases in addition to these percentages.
- Health Insurance premiums carry an average increase of 11% effective July 1st.

Executive

- This Executive budget covers the Board of Selectmen expenses including their annual stipend, as well as the Treasurer and Deputy Treasurer stipends, and the Treasurer for the Trustees of Trust Funds. Additional funds have been added to this line to increase the stipend for the Treasurer positions.
- Salaries for the Town Administrator, Finance Director, and two administrative assistants who work in the Selectmen's Office and support various departments such as Land Use, Assessing, Building, Welfare, Finance, Highway, ELVD (utility billing), etc. as well as daily servicing the public each day are included in this line item.
- Health Insurance – along with the half year increase beginning in July as mentioned above, this line also includes a fulltime employee opting into our health insurance in 2025 and who previously didn't take advantage of that benefit.

Elections

There is one additional election included in the 2026 budget that was not needed in the 2025 budget.

Audits

As is required by law, we have an audit conducted every year with the results filed with the Department of Revenue. The audit includes all areas and departments of our town government. This line item is the expense of the hiring of an accounting firm who provides this service. Our audits, which are open and available to the public, continue to show that the Town's financial records are complete and professionally kept utilizing software specifically designed for municipalities.

One of the two items brought up annually by our auditors is the development of an inventory depreciation policy and system. Although not legally required, this is something that we would like to move forward with and which already have information about newer assets available. The time-consuming piece is to pull together the historical cost of everything we own (land, buildings, equipment, etc.) over a financial

threshold that the Selectboard chooses and then pull together the historical cost on those assets not the current value or replacement cost, it is what it actually cost when acquired.

The second is budgeting/saving for postemployment benefits which is basically the payout of accrued vacation time that an employee has when they leave our employment. While we do not have a Capital Reserve Fund for this, we adjusted for it with a policy change in 2014 (which effects anyone hired from July 2014 and forward) that only allows employees to be paid for two weeks of accrued unused vacation time upon retiring or leaving employment with the Town. Prior to that, employees could accrue and be paid for up to 40 days of unused vacation time when they leave or retire and it was meant to provide some type of retirement fund for them but that became obsolete when the Town started offering retirement matches for employees. Currently, we only have a few long-term employees who would fall under the old policy.

Town Clerk/Tax Collector

This budget covers the Town Clerk/Tax Collector and the Deputy Town Clerk and the operations of that office which includes vehicle registration, vital statistics (births, deaths, marriages), accepting voter registrations, and tax billing and collections. Most of the cost increase in this budget is due to personnel costs.

Revaluation/Assessing

We have changed the structure of the Assessing Department. Previously, our assessment work was solely done via private contractors, but we were presented with an opportunity moving forward to hire the person who has done much of the assessing analytical work over the past several years, and who is a familiar face to our community, to work here on a part-time basis. This not only saves the taxpayers money, but it also gives more accessibility to the public and Selectboard. We still contract with a utility assessor as well as one who reviews information prior to it being submitted to the Department of Revenue.

Legal

Most of the money spent currently is for legal services associated with code enforcement cases. Over the last few years, we have been dealing with two cases in particular (Penny – Dilapidated Barn & Vallerand - Junkyard) in which neither of these property owners have come into compliance with zoning regulations and continue to drag things out in court until they are given a final order to clean up. In both cases we are awarded reimbursement of legal fees however, this reimbursement is not paid in cash by the property owners at the time of judgement. A lien is placed on the properties and the Town collects when the property.

- Money was added to this budget based on current expenditure levels for code enforcement and \$5,000 was added for the purpose of legal services associated with the Trustees of Trust Funds duties.
- Union Negotiations will take place in 2026 for the two unions that we have (Police and Employee Unions) in which we utilize legal services for that purpose.

Land Use & Economic Development

Application Fees to cover postage (abutters notices) and advertisement are collected from individuals and businesses who come before the Planning and Zoning Boards for their development plans. In 2025 the revenues from these fees totaled \$7,927.00.

The Planning Director works with all Land Use Committees (Planning, Zoning, Historic District, Economic Development) and attends all their meetings to guide and administer rules, regulations, and laws that they must abide by while conducting the duties that they have. She has the responsibility of tracking new legislation which affects our zoning ordinance and advises the Planning Board on changes that need to be made due to new legislation. She is also the lead on our GIS system for the purpose of being able to produce our zoning maps and has been working with other departments of the Town to provide infrastructure layers which we have not had in the past.

- Master Plan Update – Master Plans are updated every 5 – 10 years in NH
- Economic Development – The Economic Development Committee meets monthly, and this money is used for continuing with the Economic Development Plan, the TIF (Tax Increment Finance) District, the Development of future gateway zones, and ED website changes.

General Government Buildings

- Contracted Services have been increased due to cleaning for the Town Office Building. We haven't contracted cleaning for the last few years since it was being done in house, but with the amount of other jobs/work that is needed from our Building Maintenance employee, we are back to having someone else do the cleaning.
- Woods Woolen Mill Restoration – this line item was added to cover the anticipated deficit in the grant funding for the restoration of the Woods Woolen Mill Site. The Town has received an initial grant in the amount of \$258,285.00 for Design, Permitting, and Restoration and we have been approved for an additional \$150,000.00 (just waiting for Governor & Council signatures) toward this project. Even with that, we anticipate some town funds will be needed.

Insurance

- Property & Liability – Increase in rates of 2.3%
- Unemployment Compensation – Increased by 10.2% which is based on payroll totals.
- Workers Compensation – Rates for this insurance has increased 5.74%

Police Department

The Police Department is partially offset by revenues from various Grants (when that expense hits the budget), the Hillsboro-Deering School System (School Resource Officer), Prosecutor services, Juvenile Diversion Program, Dispatch Services, and contracted coverage for Deering. **Revenues in 2025 for these services totaled. \$422,328.85**

- Computer System & Support – Annual support contract has increased
- Contracted Services – Body Camera Contract changes account for most of this increase
- Equipment Purchase – the increase is for portable and base radios

- Special Legal – This line item covers our Prosecutor, and the increase is due to a new contract.
- V.R. Cruiser – The proposed amount is to cover one new cruiser based on our rotation schedule. In 2025 we purchased the new cruiser, plus we had to purchase a second one to replace one that was totaled in an accident.
- Police Station Maintenance – The reduction in this line is due to ending our cleaning contract and hiring a cleaner as an employee. Those wages are included in the payroll line.

Fire Department

The Fire Department Budget is partially offset by revenues from ambulance billings and in **2025 totaled \$265,556.74**

- Fire - Contracted Services – This covers our annual contract with Capital Area Fire Compact and reflects an increase for 2026.
- Equipment Purchase – The decrease in this line is because the ladder truck that was purchased in 2016, was paid off in 2025.
- Fire Payroll – This line covers our call firefighters, our officer stipends, Fire Chief’s salary, and our administrative assistant wages. A portion of increase is due to the call volume along with applicable wage adjustments.
- Tires – Increased to purchase tires for our engine and ladder trucks.
- Rescue Payroll – This increase is mostly call volume driven. Currently, we have some dedicated per diem individuals who sign up for shifts to cover our ambulances. However, we are anticipating that we will soon need to switch to full-time employees since it is harder to find people who are available and/or interested in this type of on-call employment. This is something that is being experienced statewide and is something that has been on our radar for the last couple of years.

Building Inspector/Health Officer

The Building Inspector/Health Officer budget is partially offset by revenues. **In 2025 revenues totaled \$52,902.20.**

Our Building Inspector/Health Officer is responsible for making sure that new buildings, building additions, electrical and plumbing, are done according to the International Building Code which has been adopted by the Hillsborough voters. He also serves as our Code Enforcement Officer and Health Officer and responds to violators of our municipal codes as well as public health issues.

- Payroll – The wage increase in this line is the same as other departments. The pay for 2025 was underspent due to an unpaid medical leave of absence in that department during the year.

Emergency Management

- Equipment Purchase – This line is to purchase two portable radios.
- Code Red – We have ended our contract with Code Red and will be using the State’s free emergency system.

Dispatch

The Dispatch Budget is partially offset by revenues which are included in the total Police Department income of \$422,328.85.

Teen Center

The Teen Center was previously known as Project Genesis under our old Youth Services Department which also included our court diversion program. In 2024, the diversion program was moved to the police department budget and in 2025 Project Genesis was rebranded and is now our Teen Center which is part of our Parks and Recreation Department.

Our Teen Center is open for grades 7th – 12th and is open from 2pm – 6pm. We currently average 23 teens a day who attend. The Center's program includes teaching the attendees how to apply for jobs, the art of planning, cooking and cleaning up after dinners, as well as participate in community events and field trips. Our community service program is also run through this part of the P&R Department in which the kids that attend the Teen Center assist residents with jobs around their property at no charge.

- Advertisement – This line item now includes a Chamber of Commerce Membership.
- Payroll – The payroll line covers the wages for the Administrative Staff for the Parks and Recreation Department (not only the Teen Center). This includes our Parks and Recreation Director; Teen Center Coordinator; the Parks and Recreation Program Director as well as our Recreation Aide. Along with the same increases that are outlined on the first page of this document, this line also includes a \$3,500 stipend for the year for the Director to work with the Town Administrator as the Assistant TA (an average of 10 hours/week through the year) in order to assist with updating and developing necessary policies and procedures and to assist with miscellaneous projects.

Highway Department

- Chemicals/Paints – Increased to purchase extra calcium for our dirt roads.
- Clothing – Adjusted to cover additional employee.
- Equipment Purchase – Includes tools, an a/c machine plus 2 cameras.
- Payroll – In addition to the increases stated above, this also includes payment of unused vacation time for an employee retiring midyear.
- Salt – Increased based on usage and cost changes.
- Tires – The decrease is due to us having some tires on hand coming into the year.
- VR #710 Loader 644 – Drive shaft was replaced in 2025
- VR #711 Grader – Due for service in 2026
- VR #708 Platform Red – May need a transmission this year.
- VR #715 5-Ton DT Grm – Increased for sander parts and chains.

Street Lighting

- Miscellaneous – Additional funding for anticipated repairs to downtown decorative light posts.

Transfer Station

The Transfer Station Budget is partially offset by revenues from Deering and Windsor, as well as recycling and fees for the disposal of various items including construction debris. **In 2025, revenues for the Transfer Station totaled \$346,811.09.**

- Trash Hauling Contract – Increased due to cost increase for hauling trash.
- Recycle Tipping – Based on costs associated with the amount of recycling products
- Disposal Surcharge (State) – this is a new surcharge that is being charged to all communities and private haulers. We are eligible to submit a reimbursement request to the State on a quarterly basis for what we spend. This surcharge is in place to regulate out of State disposal companies.

Parks

- Payroll – This line item covers the salary of our Highway Department light equipment operator @ 40 hrs./wk from April – December, as well as three other seasonal positions for that same timeframe although the weather typically dictates when the work stops. They are tasked with field and outdoor property maintenance for Grimes Field, Manahan Park, Kemp Park (which is still being worked on as funds allow), the Old Town Center, Butler Park and miscellaneous downtown work.

Recreation

This Budget is mainly to cover our Manhan Summer Camp Program which was partially covered by Summer Camp Fees of \$52,609.00 in 2025. The Manahan Trust covers expenses for Improvements, Park Maintenance, and Telephone for the Park.

- Payroll - The wages within this budget cover the seasonal positions of a full-time Camp Director, Camp Coordinator, and Waterfront Director, as well as 7 full-time lifeguards for camp hours, 3 full-time swim aids, 2 weekend lifeguards, 16 full-time camp counselors, and a full-time Arts and Crafts Coordinator. In 2025 there were various call outs and a couple of rainy days which canceled camp so there was savings in the 2025 wages for these reasons.

Library

- Payroll and Health Insurance lines are adjusted based on the explanation above.

Separate Warrant Article Explanations:

Articles 13 & 14 – Water & Sewer Department Budgets

These budgets are put together by the Water & Sewer Commissioners and are covered mainly by revenues brought in via user fees and when available for projects, grant money. These budgets reflect the expenses to run each of these departments including their capital reserve funds.

Article 15 Capital Reserve Funds (CRFs)

These funds allow the Town to purchase the necessary equipment as well as perform maintenance work on various buildings, structures, etc. as the funds allow. By using CRFs, it helps us to make these purchases and do these repairs without spiking the annual budget.

- Ambulance CRF – This fund has allowed us to purchase our ambulances on a rotation basis without having to finance them saving interest.
- Municipal Buildings CRF - In 2026, we have some building maintenance work needed at the police department building. There are A/C units that need replacement which cost \$15,000 each as well as some insulation work in the attic area. There is also some safety features needed in the Town Office Building which may be done if we receive favorable quotes. We still have needs to buildings in the Old Town Center such as the carriage sheds, the clubhouse and the old Methodist Church that the Town voted to accept as a donation at a past Town Meeting, but in trying to keep the budget down, we kept our 2026 request low.
- Parks Equipment – This is the new fund that was started in 2025 in which we were able to purchase a piece of equipment for Grimes Field - Infield Pro (a portion was charged to the operating budget).
- Sidewalk CRF – Just about all of the current balance in this fund will be applied toward the West Main Street Sidewalk Project in 2026, so additional funds are being added in order to begin some repairs on existing sidewalks.

Article 16 – Road Construction

- The cost of paving and construction work has steadily been increasing so additional funds have been requested to cover those increases. In 2026, we will be reclaiming and paving Beard Road.

Article 17 – Park/Whittemore Project

The Town along with the Water/Sewer Department worked on a joint project in 2025 to upgrade failing infrastructure on Park and Whittemore Streets. As part of that project, drainage work was done as part of the project in which we need to reimburse the W&S Department for. This has no tax impact since it is covered by InvestNH funds that the Town received a couple of years ago. There will be additional joint projects in the future as we work on upgrading very old water and sewer infrastructure.

Article 18 – West Main Street Sidewalk Project

We are entering the construction phase of the long-awaited West Main Street Sidewalk Project, and these are the funds needed to cover the construction costs associated with the project. Although the Town has been paying 20% of these costs over the last several years due to the length of the project, costs have gone up. This has no tax impact since it is covered by InvestNH funds that the Town received a couple of years ago

Articles 19 – Sidewalk Tractor

This article is to enter a 5-year lease purchase to buy a new sidewalk tractor and replace our 1999 trackless sidewalk tractor. This article raises and appropriates the first year's payment of \$46,105.95 and the remaining 4 payments will be reflected in the Highway Department operating budget over the

next 4 years (one per year). As was suggested to the Selectboard at the Budget Public Hearing, our Road Agent, Foreman, Light Equipment Operator (this is the person who drives the equipment), and Fleet Mechanical Supervisor have looked at various used options as well as different make/models, however they feel strongly that based on the presence of light posts, fire hydrants, trees, the narrow bridge on Bride Street, etc. that are part of our sidewalk infrastructure in Hillsborough and which need to be plowed around, we need one that can articulate these types of obstacles.

Articles 20 – Fire Truck (Pumper/Heavy Rescue)

This article is to enter into a 10-year lease purchase to purchase a new pumper/heavy rescue truck for the Fire Department. Our current Heavy Rescue is 26 years old and is in need of replacement and since currently once a new truck is ordered it takes approximately 2 or so years to be delivered due to manufacturing time, it will be closer to 30 once we accept delivery of a replacement if ordered this year. Combining the ability to also use it as a pumper will enable us to have two vehicles in one on scene of an emergency without a second truck driver and operator needed.

Because we don't have the cash in our Capital Reserve Fund to place a downpayment on a purchase of this size, the only way we are able to order the truck is to enter the financing now. Our finance company will pre-pay for the truck (saving us approximately \$75K- \$80K) and require the manufacturer to supply us with a performance bond insuring delivery. This is done all the time when it comes to equipment that needs to be built to order.

Article 21 – Granite VNA Organization funding request

Granite VNA Organization requested funds to help offset the cost of providing home-based health care and community wellness services to adults and children in Hillsborough. As has been done in the past when Health Agencies or other organizations request funding from the Board for services offered to residents, this warrant article is being brought before our voters. The information provided by VNA is that last year, 4,403 Hillsborough residents received services totaling \$890,652 and although some are covered by insurance and their insurance is billed, some are not, and some residents don't have the means to pay what isn't covered by their insurance. In addition to requesting support from municipalities, Granite VNA conducts fundraising activities and seeks funds from private foundations to also help offset these costs.

In response to questions asked at the public hearing on whether or not the VNA can guarantee that any funds provided by Hillsborough will go towards care given to Hillsborough residents.

Article 24 – Elderly Exemption Update

The last time the Elderly Exemption was updated was in 2017 and since then, the cost of living has increased as have property values. This exemption allows a break on property values for qualified individuals from the age of 65 years and up.

(Articles 22, 23, 25 and 26 are non-financial petitioned articles that are not part of the budget of the Town)