



AGENDA

Derry Municipal Center
14 Manning Street

Tuesday, October 6, 2026
3rd Floor Meeting Room

5:45 PM **Non-Public Session 91A: 3II (e) – Consideration of or negotiations of pending claims or litigation which has been threatened in writing or filed by or against this board or any subdivision thereof, or against any member thereof because of his or her membership therein, until the claim or litigation has been fully adjudicated or otherwise settled.**

Non-Public Session 91A:3 II (I) – Consideration of legal advice provided by legal counsel, either in writing or orally, to one or more members of the public body; even where legal counsel is not present.

7:00 PM **Call to order**

(For General Information)

The Town Council voluntarily continues to offer remote participation:

To Attend this Meeting:

Use a PC, Mac, iPad, iPhone or Android device:

URL: <https://zoom.us/j/889403895> Your browser may ask you to install Zoom

Enter Meeting ID: 889-403-895

By Phone:

Phone number: 646-558-8656

Enter Meeting ID: 889-403-895

If you have problems calling in during a scheduled meeting time, call 603-845-5585 or email cristinaquilford@derrynh.gov

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Pledge of Allegiance, warning of fire exits, handicap access and silence of cell phones

**Roll Call**

**Public Forum – 30 Minutes**

## Consent Agenda –

- 26-90** Approve Non-Public Minutes – September 15, 2026
- 26-91** Approve Minutes – September 15, 2026
- 26-92** Approve Minutes – Special Meeting – September 22, 2026
- 26-93** Resolution 2026-055 – Approve a reduction of appropriations and associated lease revenue to purchase capital equipment and to authorize the execution and delivery of a Master Lease Purchase Agreement to purchase capital equipment
- 26-94** Resolution #2026-056 – Authorize the Town to apply, receive and expend a grant from the New Hampshire Department of Environmental Services for Milfoil Treatment
- 26-95** Resolution #2026-057 – Authorize the Town to receive and expend a grant from the Beaver Lake Improvement Association for Milfoil Treatment

## Chair's Report –

- \*\*\*\* Appointment of Trustee for Taylor Library
- \*\*\*\* Announcement – No Town Council Meeting on November 3, 2026 General Election

## Town Administrator's Report –

- \*\*\*\* Presentation on Exemptions and Credits

## Public Hearings –

- 26-85** Resolution #2026-052 – Accept a Bureau of Justice Assistant Grant for Law Enforcement Equipment – **Police Captain David Michaud presenting**
- 26-86** Resolution #2026-054 - Approve Covenants and Commercial-Industrial Tax Relief Application for 12 A Street – **Town Administrator Michael Fowler presenting**  
**Development Director Bev Donovan presenting**
- 26-89** Ordinance #2026-004 – Adopt Chapter 40 of the General Code regarding Electioneering at Election Poles – **Town Clerk Tina Guilford presenting**

## Council Comments / Liaison Reports

## Adjourn

## Upcoming Meetings:

**October 20, 2026 @ 7PM**

**Town Council Meeting**

**DMC**

**Advisory Notice...** The Town Council may, during any public meeting, vote to convene a non-public meeting in compliance with RSA 91A:3 Section II. A motion to do so will be made in public session and the motion will cite the applicable subsection of the law. Further, in compliance with RSA 91A:3 Section I, the Town Council may recess a public meeting for a period of time in order to excuse itself for the purpose of discussing matters not subject to the definition of a meeting.

**Posted: 10/02/2026 – Derry Municipal Center, Derry Public Library, Taylor Library, Website**



14 Manning Street – 3<sup>rd</sup> Floor – Derry, NH 03038  
Derry Municipal Center - 603-845-5407  
[Economicdevelopment@derrynh.org](mailto:Economicdevelopment@derrynh.org)  
[www.derrynh.org](http://www.derrynh.org)

**To:** Mike Fowler, Town Administrator  
Elizabeth Robidoux, Planning Director

**From:** Beverly Donovan, Economic Development Director

**Date:** September 10, 2026

**Subject:** 12 A Street  
Engineered Pressure Systems, Inc (EPSI)  
Commercial/Industrial Tax Relief Application

The Economic Development Department is in receipt of an application for Commercial/Industrial Tax Relief, submitted by Paul LaBrosse of Engineered Pressure Systems, Inc (EPSI), on July 11, 2026. (Hard copy of application to follow once received.) The application appears to be complete per the process outlined in Chapter 138, Taxation, Section 138-40.

The new proposed structure qualifies as it will improve previously vacant industrial land. There is public benefit to be had by granting the property tax exemption as the proposal will enhance economic vitality in an area of town that has been slow attract industrial development; the uses will promote a sense of community; and the proposal creates new job opportunities for the region. The duration and amount of the tax exemption would be at the discretion of Town Council.

A copy of the application has been forwarded to the Assessing Department.

*Beverly Donovan*  
Economic Development Director  
Town of Derry  
14 Manning Street, 3rd Floor  
Derry, NH 03038  
[beverlydonovan@derrynh.gov](mailto:beverlydonovan@derrynh.gov)  
[www.derrynh.gov](http://www.derrynh.gov)  
(603) 845-5407 – O  
(603) 235-0857 – M

# Fund Allocation & Proposed Project

- **Total Allocation:**

- For Derry \$14,341
- Applicant and Fiscal Agent Administrative Fee (7%): \$1,003
- Remaining Available Funds: \$13,338

- **Proposed Project(s):**

- Protech Hardwire Tactical Plates (12 sets) \$14,300.00
- Estimated local funds required \$962.00

TOTAL FOR ALL PROPOSED PROJECTS - \$14,300.00

# EXEMPTIONS AND VETERANS' CREDITS

October 6, 2026

# General Information

- Tonight's presentation is designed to be informative as a prompt for future discussion and policy decisions.
- The Town has occasionally reviewed the levels of exemptions and credits granted.
- The Town operates on a fiscal year budget – ending June 30.
- The State of New Hampshire Department of Revenue Administration has oversight on municipal taxing authority.

# General Information

- Annually, the Town's budget is calculated by the maximum allowable increase to the tax rate per Town Charter.
- By design, Veterans' Credits and exemptions are a redistribution of the tax levy.
- CAUTION – 2026 is revaluation year and the FY 27 CPI – U tax rate increase was 3.3%.
- CPI – U Data will be finalized in January 2027, but the maximum allowable increase is trending towards 3.5% for FY 28.

# General Information

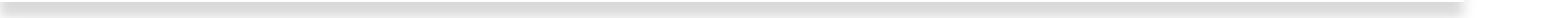
|                                                       |                     |                   |                  |
|-------------------------------------------------------|---------------------|-------------------|------------------|
| <b><i>Tax Cap Calculation</i></b>                     |                     |                   |                  |
| <b><i>FY28 Budget</i></b>                             |                     |                   |                  |
|                                                       |                     |                   |                  |
| Northeast Region CPI-U December, 2026                 |                     | 3.50%             |                  |
|                                                       |                     |                   |                  |
|                                                       | 2026 Rate           | 2026 Rate x CPI-U | 2027 Max Rate    |
| 2026 Town Tax Rate                                    | \$ 5.57             | \$ 0.19           | \$ 5.76          |
| 2026 Assessed Valuation                               | \$ 5,710,000,000.00 | x Increase/1000   | \$ 1,113,164.50  |
| 2026 Estimated New Construction                       | \$ 55,000,000.00    | x Max Rate/1000   | \$ 317,072.25    |
|                                                       |                     |                   |                  |
| Maximum Allowable Additional Tax Dollars to be Raised |                     |                   | \$ 1,430,236.75  |
| 2026 Tax Effort (Includes Vet Credits and Overlay)    |                     |                   | \$ 31,817,422.00 |
| Total Maximum Tax Effort - 2027:                      |                     |                   | \$ 33,247,658.75 |

# Budget Pressures

- Employee Health Insurance has increased 15% and 27% in the past two fiscal years.
- Costs for capital equipment continue to rise at a rate greater than the reported CPI.
- Employee contracts are in alignment with CPI, but 6 of 7 contracts expire June 30, 2029.
- If HB 1331 consolidates the Town and School budgets under a tax cap – impacts from School would need to be considered.

# Four Programs



- Elderly Exemption Program
  - Veterans' Tax Credit
  - Service-Connected Total Disability Tax Credit
  - Blind Exemption
- 

# Elderly Exemptions

- Program eligibility contains income and asset caps.
- Income Cap - \$35,000 single      \$45,000 married
- Asset Cap - \$150,000
- Exemption Levels vary by applicant age:
  - 65-74      \$85,000
  - 75-79      \$125,000
  - 80+      \$165,000

# Elderly Exemptions

- Tax Year 2024 = \$24 million (0.43% of total assessment)
- Tax Year 2025 = 183 exemptions totaling \$22.1 million (0.38%)
- Exemptions carry across all components of tax bill.
- Town only redistribution = \$119,119

# Elderly Exemptions - Comps

- Review of neighboring communities and peer population communities reveals the following:
- Derry's exemption values lag behind neighbors.
- Derry's Median Household Income and Assessed Value per capita lag behind the neighbors.
- Derry also has lower exemption values as compared to peers.
- Derry's Median Household Income and Assessed Value per capita lag behind the peer communities but not as severe.

# Elderly Exemptions vs. Neighbors

| <i>Abutting Communities</i> |             |                  | <i>Exemption Amounts</i> |       |               |        |                 |        |
|-----------------------------|-------------|------------------|--------------------------|-------|---------------|--------|-----------------|--------|
| <i>Community</i>            | <i>Rank</i> | <i>AV/Capita</i> | <i>@65</i>               |       | <i>@75</i>    |        | <i>@80</i>      |        |
| Atkinson                    | 5           | \$ 218,162       | \$ 155,000.00            | 71.0% | \$ 225,000.00 | 103.1% | \$ 300,000.00   | 137.5% |
| Auburn                      | 3           | \$ 237,486       | \$ 200,000.00            | 84.2% | \$ 230,000.00 | 96.8%  | \$ 280,000.00   | 117.9% |
| Chester                     | 6           | \$ 217,408       | \$ 154,000.00            | 70.8% | \$ 196,000.00 | 90.2%  | \$ 238,000.00   | 109.5% |
| Derry                       | 9           | \$ 164,418       | \$ 85,000.00             | 51.7% | \$ 125,000.00 | 76.0%  | \$ 165,000.00   | 100.4% |
| Hampstead                   | 4           | \$ 226,897       | \$ 210,000.00            | 92.6% | \$ 280,000.00 | 123.4% | \$ 322,000.00   | 141.9% |
| Londonderry                 | 2           | \$ 266,380       | \$ 175,000.00            | 65.7% | \$ 225,000.00 | 84.5%  | \$ 300,000.00   | 112.6% |
| Salem                       | 7           | \$ 213,227       | \$ 120,000.00            | 56.3% | \$ 180,000.00 | 84.4%  | \$ 245,000.00   | 114.9% |
| Sandown                     | 8           | \$ 174,155       | \$ 110,000.00            | 63.2% | \$ 130,000.00 | 74.6%  | \$ 150,000.00   | 86.1%  |
| Windham                     | 1           | \$ 327,809       | \$ 200,000.00            | 61.0% | \$ 225,000.00 | 68.6%  | \$ 1,000,000.00 | 305.1% |
| Median AV/Capita            |             | \$ 218,162       | \$ 155,000.00            | 65.7% | \$ 225,000.00 | 84.5%  | \$ 280,000.00   | 114.9% |

# Elderly Exemptions vs. Peers

| Ten Largest Municipalities |      |            | Exemption Amounts |        |               |        |               |        |
|----------------------------|------|------------|-------------------|--------|---------------|--------|---------------|--------|
| Community                  | Rank | AV/Capita  | @65               |        | @75           |        | @80           |        |
| Concord                    | 9    | \$ 119,984 | \$ 80,000.00      | 66.7%  | \$ 131,000.00 | 109.2% | \$ 223,000.00 | 185.9% |
| Derry                      | 7    | \$ 164,418 | \$ 85,000.00      | 51.7%  | \$ 125,000.00 | 76.0%  | \$ 165,000.00 | 100.4% |
| Dover                      | 4    | \$ 191,888 | \$ 206,000.00     | 107.4% | \$ 291,000.00 | 151.7% | \$ 373,000.00 | 194.4% |
| Hudson                     | 3    | \$ 196,377 | \$ 105,000.00     | 53.5%  | \$ 125,000.00 | 63.7%  | \$ 150,000.00 | 76.4%  |
| Londonderry                | 1    | \$ 266,380 | \$ 175,000.00     | 65.7%  | \$ 225,000.00 | 84.5%  | \$ 300,000.00 | 112.6% |
| Manchester                 | 10   | \$ 113,822 | \$ 156,000.00     | 137.1% | \$ 210,000.00 | 184.5% | \$ 280,000.00 | 246.0% |
| Merrimack                  | 6    | \$ 171,069 | \$ 85,000.00      | 49.7%  | \$ 115,000.00 | 67.2%  | \$ 150,000.00 | 87.7%  |
| Nashua                     | 5    | \$ 177,939 | \$ 256,000.00     | 143.9% | \$ 295,000.00 | 165.8% | \$ 363,000.00 | 204.0% |
| Rochester                  | 8    | \$ 153,933 | \$ 112,500.00     | 73.1%  | \$ 150,000.00 | 97.4%  | \$ 187,500.00 | 121.8% |
| Salem                      | 2    | \$ 213,227 | \$ 120,000.00     | 56.3%  | \$ 180,000.00 | 84.4%  | \$ 245,000.00 | 114.9% |
| Median AV/Capita           |      | \$ 174,504 | \$ 116,250.00     | 66.2%  | \$ 165,000.00 | 91.0%  | \$ 234,000.00 | 118.4% |

# Income Limits vs. Neighbors

| <i>Abutting Communities</i>     |             |                                | <i>Eligibility Requirements</i> |                 |                          |                 |
|---------------------------------|-------------|--------------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <i>Community</i>                | <i>Rank</i> | <i>Median Household Income</i> | <i>Elderly - Single</i>         | <i>% of MHI</i> | <i>Elderly - Married</i> | <i>% of MHI</i> |
| Atkinson                        | 3           | \$ 146,380.00                  | \$ 40,500.00                    | 27.7%           | \$ 50,000.00             | 34.2%           |
| Auburn                          | 2           | \$ 153,253.00                  | \$ 35,000.00                    | 22.8%           | \$ 50,000.00             | 32.6%           |
| Chester                         | 4           | \$ 142,212.00                  | \$ 40,000.00                    | 28.1%           | \$ 60,000.00             | 42.2%           |
| <b>Derry</b>                    | <b>9</b>    | <b>\$ 91,673.00</b>            | <b>\$ 45,000.00</b>             | <b>49.1%</b>    | <b>\$ 55,000.00</b>      | <b>60.0%</b>    |
| Hampstead                       | 7           | \$ 112,348.00                  | \$ 40,000.00                    | 35.6%           | \$ 70,000.00             | 62.3%           |
| Londonderry                     | 6           | \$ 119,571.00                  | \$ 48,400.00                    | 40.5%           | \$ 59,600.00             | 49.8%           |
| Salem                           | 8           | \$ 110,490.00                  | \$ 41,000.00                    | 37.1%           | \$ 55,000.00             | 49.8%           |
| Sandown                         | 5           | \$ 135,040.00                  | \$ 50,000.00                    | 37.0%           | \$ 100,000.00            | 74.1%           |
| Windham                         | 1           | \$ 189,583.00                  | \$ 55,000.00                    | 29.0%           | \$ 65,000.00             | 34.3%           |
| <b>Median Household Income:</b> |             | <b>\$ 135,040.00</b>           | <b>\$ 41,000.00</b>             | <b>35.6%</b>    | <b>\$ 59,600.00</b>      | <b>49.8%</b>    |

# Income Limits vs. Peers

| <i>Ten Largest Municipalities</i> |             |                         | <i>Eligibility Requirements</i> |                 |                          |                 |
|-----------------------------------|-------------|-------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <i>Community</i>                  | <i>Rank</i> | <i>Household Income</i> | <i>Elderly - Single</i>         | <i>% of MHI</i> | <i>Elderly - Married</i> | <i>% of MHI</i> |
| Concord                           | 8           | \$ 84,902.00            | \$ 60,000.00                    | 70.7%           | \$ 150,000.00            | 176.7%          |
| Derry                             | 7           | \$ 91,673.00            | \$ 45,000.00                    | 49.1%           | \$ 55,000.00             | 60.0%           |
| Dover                             | 6           | \$ 94,829.00            | \$ 52,600.00                    | 55.5%           | \$ 71,600.00             | 75.5%           |
| Hudson                            | 5           | \$ 95,842.00            | \$ 50,000.00                    | 52.2%           | \$ 60,000.00             | 62.6%           |
| Londonderry                       | 2           | \$ 119,571.00           | \$ 48,400.00                    | 40.5%           | \$ 59,600.00             | 49.8%           |
| Manchester                        | 9           | \$ 81,007.00            | \$ 47,000.00                    | 58.0%           | \$ 63,000.00             | 77.8%           |
| Merrimack                         | 1           | \$ 127,219.00           | \$ 45,000.00                    | 35.4%           | \$ 60,000.00             | 47.2%           |
| Nashua                            | 4           | \$ 96,326.00            | \$ 54,000.00                    | 56.1%           | \$ 54,000.00             | 56.1%           |
| Rochester                         | 10          | \$ 80,386.00            | \$ 40,000.00                    | 49.8%           | \$ 57,000.00             | 70.9%           |
| Salem                             | 3           | \$ 110,490.00           | \$ 41,000.00                    | 37.1%           | \$ 55,000.00             | 49.8%           |
| Median Household Income:          |             | \$ 95,335.50            | \$ 47,700.00                    | 49.8%           | \$ 59,800.00             | 60.0%           |

# Elderly Exemptions vs. Neighbors

| <i>Abutting Communities</i> |             |                  | <i>Exemption Amounts</i> |       |               |        |                 |        |
|-----------------------------|-------------|------------------|--------------------------|-------|---------------|--------|-----------------|--------|
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| Derry                       | 9           | \$ 164,418       | \$ 85,000.00             | 51.7% | \$ 125,000.00 | 76.0%  | \$ 165,000.00   | 100.4% |
| Hampstead                   | 4           | \$ 226,897       | \$ 210,000.00            | 92.6% | \$ 280,000.00 | 123.4% | \$ 322,000.00   | 141.9% |
| Londonderry                 | 2           | \$ 266,380       | \$ 175,000.00            | 65.7% | \$ 225,000.00 | 84.5%  | \$ 300,000.00   | 112.6% |
| Salem                       | 7           | \$ 213,227       | \$ 120,000.00            | 56.3% | \$ 180,000.00 | 84.4%  | \$ 245,000.00   | 114.9% |
| Sandown                     | 8           | \$ 174,155       | \$ 110,000.00            | 63.2% | \$ 130,000.00 | 74.6%  | \$ 150,000.00   | 86.1%  |
| Windham                     | 1           | \$ 327,809       | \$ 200,000.00            | 61.0% | \$ 225,000.00 | 68.6%  | \$ 1,000,000.00 | 305.1% |
| Median AV/Capita            |             | \$ 218,162       | \$ 155,000.00            | 65.7% | \$ 225,000.00 | 84.5%  | \$ 280,000.00   | 114.9% |

# Elderly Exemptions vs. Peers

| <i>Ten Largest Municipalities</i> |             |                  | <i>Exemption Amounts</i> |        |               |        |               |        |
|-----------------------------------|-------------|------------------|--------------------------|--------|---------------|--------|---------------|--------|
| <i>Community</i>                  | <i>Rank</i> | <i>AV/Capita</i> | <i>@65</i>               |        | <i>@75</i>    |        | <i>@80</i>    |        |
| Concord                           | 9           | \$ 119,984       | \$ 80,000.00             | 66.7%  | \$ 131,000.00 | 109.2% | \$ 223,000.00 | 185.9% |
| Derry                             | 7           | \$ 164,418       | \$ 85,000.00             | 51.7%  | \$ 125,000.00 | 76.0%  | \$ 165,000.00 | 100.4% |
| Dover                             | 4           | \$ 191,888       | \$ 206,000.00            | 107.4% | \$ 291,000.00 | 151.7% | \$ 373,000.00 | 194.4% |
| Hudson                            | 3           | \$ 196,377       | \$ 105,000.00            | 53.5%  | \$ 125,000.00 | 63.7%  | \$ 150,000.00 | 76.4%  |
| Londonderry                       | 1           | \$ 266,380       | \$ 175,000.00            | 65.7%  | \$ 225,000.00 | 84.5%  | \$ 300,000.00 | 112.6% |
| Manchester                        | 10          | \$ 113,822       | \$ 156,000.00            | 137.1% | \$ 210,000.00 | 184.5% | \$ 280,000.00 | 246.0% |
| Merrimack                         | 6           | \$ 171,069       | \$ 85,000.00             | 49.7%  | \$ 115,000.00 | 67.2%  | \$ 150,000.00 | 87.7%  |
| Nashua                            | 5           | \$ 177,939       | \$ 256,000.00            | 143.9% | \$ 295,000.00 | 165.8% | \$ 363,000.00 | 204.0% |
| Rochester                         | 8           | \$ 153,933       | \$ 112,500.00            | 73.1%  | \$ 150,000.00 | 97.4%  | \$ 187,500.00 | 121.8% |
| Salem                             | 2           | \$ 213,227       | \$ 120,000.00            | 56.3%  | \$ 180,000.00 | 84.4%  | \$ 245,000.00 | 114.9% |
|                                   |             |                  |                          |        |               |        |               |        |
| Median AV/Capita                  |             | \$ 174,504       | \$ 116,250.00            | 66.2%  | \$ 165,000.00 | 91.0%  | \$ 234,000.00 | 118.4% |

# Asset Limits vs. Neighbors

| <i>Abutting Communities</i> |                                | <i>Eligibility Requirements</i> |                 |                              |                 |
|-----------------------------|--------------------------------|---------------------------------|-----------------|------------------------------|-----------------|
| <i>Community</i>            | <i>Median Household Income</i> | <i>Asset Level - Single</i>     | <i>% of MHI</i> | <i>Asset Level - Married</i> | <i>% of MHI</i> |
| Atkinson                    | \$ 146,380.00                  | \$300,000.00                    | 204.9%          | \$ 300,000.00                | 204.9%          |
| Auburn                      | \$ 153,253.00                  | \$ 50,000.00                    | 32.6%           | \$ 50,000.00                 | 32.6%           |
| Chester                     | \$ 142,212.00                  | \$300,000.00                    | 211.0%          | \$ 300,000.00                | 211.0%          |
| <b>Derry</b>                | <b>\$ 91,673.00</b>            | <b>\$150,000.00</b>             | <b>163.6%</b>   | <b>\$150,000.00</b>          | <b>163.6%</b>   |
| Hampstead                   | \$ 112,348.00                  | \$100,000.00                    | 89.0%           | \$100,000.00                 | 89.0%           |
| Londonderry                 | \$ 119,571.00                  | \$162,300.00                    | 135.7%          | \$162,300.00                 | 135.7%          |
| Salem                       | \$ 110,490.00                  | \$140,000.00                    | 126.7%          | \$140,000.00                 | 126.7%          |
| Sandown                     | \$ 135,040.00                  | \$200,000.00                    | 148.1%          | \$ 200,000.00                | 148.1%          |
| Windham                     | \$ 189,583.00                  | \$300,000.00                    | 158.2%          | \$ 300,000.00                | 158.2%          |
|                             |                                |                                 |                 |                              |                 |
|                             | \$ 135,040.00                  | \$162,300.00                    | 148.1%          | \$162,300.00                 | 148.1%          |

# Asset Limits vs. Peers

| <i>Ten Largest Municipalities</i> |                                | <i>Eligibility Requirements</i> |                 |                          |                 |
|-----------------------------------|--------------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <i>Community</i>                  | <i>Median Household Income</i> | <i>Elderly - Single</i>         | <i>% of MHI</i> | <i>Elderly - Married</i> | <i>% of MHI</i> |
| Concord                           | \$ 84,902.00                   | \$150,000.00                    | 176.7%          | \$150,000.00             | 176.7%          |
| Derry                             | \$ 91,673.00                   | \$150,000.00                    | 163.6%          | \$150,000.00             | 163.6%          |
| Dover                             | \$ 94,829.00                   | \$206,200.00                    | 217.4%          | \$206,200.00             | 217.4%          |
| Hudson                            | \$ 95,842.00                   | \$160,000.00                    | 166.9%          | \$160,000.00             | 166.9%          |
| Londonderry                       | \$119,571.00                   | \$162,300.00                    | 135.7%          | \$162,300.00             | 135.7%          |
| Manchester                        | \$ 81,007.00                   | \$100,000.00                    | 123.4%          | \$130,000.00             | 160.5%          |
| Merrimack                         | \$127,219.00                   | \$200,000.00                    | 157.2%          | \$200,000.00             | 157.2%          |
| Nashua                            | \$ 96,326.00                   | \$162,000.00                    | 168.2%          | \$162,000.00             | 168.2%          |
| Rochester                         | \$ 80,386.00                   | \$124,000.00                    | 154.3%          | \$124,000.00             | 154.3%          |
| Salem                             | \$110,490.00                   | \$140,000.00                    | 126.7%          | \$140,000.00             | 126.7%          |
|                                   |                                |                                 |                 |                          |                 |
|                                   | \$ 95,335.50                   | \$155,000.00                    | 157.2%          | \$155,000.00             | 160.5%          |

# Exemptions – Reasons for Denial

|                               | 2026 |       | 2025 |       | 2024 |       | 2023 |       | 2022 |       |
|-------------------------------|------|-------|------|-------|------|-------|------|-------|------|-------|
| <i>Elderly Approved</i>       | 12   | 66.7% | 14   | 70.0% | 21   | 80.8% | 30   | 85.7% | 15   | 78.9% |
| <i>Elderly Denied</i>         | 6    | 33.3% | 6    | 30.0% | 5    | 19.2% | 5    | 14.3% | 4    | 21.1% |
| <i>Total</i>                  | 18   |       | 20   |       | 26   |       | 35   |       | 19   |       |
|                               |      |       |      |       |      |       |      |       |      |       |
| <i>Reason for Denial</i>      |      |       |      |       |      |       |      |       |      |       |
| <i>Over income</i>            | 4    |       | 6    |       | 5    |       | 2    |       | 1    |       |
| <i>Over assets</i>            | 2    |       | 0    |       | 0    |       | 0    |       | 3    |       |
| <i>Incomplete application</i> |      |       |      |       |      |       | 3    |       |      |       |

# Elderly Exemptions - Takeaways

- Lower Median Income and Assessed Value Per Capita should be evaluated in tandem as Town Council considers options.
- It appears that income is the more prevalent reason for denial.
- Council could consider increasing the income limit in alignment with recent CPI increases.
- Exemption Values could be increased in conjunction with valuation increase from 2026 revaluation.

# Veterans' Tax Credit

- Program eligibility aligns with RSA 72:28 with service during times of a qualifying war or armed conflict.
- Derry's Credit is \$550 – State law allows up to \$750
- Derry does not offer the All-Veterans Credit as other communities do.
- This program is a credit from the tax bill as opposed to a reduction in assessment.

# Veterans' Tax Credit

| Year |  | Veterans | Reg Credit |  | Disabled | Disabled Cre |  |  | Total Vets | Total Amount |
|------|--|----------|------------|--|----------|--------------|--|--|------------|--------------|
|      |  |          |            |  |          |              |  |  |            |              |
| 2025 |  | 583      | \$550      |  | 105      | \$2,950      |  |  | 688        | \$625,425    |
| 2024 |  | 710      | \$550      |  | 78       | \$2,400      |  |  | 788        | \$575,750    |
| 2023 |  | 731      | \$500      |  | 71       | \$2,400      |  |  | 802        | \$543,683    |

# Service Connected Total Disabled Veterans' Tax Credit Program

- Recent legislation prohibits Veterans from stacking multiple credits.
- Formerly, the Service-Connected Total Disabled Tax Credit was \$2,400 along with the standard \$550 Veterans' credit.
- Derry adopted a single \$2,950 Service Connected Total Disabled Veteran Tax Credit, because Veterans could no longer claim both.
- The number of recipients at \$2,950 increased to 105 in 2025.
- Standard Credit at \$550 decreased to 583 recipients.
- The total number of recipients declined to 688, but credit amount increased to \$625k.

# Veterans' Credits vs. Neighbors

| <i>Abutting Communities</i> |             |                  |                   |                     |                 |                     |                            |
|-----------------------------|-------------|------------------|-------------------|---------------------|-----------------|---------------------|----------------------------|
| <i>Community</i>            | <i>Rank</i> | <i>AV/Capita</i> | <i>Vet Credit</i> | <i># of Credits</i> | <i>All Vets</i> | <i># of Credits</i> | <i>Taxes Redistributed</i> |
| Atkinson                    | 5           | \$ 218,162       | \$ 750.00         | 314                 | \$ 500.00       | 50                  | \$ 321,125                 |
| Auburn                      | 3           | \$ 237,486       | \$ 500.00         | 254                 | \$ 500.00       | 18                  | \$ 196,000                 |
| Chester                     | 6           | \$ 217,408       | \$ 750.00         | 193                 | \$ 750.00       | 26                  | \$ 244,250                 |
| Derry                       | 9           | \$ 164,418       | \$ 550.00         | 710                 | \$ -            |                     | \$ 575,850                 |
| Hampstead                   | 4           | \$ 226,897       | \$ 750.00         | 308                 | \$ 750.00       | 80                  | \$ 355,000                 |
| Londonderry                 | 2           | \$ 266,380       | \$ 750.00         | 762                 | \$ 750.00       | 175                 | \$ 1,004,750               |
| Salem                       | 7           | \$ 213,227       | \$ 750.00         | 829                 | \$ 750.00       | 120                 | \$ 837,750                 |
| Sandown                     | 8           | \$ 174,155       | \$ 750.00         | 206                 | \$ 750.00       | 29                  | \$ 214,250                 |
| Windham                     | 1           | \$ 327,809       | \$ 750.00         | 391                 | \$ 750.00       | 69                  | \$ 432,000                 |
|                             |             |                  |                   |                     |                 |                     |                            |
| Median AV/Capita            |             | \$ 218,162       |                   |                     |                 |                     |                            |

# Veterans' Credits vs. Peers

| <i>Ten Largest Municipalities</i> |             |                  |           |       |           |     |              |
|-----------------------------------|-------------|------------------|-----------|-------|-----------|-----|--------------|
| <i>Community</i>                  | <i>Rank</i> | <i>AV/Capita</i> |           |       |           |     |              |
| Concord                           | 9           | \$ 119,984       | \$ 300.00 | 769   | \$ 300.00 | 72  | \$ 431,250   |
| Derry                             | 7           | \$ 164,418       | \$ 550.00 | 710   | \$ -      |     | \$ 575,850   |
| Dover                             | 4           | \$ 191,888       | \$ 750.00 | 850   | \$ 750.00 | 107 | \$ 1,041,375 |
| Hudson                            | 3           | \$ 196,377       | \$ 600.00 | 846   | \$ 600.00 | 170 | \$ 822,800   |
| Londonderry                       | 1           | \$ 266,380       | \$ 750.00 | 762   | \$ 750.00 | 175 | \$ 1,004,750 |
| Manchester                        | 10          | \$ 113,822       | \$ 500.00 | 1,767 | \$ 500.00 | 186 | \$ 1,354,918 |
| Merrimack                         | 6           | \$ 171,069       | \$ 500.00 | 1,004 | \$ 500.00 | 111 | \$ 891,830   |
| Nashua                            | 5           | \$ 177,939       | \$ 750.00 | 1,957 | \$ 750.00 | 280 | \$ 1,966,690 |
| Rochester                         | 8           | \$ 153,933       | \$ 300.00 | 1,317 | \$ 300.00 | 76  | \$ 737,925   |
| Salem                             | 2           | \$ 213,227       | \$ 750.00 | 829   | \$ 750.00 | 120 | \$ 837,750   |
| Median AV/Capita                  |             | \$ 174,504       |           |       |           |     |              |

# Veterans' Credits - Takeaways

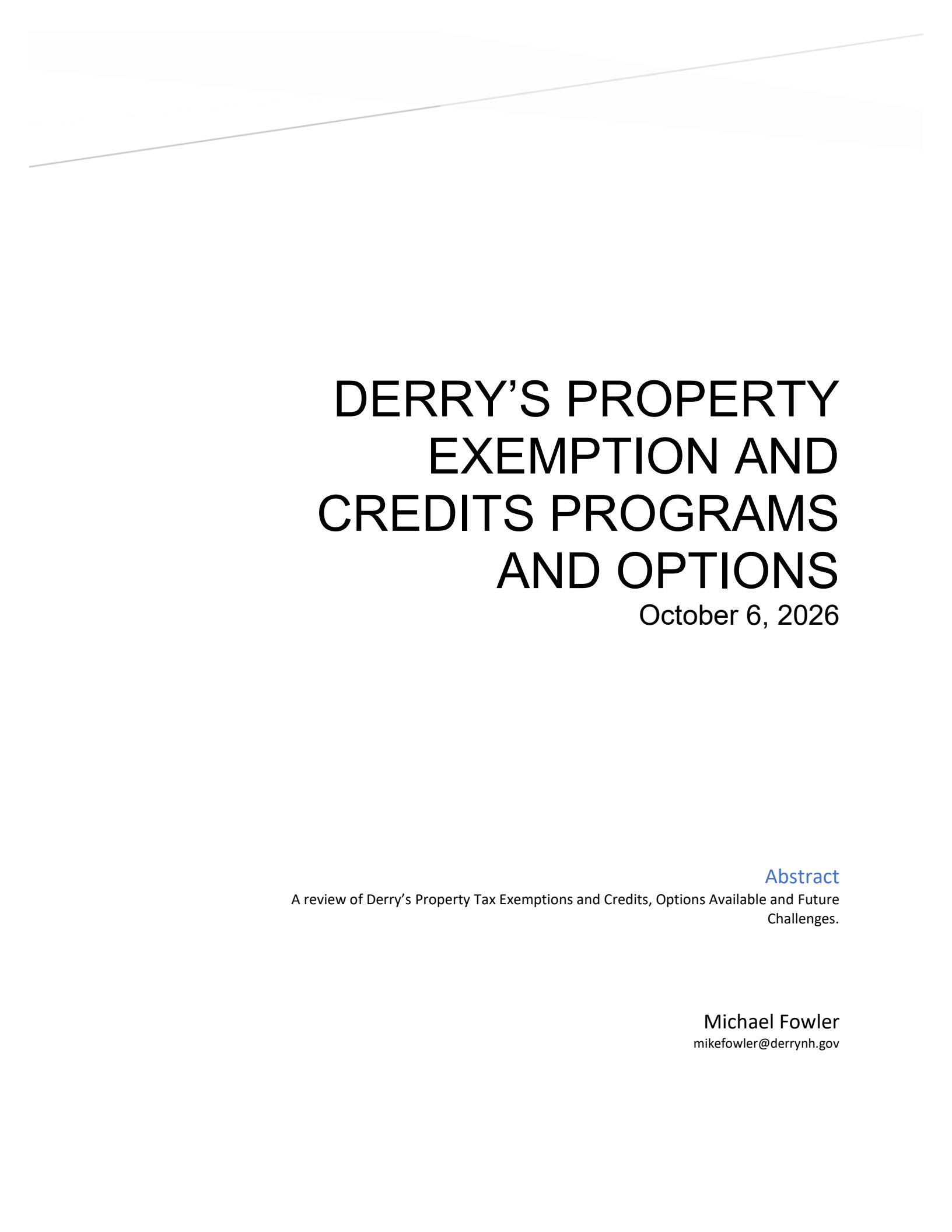
- Lower Median Income and Assessed Value Per Capita should be evaluated in tandem as Town Council considers options.
- Most communities for both the neighbor group and to lesser degree in the peer group provide the maximum credit of \$750.
- Using the 2025 figure of 688 Veterans, an increase of \$50 would result in approximately \$35k shifted to other taxpayers.
- Town Council should be aware of the trend of an increasing number of Veterans qualifying for disabled credits.

# Blind Exemption

- The Town of Derry has supported a blind exemption under RSA 72:37.
- This exemption has been the same at \$40,000 since 2006.
- There are 12 qualifying recipients currently for a total of \$480,000 in exempted value.
- Town Council could consider an increase to mirror inflation.

# Direction for the Town Administrator

- Town Council can provide direction as to which scenarios they seek to consider.
- The Veterans' credits are relatively simple to calculate.
- However, changes to the exemption programs will depend on decisions about income/asset levels along with exemption amounts.
- Most programs have April 1, 2027 application dates, so decisions to increase would need to be finalized in early 2027.
- Town Council will have several other information points in October including Health Insurance, 2026 tax rate and the CPI will be finalized in January 2027.



# DERRY'S PROPERTY EXEMPTION AND CREDITS PROGRAMS AND OPTIONS

October 6, 2026

## [Abstract](#)

A review of Derry's Property Tax Exemptions and Credits, Options Available and Future Challenges.

Michael Fowler  
[mikefowler@derrynh.gov](mailto:mikefowler@derrynh.gov)

**Introduction** – The Town Council established as an FY27 goal the review of property tax exemption and credits available to certain groups, predominantly the elderly exemptions and veterans' credits.

This report takes us through the following:

- 1) Programs now offered by the Town.
- 2) Understanding program requirements which are set by State Statute and cannot be changed by the Town Council;
- 3) Minimum program requirements as established by the State but can be adjusted by the Council;
- 4) How Derry compares in its efforts to bring relief to elderly property owners and veterans when measured against surrounding communities and the State's top ten communities in terms of population.
- 5) Fiscal impact of any changes and the ability to fund those changes; it is important to recognize that any additional exemptions or credits granted may provide fiscal relief to program participants at the expense of the remainder of taxpayers who shoulder the transfer of that tax burden.

The table below reflects the scope of elderly exemptions and veterans' credits as a percentage of valuation and total tax commitment. Derry's total tax redistribution for the exemptions and credit programs is under the median percentage values for both the neighboring communities and Top 10 population communities. Each program will receive a deeper dive in later sections of this report.

| 2024 DRA Data - Neighboring Communities |                   |                    |          |             |                  |                |                   |                |  |  |
|-----------------------------------------|-------------------|--------------------|----------|-------------|------------------|----------------|-------------------|----------------|--|--|
| Community                               | Valuation         | Elderly Exemptions | % of Val | Vets Credit | Total Commitment | % of Total Com | Total Taxes Redis | % of Total Cor |  |  |
| Atkinson                                | \$1,599,012,323   | \$ 9,398,500       | 0.59%    | \$ 321,123  | \$ 20,309,250    | 1.58%          | \$ 436,756        | 2.15%          |  |  |
| Auburn                                  | \$1,429,833,607   | \$ 3,390,000       | 0.24%    | \$ 196,000  | \$ 19,041,809    | 1.03%          | \$ 258,025        | 1.36%          |  |  |
| Chester                                 | \$1,150,670,791   | \$ 13,706,400      | 1.19%    | \$ 163,500  | \$ 18,510,537    | 0.88%          | \$ 526,431        | 2.84%          |  |  |
| Derry                                   | \$5,607,029,201   | \$ 23,999,900      | 0.43%    | \$ 575,850  | \$ 104,098,329   | 0.55%          | \$ 1,093,316      | 1.05%          |  |  |
| Hampstead                               | \$2,079,240,709   | \$ 20,102,000      | 0.97%    | \$ 355,000  | \$ 38,175,618    | 0.93%          | \$ 760,316        | 1.99%          |  |  |
| Londonderry                             | \$6,390,693,763   | \$ 36,017,300      | 0.56%    | \$1,004,750 | \$ 101,320,823   | 0.99%          | \$ 1,789,344      | 1.77%          |  |  |
| Salem                                   | \$6,650,985,802   | \$ 33,247,900      | 0.50%    | \$ 837,750  | \$ 116,031,606   | 0.72%          | \$ 1,472,957      | 1.27%          |  |  |
| Sandown                                 | \$1,155,059,000   | \$ 11,090,000      | 0.96%    | \$ 214,250  | \$ 20,238,426    | 1.06%          | \$ 411,562        | 2.03%          |  |  |
| Windham                                 | \$3,188,922,800   | \$ 15,682,400      | 0.49%    | \$ 432,000  | \$ 71,744,793    | 0.60%          | \$ 820,068        | 1.14%          |  |  |
| MEDIANS                                 |                   |                    | 0.56%    |             |                  | 0.93%          |                   | 1.77%          |  |  |
| 2024 DRA Data - Top 10 Population       |                   |                    |          |             |                  |                |                   |                |  |  |
| Community                               | Valuation         | Elderly Exemptions | % of Val | Vets Credit | Total Commitment | % of Total Com | Total Taxes Redis | % of Total Cor |  |  |
| Concord                                 | \$ 5,298,937,571  | \$ 26,072,300      | 0.49%    | \$ 431,250  | \$ 147,368,673   | 0.29%          | \$ 1,371,131      | 0.93%          |  |  |
| Derry                                   | \$ 5,607,029,201  | \$ 23,999,900      | 0.43%    | \$ 575,850  | \$ 104,098,329   | 0.55%          | \$ 1,093,316      | 1.05%          |  |  |
| Dover                                   | \$ 6,424,029,970  | \$ 63,908,500      | 0.99%    | \$1,041,375 | \$ 115,544,383   | 0.90%          | \$ 2,468,916      | 2.14%          |  |  |
| Hudson                                  | \$ 5,014,301,111  | \$ 35,919,000      | 0.72%    | \$ 822,800  | \$ 81,457,580    | 1.01%          | \$ 1,543,374      | 1.89%          |  |  |
| Londonderry                             | \$ 6,390,693,763  | \$ 36,017,300      | 0.56%    | \$1,004,750 | \$ 101,320,823   | 0.99%          | \$ 1,789,344      | 1.77%          |  |  |
| Manchester                              | \$ 13,278,951,635 | \$ 109,957,832     | 0.83%    | \$1,354,918 | \$ 258,049,007   | 0.53%          | \$ 3,761,645      | 1.46%          |  |  |
| Merrimack                               | \$ 4,982,471,004  | \$ 22,296,000      | 0.45%    | \$ 891,830  | \$ 102,071,853   | 0.87%          | \$ 1,459,414      | 1.43%          |  |  |
| Nashua                                  | \$ 16,508,348,606 | \$ 157,895,500     | 0.96%    | \$1,966,690 | \$ 259,972,092   | 0.76%          | \$ 4,899,387      | 1.88%          |  |  |
| Rochester                               | \$ 5,141,503,614  | \$ 50,436,400      | 0.98%    | \$ 737,925  | \$ 75,366,974    | 0.98%          | \$ 1,757,043      | 2.33%          |  |  |
| Salem                                   | \$ 6,650,985,802  | \$ 33,247,900      | 0.50%    | \$ 837,750  | \$ 116,031,606   | 0.72%          | \$ 1,472,957      | 1.27%          |  |  |
| MEDIANS                                 |                   |                    | 0.64%    |             |                  | 0.82%          |                   | 1.61%          |  |  |

## Elderly Exemption Program

The 2024 DRA total value of elderly exemptions granted in this program is \$24 million or 0.43% of the taxable assessment base. Although peer data is not available Statewide for 2025, Derry's 2025 figure is \$22.1M on 183 accounts which is approximately 0.38% of the Town's taxable assessment base.

### **State-Mandated Program Requirements Elderly Exemptions –**

- 1) Applications due by April 15;
- 2) Eligibility decision by July 1;
- 3) Taxpayer appeal of denial to Board of Tax and Land Appeals or Superior Court by September 1;
- 4) Applicant must have resided in State for at least 3 consecutive years prior to April 1;
- 5) Owned by a resident, or the resident's spouse, either of whom meets the age requirement for the exemption claimed, and when they have been married to each other for at least 5 consecutive years;
- 6) Defines applicable and excluded income sources;
- 7) Defines applicable and excluded asset levels (in addition to others, excludes value of primary residence);
- 8) Should municipalities grant different exemption amounts based upon age, age categories shall be 65 years up to 75 years; 75 years up to 80 years, and 80 years or older;

### **State-Mandated Minimum Program Requirements Which Can be Adjusted Locally –**

- 1) Net maximum income of \$13,400/single and \$20,400 married; Derry allows \$45,000/single and \$55,000 married.
- 2) Net asset level of \$35,000; Derry has increased that level to \$150,000.
- 3) Minimum property tax exemption of \$5,000 across all age brackets; Derry has opted to provide different levels at the three age brackets of \$85,000; \$125,000; and \$165,000, respectively.

### **Baseline Comparison Data**

A community's fiscal ability to assist its elderly homeowners can be measured in several ways. The two baseline data points which are used in this report are the community's Assessed Value/Capital and Per Capita Income. The first data point is used to determine the relative burden to the overall community when assuming additional tax obligations (as stated earlier, exemption and credit programs do not reduce the community's overall tax burden but reallocate the amount being exempted or credited to other property taxpayers). The second data point is useful when measuring an individual taxpayer's ability to absorb the additional tax burden and measure the impact of participating in the exemption programs once state-established requirements are met.

Like past reviews, Derry's effort is compared locally to those eight communities which share a common border with Derry, and to the 10 largest communities in the State. Many of the larger communities share similar characteristics of Derry's, such as a densely settled Downtown area; extensive municipal services required to service its diverse development patterns; and the daily influx of area citizens seeking services in Derry.

Derry's baseline data compared to its neighbors, first with Assessed Valuation/Capita:

| <b>Abutting Communities</b> |             |                   | <b>Exemption Amounts</b> |              |                      |              |                      |               |
|-----------------------------|-------------|-------------------|--------------------------|--------------|----------------------|--------------|----------------------|---------------|
| <b>Community</b>            | <b>Rank</b> | <b>AV/Capita</b>  | <b>@65</b>               |              | <b>@75</b>           |              | <b>@80</b>           |               |
| Atkinson                    | 5           | \$ 218,162        | \$ 155,000.00            | 71.0%        | \$ 225,000.00        | 103.1%       | \$ 300,000.00        | 137.5%        |
| Auburn                      | 3           | \$ 237,486        | \$ 200,000.00            | 84.2%        | \$ 230,000.00        | 96.8%        | \$ 280,000.00        | 117.9%        |
| Chester                     | 6           | \$ 217,408        | \$ 154,000.00            | 70.8%        | \$ 196,000.00        | 90.2%        | \$ 238,000.00        | 109.5%        |
| <b>Derry</b>                | <b>9</b>    | <b>\$ 164,418</b> | <b>\$ 85,000.00</b>      | <b>51.7%</b> | <b>\$ 125,000.00</b> | <b>76.0%</b> | <b>\$ 165,000.00</b> | <b>100.4%</b> |
| Hampstead                   | 4           | \$ 226,897        | \$ 210,000.00            | 92.6%        | \$ 280,000.00        | 123.4%       | \$ 322,000.00        | 141.9%        |
| Londonderry                 | 2           | \$ 266,380        | \$ 175,000.00            | 65.7%        | \$ 225,000.00        | 84.5%        | \$ 300,000.00        | 112.6%        |
| Salem                       | 7           | \$ 213,227        | \$ 120,000.00            | 56.3%        | \$ 180,000.00        | 84.4%        | \$ 245,000.00        | 114.9%        |
| Sandown                     | 8           | \$ 174,155        | \$ 110,000.00            | 63.2%        | \$ 130,000.00        | 74.6%        | \$ 150,000.00        | 86.1%         |
| Windham                     | 1           | \$ 327,809        | \$ 200,000.00            | 61.0%        | \$ 225,000.00        | 68.6%        | \$ 1,000,000.00      | 305.1%        |
| <b>Median AV/Capita</b>     |             | <b>\$ 218,162</b> | <b>\$ 155,000.00</b>     | <b>65.7%</b> | <b>\$ 225,000.00</b> | <b>84.5%</b> | <b>\$ 280,000.00</b> | <b>114.9%</b> |

Derry's Median Household Income:

| <b>Abutting Communities</b>     |             |                                |
|---------------------------------|-------------|--------------------------------|
| <b>Community</b>                | <b>Rank</b> | <b>Median Household Income</b> |
| Atkinson                        | 3           | \$ 146,380.00                  |
| Auburn                          | 2           | \$ 153,253.00                  |
| Chester                         | 4           | \$ 142,212.00                  |
| <b>Derry</b>                    | <b>9</b>    | <b>\$ 91,673.00</b>            |
| Hampstead                       | 7           | \$ 112,348.00                  |
| Londonderry                     | 6           | \$ 119,571.00                  |
| Salem                           | 8           | \$ 110,490.00                  |
| Sandown                         | 5           | \$ 135,040.00                  |
| Windham                         | 1           | \$ 189,583.00                  |
| <b>Median Household Income:</b> |             | <b>\$ 135,040.00</b>           |

This information may draw two observations. First, Derry's Assessed Valuation Per Capita is lowest, and at \$164,418, is at 75% of the group's median AV/Capita and is only 61% when compared to Londonderry. Second, Derry's Median Household Income is lowest among our neighbors, at 68% of median and 77% compared to Londonderry.

Similar information has been compiled for the State's ten largest communities:

| <i>Ten Largest Municipalities</i> |             |                   | <i>Exemption Amounts</i> |        |               |        |               |        |
|-----------------------------------|-------------|-------------------|--------------------------|--------|---------------|--------|---------------|--------|
| <i>Community</i>                  | <i>Rank</i> | <i>AV/Capita</i>  | <i>@65</i>               |        | <i>@75</i>    |        | <i>@80</i>    |        |
| Concord                           | 9           | \$ 119,984        | \$ 80,000.00             | 66.7%  | \$ 131,000.00 | 109.2% | \$ 223,000.00 | 185.9% |
| Derry                             | 7           | \$ 164,418        | \$ 85,000.00             | 51.7%  | \$ 125,000.00 | 76.0%  | \$ 165,000.00 | 100.4% |
| Dover                             | 4           | \$ 191,888        | \$ 206,000.00            | 107.4% | \$ 291,000.00 | 151.7% | \$ 373,000.00 | 194.4% |
| Hudson                            | 3           | \$ 196,377        | \$ 105,000.00            | 53.5%  | \$ 125,000.00 | 63.7%  | \$ 150,000.00 | 76.4%  |
| Londonderry                       | 1           | \$ 266,380        | \$ 175,000.00            | 65.7%  | \$ 225,000.00 | 84.5%  | \$ 300,000.00 | 112.6% |
| Manchester                        | 10          | \$ 113,822        | \$ 156,000.00            | 137.1% | \$ 210,000.00 | 184.5% | \$ 280,000.00 | 246.0% |
| Merrimack                         | 6           | \$ 171,069        | \$ 85,000.00             | 49.7%  | \$ 115,000.00 | 67.2%  | \$ 150,000.00 | 87.7%  |
| Nashua                            | 5           | \$ 177,939        | \$ 256,000.00            | 143.9% | \$ 295,000.00 | 165.8% | \$ 363,000.00 | 204.0% |
| Rochester                         | 8           | \$ 153,933        | \$ 112,500.00            | 73.1%  | \$ 150,000.00 | 97.4%  | \$ 187,500.00 | 121.8% |
| Salem                             | 2           | \$ 213,227        | \$ 120,000.00            | 56.3%  | \$ 180,000.00 | 84.4%  | \$ 245,000.00 | 114.9% |
| <b>Median AV/Capita</b>           |             | <b>\$ 174,504</b> | \$ 116,250.00            | 66.2%  | \$ 165,000.00 | 91.0%  | \$ 234,000.00 | 118.4% |

| <i>Ten Largest Municipalities</i> |             |                         |
|-----------------------------------|-------------|-------------------------|
| <i>Community</i>                  | <i>Rank</i> | <i>Household Income</i> |
| Concord                           | 8           | \$ 84,902.00            |
| Derry                             | 7           | \$ 91,673.00            |
| Dover                             | 6           | \$ 94,829.00            |
| Hudson                            | 5           | \$ 95,842.00            |
| Londonderry                       | 2           | \$ 119,571.00           |
| Manchester                        | 9           | \$ 81,007.00            |
| Merrimack                         | 1           | \$ 127,219.00           |
| Nashua                            | 4           | \$ 96,326.00            |
| Rochester                         | 10          | \$ 80,386.00            |
| Salem                             | 3           | \$ 110,490.00           |
| <b>Median Household Income:</b>   |             | <b>\$ 95,335.50</b>     |

Derry's AV/C is the 7<sup>th</sup> lowest in this group, at 94% of median, Derry's MHI is 7<sup>th</sup>, at 96% of median.

## How Derry Compares in its Efforts to Bring Relief to Elderly Property Owners

As noted previously, Derry has set both the **income level** at which a program applicant may participate, and the amount of exemption allowed over the State minimums, based upon the three age categories. Derry compares against both test groups for income eligibility requirements:

| <b>Abutting Communities</b>     |             |                                | <b>Eligibility Requirements</b> |                 |                          |                 |
|---------------------------------|-------------|--------------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <b>Community</b>                | <b>Rank</b> | <b>Median Household Income</b> | <b>Elderly - Single</b>         | <b>% of MHI</b> | <b>Elderly - Married</b> | <b>% of MHI</b> |
| Atkinson                        | 3           | \$ 146,380.00                  | \$ 40,500.00                    | 27.7%           | \$ 50,000.00             | 34.2%           |
| Auburn                          | 2           | \$ 153,253.00                  | \$ 35,000.00                    | 22.8%           | \$ 50,000.00             | 32.6%           |
| Chester                         | 4           | \$ 142,212.00                  | \$ 40,000.00                    | 28.1%           | \$ 60,000.00             | 42.2%           |
| <b>Derry</b>                    | <b>9</b>    | <b>\$ 91,673.00</b>            | <b>\$ 45,000.00</b>             | <b>49.1%</b>    | <b>\$ 55,000.00</b>      | <b>60.0%</b>    |
| Hampstead                       | 7           | \$ 112,348.00                  | \$ 40,000.00                    | 35.6%           | \$ 70,000.00             | 62.3%           |
| Londonderry                     | 6           | \$ 119,571.00                  | \$ 48,400.00                    | 40.5%           | \$ 59,600.00             | 49.8%           |
| Salem                           | 8           | \$ 110,490.00                  | \$ 41,000.00                    | 37.1%           | \$ 55,000.00             | 49.8%           |
| Sandown                         | 5           | \$ 135,040.00                  | \$ 50,000.00                    | 37.0%           | \$ 100,000.00            | 74.1%           |
| Windham                         | 1           | \$ 189,583.00                  | \$ 55,000.00                    | 29.0%           | \$ 65,000.00             | 34.3%           |
| <b>Median Household Income:</b> |             | <b>\$ 135,040.00</b>           | <b>\$ 41,000.00</b>             | <b>35.6%</b>    | <b>\$ 59,600.00</b>      | <b>49.8%</b>    |

| <b>Ten Largest Municipalities</b> |             |                         | <b>Eligibility Requirements</b> |                 |                          |                 |
|-----------------------------------|-------------|-------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <b>Community</b>                  | <b>Rank</b> | <b>Household Income</b> | <b>Elderly - Single</b>         | <b>% of MHI</b> | <b>Elderly - Married</b> | <b>% of MHI</b> |
| Concord                           | 8           | \$ 84,902.00            | \$ 60,000.00                    | 70.7%           | \$ 150,000.00            | 176.7%          |
| <b>Derry</b>                      | <b>7</b>    | <b>\$ 91,673.00</b>     | <b>\$ 45,000.00</b>             | <b>49.1%</b>    | <b>\$ 55,000.00</b>      | <b>60.0%</b>    |
| Dover                             | 6           | \$ 94,829.00            | \$ 52,600.00                    | 55.5%           | \$ 71,600.00             | 75.5%           |
| Hudson                            | 5           | \$ 95,842.00            | \$ 50,000.00                    | 52.2%           | \$ 60,000.00             | 62.6%           |
| Londonderry                       | 2           | \$ 119,571.00           | \$ 48,400.00                    | 40.5%           | \$ 59,600.00             | 49.8%           |
| Manchester                        | 9           | \$ 81,007.00            | \$ 47,000.00                    | 58.0%           | \$ 63,000.00             | 77.8%           |
| Merrimack                         | 1           | \$ 127,219.00           | \$ 45,000.00                    | 35.4%           | \$ 60,000.00             | 47.2%           |
| Nashua                            | 4           | \$ 96,326.00            | \$ 54,000.00                    | 56.1%           | \$ 54,000.00             | 56.1%           |
| Rochester                         | 10          | \$ 80,386.00            | \$ 40,000.00                    | 49.8%           | \$ 57,000.00             | 70.9%           |
| Salem                             | 3           | \$ 110,490.00           | \$ 41,000.00                    | 37.1%           | \$ 55,000.00             | 49.8%           |
| <b>Median Household Income:</b>   |             | <b>\$ 95,335.50</b>     | <b>\$ 47,700.00</b>             | <b>49.8%</b>    | <b>\$ 59,800.00</b>      | <b>60.0%</b>    |

You will note that Derry establishes a greater percentage of the average per capital income as compared to the maximum income thresholds and its neighbors' efforts. It should be noted, however, that the income requirements are very consistent with its peers. The disparity lies with Derry's relatively low median household income compared to both neighboring communities and to a lesser degree with the State's ten largest communities.

Listed below is the information when considering Average Valuation per Capita:

| <b>Abutting Communities</b> |  |                   | <b>Eligibility Requirements</b> |                  |                          |                  |
|-----------------------------|--|-------------------|---------------------------------|------------------|--------------------------|------------------|
| <b>Community</b>            |  | <b>AV/Capita</b>  | <b>Elderly - Single</b>         | <b>% of AV/C</b> | <b>Elderly - Married</b> | <b>% of AV/C</b> |
| Atkinson                    |  | \$ 218,162        | \$ 40,500.00                    | 18.6%            | \$ 50,000.00             | 22.9%            |
| Auburn                      |  | \$ 237,486        | \$ 35,000.00                    | 14.7%            | \$ 50,000.00             | 21.1%            |
| Chester                     |  | \$ 217,408        | \$ 40,000.00                    | 18.4%            | \$ 60,000.00             | 27.6%            |
| <b>Derry</b>                |  | <b>\$ 164,418</b> | <b>\$ 45,000.00</b>             | <b>27.4%</b>     | <b>\$ 55,000.00</b>      | <b>33.5%</b>     |
| Hampstead                   |  | \$ 226,897        | \$ 40,000.00                    | 17.6%            | \$ 70,000.00             | 30.9%            |
| Londonderry                 |  | \$ 266,380        | \$ 48,400.00                    | 18.2%            | \$ 59,600.00             | 22.4%            |
| Salem                       |  | \$ 213,227        | \$ 41,000.00                    | 19.2%            | \$ 55,000.00             | 25.8%            |
| Sandown                     |  | \$ 174,155        | \$ 50,000.00                    | 28.7%            | \$ 100,000.00            | 57.4%            |
| Windham                     |  | \$ 327,809        | \$ 55,000.00                    | 16.8%            | \$ 65,000.00             | 19.8%            |
|                             |  |                   |                                 |                  |                          |                  |
|                             |  | <b>\$ 218,162</b> | <b>\$ 41,000.00</b>             | <b>18.4%</b>     | <b>\$ 59,600.00</b>      | <b>25.8%</b>     |

| <b>Largest Municipalities</b> |  |                   | <b>Eligibility Requirements</b> |                  |                          |                  |
|-------------------------------|--|-------------------|---------------------------------|------------------|--------------------------|------------------|
| <b>Community</b>              |  | <b>AV/Capita</b>  | <b>Elderly - Single</b>         | <b>% of AV/C</b> | <b>Elderly - Married</b> | <b>% of AV/C</b> |
| Concord                       |  | \$ 119,984        | \$ 60,000.00                    | 50.0%            | \$ 150,000.00            | 125.0%           |
| <b>Derry</b>                  |  | <b>\$ 164,418</b> | <b>\$ 45,000.00</b>             | <b>27.4%</b>     | <b>\$ 55,000.00</b>      | <b>33.5%</b>     |
| Dover                         |  | \$ 191,888        | \$ 52,600.00                    | 27.4%            | \$ 71,600.00             | 37.3%            |
| Hudson                        |  | \$ 196,377        | \$ 50,000.00                    | 25.5%            | \$ 60,000.00             | 30.6%            |
| Londonderry                   |  | \$ 266,380        | \$ 48,400.00                    | 18.2%            | \$ 59,600.00             | 22.4%            |
| Manchester                    |  | \$ 113,822        | \$ 47,000.00                    | 41.3%            | \$ 63,000.00             | 55.3%            |
| Merrimack                     |  | \$ 171,069        | \$ 45,000.00                    | 26.3%            | \$ 60,000.00             | 35.1%            |
| Nashua                        |  | \$ 177,939        | \$ 54,000.00                    | 30.3%            | \$ 54,000.00             | 30.3%            |
| Rochester                     |  | \$ 153,933        | \$ 40,000.00                    | 26.0%            | \$ 57,000.00             | 37.0%            |
| Salem                         |  | \$ 213,227        | \$ 41,000.00                    | 19.2%            | \$ 55,000.00             | 25.8%            |
|                               |  |                   |                                 |                  |                          |                  |
|                               |  | <b>\$ 174,504</b> | <b>\$ 47,700.00</b>             | <b>26.3%</b>     | <b>\$ 59,800.00</b>      | <b>33.5%</b>     |

This information helps us to understand that Derry maintains a closer correlation between the income eligibility requirements and the assessed valuation per capita. Overall, Derry's income requirements are close to the median eligibility requirements for both groups.

Here's the information on the **amount of exemption** granted once eligibility is met:

| <i>Abutting Communities</i> |             |                   | <i>Exemption Amounts</i> |              |                      |              |                      |               |
|-----------------------------|-------------|-------------------|--------------------------|--------------|----------------------|--------------|----------------------|---------------|
| <i>Community</i>            | <i>Rank</i> | <i>AV/Capita</i>  | <i>@65</i>               |              | <i>@75</i>           |              | <i>@80</i>           |               |
| Atkinson                    | 5           | \$ 218,162        | \$ 155,000.00            | 71.0%        | \$ 225,000.00        | 103.1%       | \$ 300,000.00        | 137.5%        |
| Auburn                      | 3           | \$ 237,486        | \$ 200,000.00            | 84.2%        | \$ 230,000.00        | 96.8%        | \$ 280,000.00        | 117.9%        |
| Chester                     | 6           | \$ 217,408        | \$ 154,000.00            | 70.8%        | \$ 196,000.00        | 90.2%        | \$ 238,000.00        | 109.5%        |
| <b>Derry</b>                | <b>9</b>    | <b>\$ 164,418</b> | <b>\$ 85,000.00</b>      | <b>51.7%</b> | <b>\$ 125,000.00</b> | <b>76.0%</b> | <b>\$ 165,000.00</b> | <b>100.4%</b> |
| Hampstead                   | 4           | \$ 226,897        | \$ 210,000.00            | 92.6%        | \$ 280,000.00        | 123.4%       | \$ 322,000.00        | 141.9%        |
| Londonderry                 | 2           | \$ 266,380        | \$ 175,000.00            | 65.7%        | \$ 225,000.00        | 84.5%        | \$ 300,000.00        | 112.6%        |
| Salem                       | 7           | \$ 213,227        | \$ 120,000.00            | 56.3%        | \$ 180,000.00        | 84.4%        | \$ 245,000.00        | 114.9%        |
| Sandown                     | 8           | \$ 174,155        | \$ 110,000.00            | 63.2%        | \$ 130,000.00        | 74.6%        | \$ 150,000.00        | 86.1%         |
| Windham                     | 1           | \$ 327,809        | \$ 200,000.00            | 61.0%        | \$ 225,000.00        | 68.6%        | \$ 1,000,000.00      | 305.1%        |
| <b>Median AV/Capita</b>     |             | <b>\$ 218,162</b> | <b>\$ 155,000.00</b>     | <b>65.7%</b> | <b>\$ 225,000.00</b> | <b>84.5%</b> | <b>\$ 280,000.00</b> | <b>114.9%</b> |

| <i>Ten Largest Municipalities</i> |             |                   | <i>Exemption Amounts</i> |              |                      |              |                      |               |
|-----------------------------------|-------------|-------------------|--------------------------|--------------|----------------------|--------------|----------------------|---------------|
| <i>Community</i>                  | <i>Rank</i> | <i>AV/Capita</i>  | <i>@65</i>               |              | <i>@75</i>           |              | <i>@80</i>           |               |
| Concord                           | 9           | \$ 119,984        | \$ 80,000.00             | 66.7%        | \$ 131,000.00        | 109.2%       | \$ 223,000.00        | 185.9%        |
| <b>Derry</b>                      | <b>7</b>    | <b>\$ 164,418</b> | <b>\$ 85,000.00</b>      | <b>51.7%</b> | <b>\$ 125,000.00</b> | <b>76.0%</b> | <b>\$ 165,000.00</b> | <b>100.4%</b> |
| Dover                             | 4           | \$ 191,888        | \$ 206,000.00            | 107.4%       | \$ 291,000.00        | 151.7%       | \$ 373,000.00        | 194.4%        |
| Hudson                            | 3           | \$ 196,377        | \$ 105,000.00            | 53.5%        | \$ 125,000.00        | 63.7%        | \$ 150,000.00        | 76.4%         |
| Londonderry                       | 1           | \$ 266,380        | \$ 175,000.00            | 65.7%        | \$ 225,000.00        | 84.5%        | \$ 300,000.00        | 112.6%        |
| Manchester                        | 10          | \$ 113,822        | \$ 156,000.00            | 137.1%       | \$ 210,000.00        | 184.5%       | \$ 280,000.00        | 246.0%        |
| Merrimack                         | 6           | \$ 171,069        | \$ 85,000.00             | 49.7%        | \$ 115,000.00        | 67.2%        | \$ 150,000.00        | 87.7%         |
| Nashua                            | 5           | \$ 177,939        | \$ 256,000.00            | 143.9%       | \$ 295,000.00        | 165.8%       | \$ 363,000.00        | 204.0%        |
| Rochester                         | 8           | \$ 153,933        | \$ 112,500.00            | 73.1%        | \$ 150,000.00        | 97.4%        | \$ 187,500.00        | 121.8%        |
| Salem                             | 2           | \$ 213,227        | \$ 120,000.00            | 56.3%        | \$ 180,000.00        | 84.4%        | \$ 245,000.00        | 114.9%        |
| <b>Median AV/Capita</b>           |             | <b>\$ 174,504</b> | <b>\$ 116,250.00</b>     | <b>66.2%</b> | <b>\$ 165,000.00</b> | <b>91.0%</b> | <b>\$ 234,000.00</b> | <b>118.4%</b> |

This information tells us that Derry trailing the median in all three age categories with our neighboring communities, when measured on a percentage basis in terms of the relationship between the Town's Average Value per Capita and the exemption granted.

Another program restriction is the amount of **net assets** a program participant may keep retaining eligibility; a higher asset number results in an income-eligible participant maintaining greater assets to attend to long-term living needs without losing the exemption:

| <b>Abutting Communities</b> |                                | <b>Eligibility Requirements</b> |                 |                              |                 |
|-----------------------------|--------------------------------|---------------------------------|-----------------|------------------------------|-----------------|
| <b>Community</b>            | <b>Median Household Income</b> | <b>Asset Level - Single</b>     | <b>% of MHI</b> | <b>Asset Level - Married</b> | <b>% of MHI</b> |
| Atkinson                    | \$ 146,380.00                  | \$ 300,000.00                   | 204.9%          | \$ 300,000.00                | 204.9%          |
| Auburn                      | \$ 153,253.00                  | \$ 50,000.00                    | 32.6%           | \$ 50,000.00                 | 32.6%           |
| Chester                     | \$ 142,212.00                  | \$ 300,000.00                   | 211.0%          | \$ 300,000.00                | 211.0%          |
| <b>Derry</b>                | <b>\$ 91,673.00</b>            | <b>\$ 150,000.00</b>            | <b>163.6%</b>   | <b>\$ 150,000.00</b>         | <b>163.6%</b>   |
| Hampstead                   | \$ 112,348.00                  | \$ 100,000.00                   | 89.0%           | \$ 100,000.00                | 89.0%           |
| Londonderry                 | \$ 119,571.00                  | \$ 162,300.00                   | 135.7%          | \$ 162,300.00                | 135.7%          |
| Salem                       | \$ 110,490.00                  | \$ 140,000.00                   | 126.7%          | \$ 140,000.00                | 126.7%          |
| Sandown                     | \$ 135,040.00                  | \$ 200,000.00                   | 148.1%          | \$ 200,000.00                | 148.1%          |
| Windham                     | \$ 189,583.00                  | \$ 300,000.00                   | 158.2%          | \$ 300,000.00                | 158.2%          |
|                             | \$ 135,040.00                  | \$ 162,300.00                   | 148.1%          | \$ 162,300.00                | 148.1%          |

| <b>Ten Largest Municipalities</b> |                                | <b>Eligibility Requirements</b> |                 |                          |                 |
|-----------------------------------|--------------------------------|---------------------------------|-----------------|--------------------------|-----------------|
| <b>Community</b>                  | <b>Median Household Income</b> | <b>Elderly - Single</b>         | <b>% of MHI</b> | <b>Elderly - Married</b> | <b>% of MHI</b> |
| Concord                           | \$ 84,902.00                   | \$ 150,000.00                   | 176.7%          | \$ 150,000.00            | 176.7%          |
| <b>Derry</b>                      | <b>\$ 91,673.00</b>            | <b>\$ 150,000.00</b>            | <b>163.6%</b>   | <b>\$ 150,000.00</b>     | <b>163.6%</b>   |
| Dover                             | \$ 94,829.00                   | \$ 206,200.00                   | 217.4%          | \$ 206,200.00            | 217.4%          |
| Hudson                            | \$ 95,842.00                   | \$ 160,000.00                   | 166.9%          | \$ 160,000.00            | 166.9%          |
| Londonderry                       | \$ 119,571.00                  | \$ 162,300.00                   | 135.7%          | \$ 162,300.00            | 135.7%          |
| Manchester                        | \$ 81,007.00                   | \$ 100,000.00                   | 123.4%          | \$ 130,000.00            | 160.5%          |
| Merrimack                         | \$ 127,219.00                  | \$ 200,000.00                   | 157.2%          | \$ 200,000.00            | 157.2%          |
| Nashua                            | \$ 96,326.00                   | \$ 162,000.00                   | 168.2%          | \$ 162,000.00            | 168.2%          |
| Rochester                         | \$ 80,386.00                   | \$ 124,000.00                   | 154.3%          | \$ 124,000.00            | 154.3%          |
| Salem                             | \$ 110,490.00                  | \$ 140,000.00                   | 126.7%          | \$ 140,000.00            | 126.7%          |
|                                   | \$ 95,335.50                   | \$ 155,000.00                   | 157.2%          | \$ 155,000.00            | 160.5%          |

This data reveals that for both our neighbors and 10 largest community comparisons, Derry's asset limitation is at the median as a percentage of median household income.

## **Summary of Applications Rejected at the Local Level, Including an Analysis of Disqualifying Factors**

|                        | 2026 |       | 2025 |       | 2024 |       | 2023 |       | 2022 |       |
|------------------------|------|-------|------|-------|------|-------|------|-------|------|-------|
| Elderly Approved       | 12   | 66.7% | 14   | 70.0% | 21   | 80.8% | 30   | 85.7% | 15   | 78.9% |
| Elderly Denied         | 6    | 33.3% | 6    | 30.0% | 5    | 19.2% | 5    | 14.3% | 4    | 21.1% |
| Total                  | 18   |       | 20   |       | 26   |       | 35   |       | 19   |       |
| Reason for Denial      |      |       |      |       |      |       |      |       |      |       |
| Over income            | 4    |       | 6    |       | 5    |       | 2    |       | 1    |       |
| Over assets            | 2    |       | 0    |       | 0    |       | 0    |       | 3    |       |
| Incomplete application |      |       |      |       |      |       | 3    |       |      |       |

Income eligibility was the primary factor when applications were denied.

### **Blind Exemption Under RSA 72:37**

The Town provides a \$40,000 exemption under this program. The exemption amount has not been altered since 2006. Currently, there are 12 taxpayers for a total exemption of \$480,000. If adjustments are made to elderly exemptions, it may be fair to consider this program as well.

### **Takeaways –**

1. Derry has low Assessed Value per Capita and Per Capita Income, as compared to bordering communities and the 10 largest communities, which makes it more difficult to fund programs which shift the tax burden from one group of taxpayers to another.
2. In context of AV/C and MHI, the exemptions allowed for the elderly exemption program are at or above the median figures.
3. In context of the actual exemption amounts, Derry lags the medians in virtually all categories with both comparison groups.
4. Derry is at/above the amount of net assets a program participant is allowed to retain.
5. Derry is mirroring the trend in New Hampshire, reflecting an aging population. It should be noted that some renewals are cycled out as the previously qualifying owner had moved to another property, possibly downsizing or addressing a health need at a care facility.

# VETERANS' CREDITS

The Town has participated in a program to recognize the service of its veterans who own a home in Derry. For 2025, the programs authorized by the Town Council will result in a total credit of \$625,425 for eligible veterans.

## **State-Mandated Program Requirements Veterans Credit –**

- 1) Applications due by April 15;
- 2) Eligibility decision by July 1;
- 3) Taxpayer appeal of denial to Board of Tax and Land Appeals or Superior Court by September 1;
- 4) Applicant must have resided in State for at least one year prior to April 1;
- 5) Surviving spouses retain eligibility unless remarried.
- 6) Husband and wife shall each receive the credit if so eligible.

## **State-Mandated Minimum Program Requirements Which Can be Adjusted Locally –**

- 1) Minimum credit of \$50 may be increased up to \$750 (Derry at \$550).
- 2) Town can limit eligibility to those who served during times of a qualifying war or armed conflict, defined as follows (RSA 72:28):
  - a. "World War I" between April 6, 1917, and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;
  - b. "World War II" between December 7, 1941, and December 31, 1946;
  - c. "Korean Conflict" between June 25, 1950, and January 31, 1955;
  - d. "Vietnam Conflict" between December 22, 1961, and May 7, 1975;
  - e. "Vietnam Conflict" between July 1, 1958, and December 22, 1961, if the resident earned the Vietnam service medal or the armed forces expeditionary medal;
  - f. "Persian Gulf War" between August 2, 1990, and the date thereafter prescribed by Presidential proclamation or by law; and
  - g. Any other war or armed conflict that has occurred since May 8, 1975, and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.

- 3) Town can expand eligibility to all veterans who meet the standard definition of a veteran pursuant to RSA 21:50, served not less than ninety days and was honorably discharged. (All Veterans' Tax Credit – RSA 72:28-b; Derry does not offer this credit).
  - a. Towns are required to match the All-Veterans' Tax Credit with the Veterans' Tax Credit no longer than over a three-year period.
- 4) Towns may grant a Tax Credit for Service-Connected Total Disability for veterans who are rated totally and permanently disabled from service connection by the United States Department of Veterans' Affairs.
  - a. This credit shall be a minimum of \$700 and can be increased to \$4,000 (Derry at \$2,950).
  - b. It should be noted that recent legislation changed restricting Veterans from stacking credits. This resulted in a Town Council action to change the Service-Connected Disability amount to \$2,950, representing the \$2,400 and \$550 credits combined.

The Town's ability to fund the Veteran's Credit is measured against the A/V Per Capita and the percentage of the tax burden shifted to other taxpayers. The following is an analysis of each community's assessed valuation per capita and the funding level for the Veterans' Credit and All Veterans' Credit:

| <b>Abutting Communities</b> |             |                   |                   |                     |                 |                     |                            |
|-----------------------------|-------------|-------------------|-------------------|---------------------|-----------------|---------------------|----------------------------|
| <b>Community</b>            | <b>Rank</b> | <b>AV/Capita</b>  | <b>Vet Credit</b> | <b># of Credits</b> | <b>All Vets</b> | <b># of Credits</b> | <b>Taxes Redistributed</b> |
| Atkinson                    | 5           | \$ 218,162        | \$ 750.00         | 314                 | \$ 500.00       | 50                  | \$ 321,123                 |
| Auburn                      | 3           | \$ 237,486        | \$ 500.00         | 254                 | \$ 500.00       | 18                  | \$ 196,000                 |
| Chester                     | 6           | \$ 217,408        | \$ 750.00         | 193                 | \$ 750.00       | 26                  | \$ 244,250                 |
| <b>Derry</b>                | <b>9</b>    | <b>\$ 164,418</b> | <b>\$ 550.00</b>  | <b>710</b>          | <b>\$ -</b>     |                     | <b>\$ 575,850</b>          |
| Hampstead                   | 4           | \$ 226,897        | \$ 750.00         | 308                 | \$ 750.00       | 80                  | \$ 355,000                 |
| Londonderry                 | 2           | \$ 266,380        | \$ 750.00         | 762                 | \$ 750.00       | 175                 | \$ 1,004,750               |
| Salem                       | 7           | \$ 213,227        | \$ 750.00         | 829                 | \$ 750.00       | 120                 | \$ 837,750                 |
| Sandown                     | 8           | \$ 174,155        | \$ 750.00         | 206                 | \$ 750.00       | 29                  | \$ 214,250                 |
| Windham                     | 1           | \$ 327,809        | \$ 750.00         | 391                 | \$ 750.00       | 69                  | \$ 432,000                 |
| <b>Median AV/Capita</b>     |             | <b>\$ 218,162</b> |                   |                     |                 |                     |                            |

| <b>Ten Largest Municipalities</b> |             |                   |                  |            |             |     |                   |
|-----------------------------------|-------------|-------------------|------------------|------------|-------------|-----|-------------------|
| <b>Community</b>                  | <b>Rank</b> | <b>AV/Capita</b>  |                  |            |             |     |                   |
| Concord                           | 9           | \$ 119,984        | \$ 300.00        | 769        | \$ 300.00   | 72  | \$ 431,250        |
| <b>Derry</b>                      | <b>7</b>    | <b>\$ 164,418</b> | <b>\$ 550.00</b> | <b>710</b> | <b>\$ -</b> |     | <b>\$ 575,850</b> |
| Dover                             | 4           | \$ 191,888        | \$ 750.00        | 850        | \$ 750.00   | 107 | \$ 1,041,375      |
| Hudson                            | 3           | \$ 196,377        | \$ 600.00        | 846        | \$ 600.00   | 170 | \$ 822,800        |
| Londonderry                       | 1           | \$ 266,380        | \$ 750.00        | 762        | \$ 750.00   | 175 | \$ 1,004,750      |
| Manchester                        | 10          | \$ 113,822        | \$ 500.00        | 1,767      | \$ 500.00   | 186 | \$ 1,354,918      |
| Merrimack                         | 6           | \$ 171,069        | \$ 500.00        | 1,004      | \$ 500.00   | 111 | \$ 891,830        |
| Nashua                            | 5           | \$ 177,939        | \$ 750.00        | 1,957      | \$ 750.00   | 280 | \$ 1,966,690      |
| Rochester                         | 8           | \$ 153,933        | \$ 300.00        | 1,317      | \$ 300.00   | 76  | \$ 737,925        |
| Salem                             | 2           | \$ 213,227        | \$ 750.00        | 829        | \$ 750.00   | 120 | \$ 837,750        |
| <b>Median AV/Capita</b>           |             | <b>\$ 174,504</b> |                  |            |             |     |                   |

This information confirms that the impact upon the tax levy is dependent upon the size of a community's assessment base, the credit levels awarded and the number of veterans receiving the credit. This data reveals that a larger percentage of veterans do reside in the smaller communities in our sample group and coupled with a smaller assessment base, contributes to a greater impact on the percentage of net tax levy which is shifted to other property taxpayers.

It is important to note the following trend in Veterans Credits for Derry:

| Year | Veterans | Reg Credit | Disabled | Disabled Cre | Total Vets | Total Amount |
|------|----------|------------|----------|--------------|------------|--------------|
| 2025 | 583      | \$550      | 105      | \$2,950      | 688        | \$625,425    |
| 2024 | 710      | \$550      | 78       | \$2,400      | 788        | \$575,750    |
| 2023 | 731      | \$500      | 71       | \$2,400      | 802        | \$543,683    |

The total number of Veterans qualifying is declining on an annual basis, indicative of lifespans and health of the qualifying population. However, it should be noted that the increase in total disabled Veterans has increased the taxes redistributed steadily in the past three years and it is more pronounced in 2025.

#### **RSA 72:36a – Exemptions for Certain Disabled Veterans**

Town Council should be aware that four properties in Derry receive 100% exemption due to a qualifying property which has been adapted for severely or completely disabled veterans. For 2024, the exemptions totaled \$3,056,894. **Surprisingly, this amount is the second highest in the State, only Sunapee had a higher exemption amount under this provision.**

## **Conclusions –**

1. Derry has low Assessed Value per Capita and Per Capita Income, as compared to bordering communities and the 10 largest communities, which makes it more difficult to fund programs which shift the tax burden from one group of taxpayers to another.
2. Derry's Veteran population is aging, and they are experiencing declining health, which means that more Veterans may qualify for the higher disabled tax credit as their health declines.
3. Derry's \$550 veterans' credit is below most of the nearby communities and peer communities. Many have adopted the maximum \$750 credit level.

## **Overall Summary**

Derry's exemptions and credit amounts are reflective of the Town's relatively small property tax base. The amounts awarded are smaller compared to most municipalities, however, the eligibility criteria, particularly for the elderly exemption program, is at median or greater. Additionally, the amount of assets an applicant can retain is at or above median with respect to the comparison groups.

It does appear, however, that the Town is allocating less to exemption programs than in the past. As cited previously, the total value of elderly exemptions granted in the elderly exemption program is \$24.0 million in Tax Year 2024, which is approximately 0.43% of the Town's taxable assessment base. This total amount of tax burden redistributed to other property taxpayers is \$1.09 million when Veterans' Credits are included. This amount is approximately 1.05% of the overall property levy.

It should be noted that the Town is in the process of completing a revaluation for the 2026 Tax Year, with an estimated average increase of 9% in valuation. For exemptions, the value of taxes averted for each individual would diminish by the same amount as theoretically the tax rate would drop. Veterans' credits would remain unaffected. Concord recently announced large valuation spikes which prompted them to adjust the maximum exemptions in category to adjust for the new valuation. Merrimack is also in the process of increasing exemption ranges to correlate with increases in assessments.

## **Moving Forward**

The FY 28 budget will feature an estimate of \$55 million of new valuation along with an allowable CPI-U Northeast value trending toward 3.5% for 2026. The final inflation figures will not be available until January 2027 when the CPI figure is certified for December 2026.

Based on that preliminary estimate, the following funds for **all** Town operations.

|                                                       |                     |                          |                         |
|-------------------------------------------------------|---------------------|--------------------------|-------------------------|
| <b><i>Tax Cap Calculation</i></b>                     |                     |                          |                         |
| <b><i>FY28 Budget</i></b>                             |                     |                          |                         |
|                                                       |                     |                          |                         |
| <b>Northeast Region CPI-U December, 2026</b>          |                     | <b>3.50%</b>             |                         |
|                                                       |                     |                          |                         |
|                                                       | <b>2026 Rate</b>    | <b>2026 Rate x CPI-U</b> | <b>2027 Max Rate</b>    |
| 2026 Town Tax Rate                                    | \$ 5.57             | \$ 0.19                  | \$ 5.76                 |
| 2026 Assessed Valuation                               | \$ 5,710,000,000.00 | x Increase/1000          | \$ 1,113,164.50         |
| 2026 Estimated New Construction                       | \$ 55,000,000.00    | x Max Rate/1000          | <u>\$ 317,072.25</u>    |
|                                                       |                     |                          |                         |
| Maximum Allowable Additional Tax Dollars to be Raised |                     |                          | <b>\$ 1,430,236.75</b>  |
| 2026 Tax Effort (Includes Vet Credits and Overlay)    |                     |                          | <u>\$ 31,817,422.00</u> |
| Total Maximum Tax Effort - 2027:                      |                     |                          | <b>\$ 33,247,658.75</b> |

The four programs under consideration are:

- 1) Elderly Exemption Program
- 2) Veterans' Tax Credit
- 3) Service-Connected Total Disability Tax Credit
- 4) Blind Exemption

Town Council has several options including a flat rate increase of credits and/or percentage increase (i.e. 5% or 10%) across all limit levels and credits. Various scenarios can be modeled once initial feedback has been received by the Town Council.

## STAFF REPORT

AGENDA ITEM #: 26-89  
COUNCIL MTG OF: October 6, 2026 and October 20, 2026  
FROM: Administration  
OFFERED BY: Tina Guilford, Town Clerk  
PREPARED BY: Tina Guilford, Town Clerk  
SUBJECT: Adoption of Chapter 40 of the General Code - Electioneering at Polling Places

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### INTRODUCTION

During the 2026 State Primary and in the days after, Election officials have received multiple complaints about electioneering that occurred in the parking area of the polling location.

### BACKGROUND

Many voters complained about the pamphlets being left in the booth, many complained that they were feeling accosted, some said they felt threatened and intimidated by the person. There were complaints made to the Attorney General's office, both by the Moderator and by voters. We have requested a report of the complaints they received. However, one complaint caused the Attorney General's office to call the Moderator and request to speak to the officer in the building at that time, Captain Michaud.

### DISCUSSION

The Town Moderator has the power by RSA 659:43 to control Electioneering at the polling location, however that power does not extend to the parking lot itself. Upon review of various statutes, RSA 31:41-c gives the Town Council the power to set bylaws regulating the "distribution of campaign materials or electioneering or any activity which affects the safety, welfare and rights of voters at any election held for any such purpose in such town".

RSA 31:39 gives the Town Council the power to appoint who shall enforce these and can issue a penalty not exceeding \$1000.00.

With a large parking lot and the volume we have for large elections (18,148 voters in November 2024), the parking lot with the road closed has a lot of moving parts and having people handing things out and stopping the flow of traffic will be problematic to the police department.

### FISCAL IMPACT

None

### RECOMMENDED ACTION BY COUNCIL

Please review the attached ordinance under a new Chapter 40 in the general code. Two public hearings are required, the vote would be scheduled for October 20, 2026.



# Investment in Advanced Manufacturing

Derry Commercial/Industrial Property Tax Exemption Program Application

**\$10 Million Investment • 26,000 SF Facility • 17 Existing Jobs + 8 Planned New Positions**



*Proposed 26,000 SF Engineering, Manufacturing, Assembly & Testing Facility*

# Executive Summary

- **\$10 Million Private Capital Investment**
- **26,000 SF Advanced Engineering & Manufacturing Facility**
- **Expansion of Derry's Commercial & Industrial Tax Base**
- **Permanent U.S.A. Headquarters located in Derry**
- **17 Existing Positions Relocating to Derry + 8 Planned New Positions**
- **5 Engineering • 1 Sales • 1 Field Service • 1 Assembly & Test Technician**
- **50-Foot-High Specialized Test Area**
- **Target Occupancy: April 2027**

## Allocation of \$10 Million Investment

| Investment Category          | Amount                 |
|------------------------------|------------------------|
| Building Construction        | \$5.80 Million         |
| Land Acquisition             | \$1.90 Million         |
| Equipment & Building Systems | \$0.75 Million         |
| Site Development             | \$1.30 Million         |
| Engineering & Permitting     | \$0.25 Million         |
| <b>Total Investment</b>      | <b>\$10.00 Million</b> |

### Project Funding

- Approximately \$10 million total investment
- Funded through private equity and commercial lending

# Project Description

Engineered Pressure Systems, Inc. is constructing a new 26,000-square-foot engineering, manufacturing, assembly, and testing facility in Derry, New Hampshire.

| Facility Area |                                      | Size      |
|---------------|--------------------------------------|-----------|
| 1             | Engineering & Administrative Offices | 6,000 SF  |
| 2             | Assembly & Testing                   | 15,000 SF |
| 3             | High-Bay Test Area                   | 5,000 SF  |
| 4             | Shipping & Receiving                 | Included* |
| Total         |                                      | 26,000 SF |

\*Included within the 15,000 SF Assembly & Testing area.





| Preconstruction  | Sitework            | Foundations     | Structure                                     | Interiors       |
|------------------|---------------------|-----------------|-----------------------------------------------|-----------------|
| Apr–Jul 2026     | Jun–Oct 2026        | Jul–Sep 2026    | Sep 2026–Jan 2027                             | Feb–Apr 2027    |
| Design & Permits | Grading & Utilities | Footings & Slab | Steel & Envelope<br>Weather-tight: End of Jan | Build-Out & MEP |

Weather-tight: End of January 2027 • Target completion and occupancy: April 2027

# Why Derry is the Right Long-Term Home for EPSI

After evaluating multiple potential locations, Derry emerged as the clear choice. Derry provides the ideal environment for EPSI's long-term growth while supporting the Town's economic development goals.

## Strategic Location

- Direct access to Interstate 93 and regional transportation
- Central location for employees and local suppliers

## Capacity to Grow

- Property provides capacity for future expansion
- Purpose-built facility designed for advanced manufacturing

## Skilled Workforce

- Access to Southern New Hampshire and Greater Boston's engineering and manufacturing workforce
- Partnership opportunities with local vocational and technical programs

**This project represents a permanent investment in Derry**, supporting long-term employment, economic growth, and expansion of the Town's commercial tax base.

# How This Project Benefits the Town of Derry



## **\$10 Million Investment**

- New facility in Derry
- Development of previously undeveloped property
- Supports future business growth



## **25 Planned Total Jobs**

- 17 existing positions relocating to Derry + 8 planned new positions
- 5 engineering, 1 sales, 1 field service, 1 assembly and test technician
- Local employee spending
- Employment opportunities for local applicants



## **U.S. Headquarters**

- Ongoing demand for local goods and services
- Business for restaurants, hotels and suppliers
- Local vendor opportunities



## **Property Taxes**

- Expands the commercial tax base with long-term property tax revenue
- Supports town services and schools

# Annual Economic Contribution

## Local Employee Spending

| Local purchase                | Weekly / employee | Annual / employee | 17 employees    | 25 employees    |
|-------------------------------|-------------------|-------------------|-----------------|-----------------|
| Lunch                         | \$35              | \$1,610           | \$27,370        | \$40,250        |
| Coffee, breakfast & snacks    | \$10              | \$460             | \$7,820         | \$11,500        |
| Fuel purchased in Derry       | \$15              | \$690             | \$11,730        | \$17,250        |
| Other incidental purchases    | \$5               | \$230             | \$3,910         | \$5,750         |
| <b>Estimated annual sales</b> | <b>\$65</b>       | <b>\$2,990</b>    | <b>\$50,830</b> | <b>\$74,750</b> |

Planning estimate: 46 work weeks and purchases within Derry. Lunch uses a rounded national benchmark. Fuel and other purchases are assumptions. Figures represent business sales, not profit or town tax revenue.

## Expected Local Commercial Spending

- Frequent catered employee luncheons
- Local hardware purchases
- Local machining and fabrication vendors
- Board of Directors meetings every two years
- Customer/supplier hotel stays and dining†
- Snow plowing
- Landscaping
- Routine maintenance
- Janitorial services†
- Trash removal and recycling†

† Potential spending where EPSI and its visitors use Derry businesses; amounts are not included in the employee-spending estimate.

**Estimated Property Taxes: \$159,516/year total, including \$45,276 for town services\***

\*Illustration based on \$8.4M initial bank assessment at \$18.99 per \$1,000 of assessment (2025 rate), before incentives. Town assessment may differ.

**Engineered Pressure Systems, Inc.**

12 A Street · Derry, NH

# Supporting the Derry Community

The proposed tax incentive could strengthen EPSI's ability to support the community over the long term.



## Students & Skills

Ideas for Pinkerton Academy

### We could explore:

- Student development days
- Engineering & trades internships
- A future scholarship\*



## Emergency Services

Potential local collaboration

### We would be willing to:

- Explore training in the high-bay facility
- Share high-pressure safety expertise



## Community Involvement

Open to ideas and suggestions

EPSI would welcome ideas for how we could **play an active role** in the Derry community.

\*A scholarship could be considered if future student programs were well received. All concepts are exploratory.

**Thank You for Your Consideration**

**Questions?**

**Paul R. LaBrosse, P.E.**  
President  
Engineered Pressure Systems, Inc.

[paullabrosse@epsi-highpressure.com](mailto:paullabrosse@epsi-highpressure.com)  
(978) 228-9673



## STAFF REPORT

AGENDA ITEM #: 26-86  
COUNCIL MTG OF: September 15, 2026  
FROM: Michael A. Fowler, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Administration  
SUBJECT: Commercial Industrial Tax Relief for 12 A Street

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### INTRODUCTION

The Council is requested to act affirmatively on an application for Commercial-Industrial Tax Relief for the Engineered Pressure Systems Inc (EPSI) new construction project at 12 A Street.

### TOWN ADMINISTRATOR COMMENTS

Please see comments within this report.

### BACKGROUND

The Town Council adopted Ordinance #2019-010 on October 3, 2019, re-authorized Ordinance 2026-002 on September 1, 2026, which expanded General Code, Chapter 138 to include a tax relief program for Commercial – Industrial property in Derry. To be eligible, the project must demonstrate that it will enhance the economic vitality of the Town and increase the commercial/industrial activity, including job creation. The program authorizes the Council to extend tax relief equal to 50% of the town and local school tax burden on the value of the improvements generated by the project, up to a period of ten years.

### DISCUSSION

The Council was alerted to the impending sale of 12 A Street last spring and the prospective buyer's interest in some form of early tax relief in order to construct a building on the vacant parcel. The property has been purchased by Engineered Pressure Systems, Inc of 165 Ferry St, Haverhill, MA. EPSI proposes a ground-up 26,000 sf manufacturing facility, which will function as a permanent US Headquarters. This \$10 million Private Capital Investment will contribute 17-25 full-time jobs, including high-skill engineering, technician and administrative positions.

Staff investigated options for tax incentives. The Town Council has adopted the provisions of 79-E (only available in the Downtown) and the Commercial-Industrial Tax Exemption (project eligible). We consulted with Town legal counsel and the New Hampshire Municipal Association to identify any other potential programs; communities do enter into multi-year tax agreements with some taxpayers, however, those per statute need to be affiliated with energy production.

It is the Derry Commercial-Industrial Tax Exemption Program which staff recommends Council consideration.

## FISCAL IMPACT

Staff recommends a 50% exemption on new value for a period of ten years, which is the maximum available under both state statute and town ordinance. Presuming the improvement budget ultimately values at \$10M, the exemption if approved by the Town Council would be calculated as follows:

Using the 2025 combined Town and School tax rate of \$17.23.

\$8M in new assessed value x combination of town and local school rate **(\$17.23) x 50% = \$68,920** in year one. The total value of 10 years of projected tax relief could total over \$700,000. This property is located with the Derry Commerce Corridor TIF District.

## RECOMMENDED ACTION BY COUNCIL

Please see Resolution #2026-054