

CITY OF PORTSMOUTH, NEW HAMPSHIRE

JOINT BUDGET COMMITTEE

FY 2018 BUDGET



SECOND MEETING
DECEMBER 14, 2016

EXPENDITURES

FY17 BUDGET

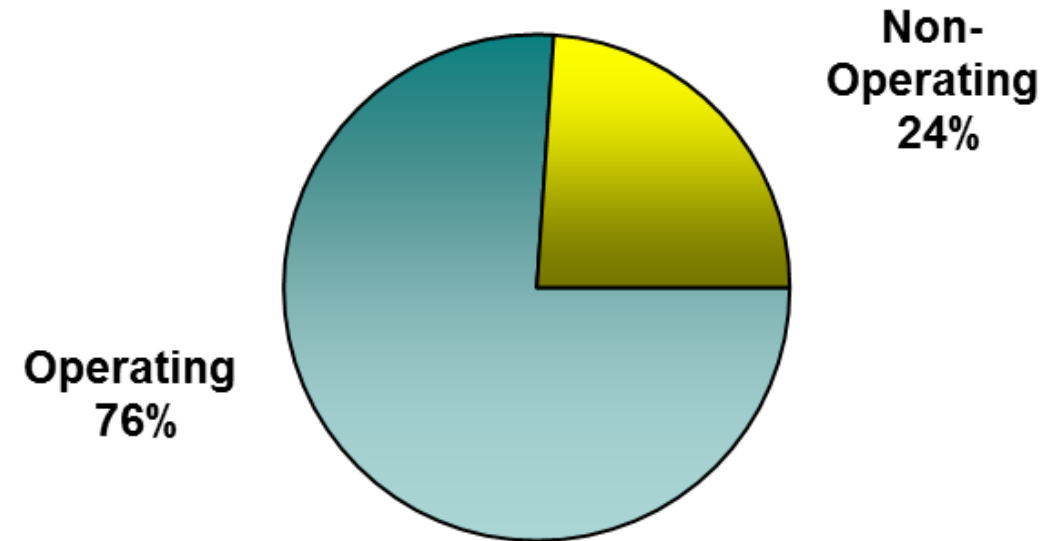
OPERATING BUDGET

General Government	18,176,409	16.9%
Police	10,351,883	9.6%
Fire	8,340,898	7.8%
School	44,684,084	41.6%
Coll Bargaining Contingency	0	0.0%
Transfer to Indoor Pool	150,000	0.1%
Total Operating	81,703,274	76.1%

NON-OPERATING BUDGET

Debt Related Exp	275,000	0.3%
Debt Service	12,595,810	11.7%
Overlay	950,000	0.9%
Property & Liability Insurance	341,000	0.3%
County	5,277,514	4.9%
Contingency	250,000	0.2%
Rolling Stock	956,165	0.9%
IT Equipment Replacement	406,000	0.4%
Capital Outlay	2,000,000	1.9%
Other General Non-Operating	2,643,280	2.5%
Total Non-Operating	25,694,769	23.9%

Total	107,398,043
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**FY18
OPERATING
BUDGET**

KEY FACTORS IMPACTING THE FY18 BUDGET

OPERATING BUDGET

- CONTRACTUAL OBLIGATIONS
 - COLA
 - **Retirement**
 - Leave at Termination
 - **Health Insurance**
 - **Worker's Compensation**
- OTHER OPERATING

NON-OPERATING BUDGET

- Debt Service
- Capital Outlay
- County Tax Obligation
- Overlay
- Rolling Stock
- **Property & Liability**

16 COLLECTIVE BARGAINING UNITS

General Government	Expires
Professional Management Association (PMA)	6/30/2018
Supervisory Management Alliance (SMA)	6/30/2018
AFSCME Local 1386B Library & Clericals	6/30/2017
AFSCME Local 1386 Public Works	6/30/2014

Police	Expires
Ranking Officers Association	6/30/2018
Portsmouth Patrolman Association	6/30/2018
Civilians	6/30/2014

Fire	Expires
Fire Officers Association	6/30/2018
FireFighter Association	6/30/2018

School	Expires
Principals/Directors	6/30/2018
Association of Portsmouth's Teachers	6/30/2018
Clerical Employees	6/30/2018
Custodial	6/30/2017
Cafeteria	6/30/2017
Paraprofessionals	6/30/2017
Custodial Supervisors	6/30/2018

6 Unsettled contracts for FY18

COST OF LIVING ADJUSTMENT - COLA

Collective Bargaining Agreements state the COLA adjustment percentage shall be determined by the rolling ten (10) year average of the November-November Boston-Brockton-Nashua CPI - The November – November index will not be available until mid-December

CONSUMER PRICE INDEX - CPI-U (NOV. TO NOV. BOSTON-BROCKTON-NASHUA)	
FY 09	3.40%
FY 10	0.72%
FY 11	1.82%
FY 12	0.64%
FY 13	2.90%
FY 14	2.00%
FY 15	0.92%
FY 16	1.60%
FY 17	0.84%
FY 18	2.50% estimate
10 Year Average	1.73% FY 2018 salaries use 2%

RETIREMENT RATE INCREASE

	FY17 Rates	FY18 Rates	% change from FY17 rates
GROUP I			
Employees	11.17%	11.38%	1.88%
Teachers	15.67%	17.36%	10.78%
GROUP II			
Police	26.38%	29.43%	11.56%
Fire	29.16%	31.89%	9.36%

RETIREMENT INCREASE BY DEPARTMENT

	FY17 BUDGET	\$\$\$ CHANGE	FY18 PRELIMINARY BUDGET	% Change
GENERAL GOVERNMENT	875,619	25,946	901,565	2.96%
POLICE	1,409,381	176,526	1,585,907	12.53%
FIRE	1,376,849	174,362	1,551,211	12.66%
SCHOOL	3,595,791	545,904	4,141,695	15.18%
TOTAL	7,257,640	922,738	8,180,378	12.71%

LEAVE AT TERMINATION

General Government, Police, Fire and School Departments annually budget a fixed amount for each fiscal year which is transferred to the Leave at Termination Stabilization fund where leave liability due to employees upon termination is paid.

FY17 BUDGET

GENERAL GOVERNMENT	\$250,000
POLICE DEPARTMENT	\$155,203
FIRE DEPARTMENT	\$70,084
SCHOOL DEPARTMENT	\$400,000
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TOTAL	\$875,287

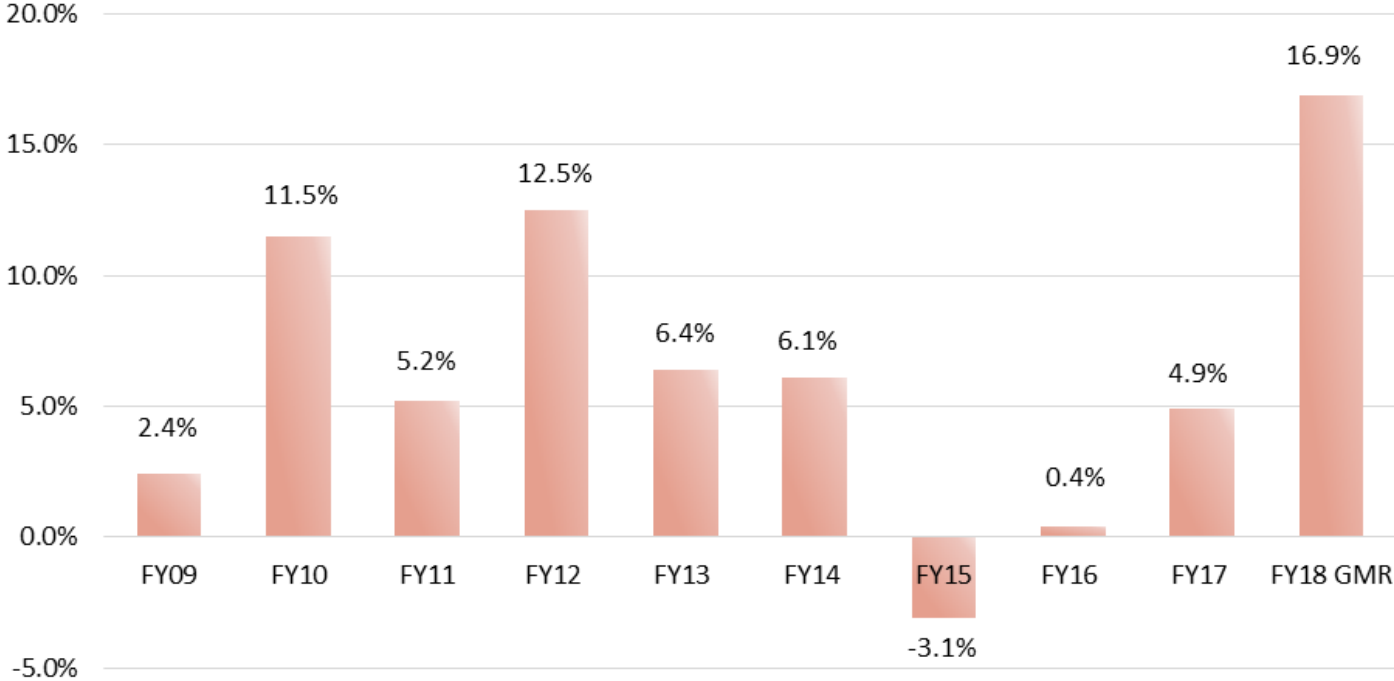
Changes in Health Insurance Premium rates have spiked both up and down over the years causing budgetary unpredictability

HEALTH INSURANCE STABILIZATION FUND

Stabilization Reserve was established in 2002 for the General Fund from operating surplus from previous years.

The annual appropriation amount is determined in accordance with the average increase of premium rates over the last 10 years. This rate is then added to the prior fiscal year budgetary appropriation.

HEALTH INSURANCE 10 YEAR RATE CHANGE HISTORY



The GMR makes the 10-year average rate increase 6.32%

HEALTH INSURANCE PROJECTED FY18 PREMIUMS

FY18 Rates Projected Premium
\$13,953,726

Employee Contribution
\$1,097,039
8%

City Contribution
\$12,856,687
92%

Health Insurance Premium Using 10-year Average increase of 6.32%

HEALTH INSURANCE BUDGET @ 10 Year Avg				FY18 Estimated City Cost	Stabilization Fund
	FY17 Budget	FY18 Budget Increase @ 6.32%	FY18 Budget		
General Government	1,811,412	114,481	1,925,893	2,304,362	(378,469)
Police Department	1,560,866	98,647	1,659,513	1,898,578	(239,065)
Fire Department	1,211,662	76,577	1,288,239	1,245,292	42,947
School	6,443,603	407,236	6,850,839	7,408,455	(557,616)
Total General Fund	11,027,543	696,941	11,724,484	12,856,687	(1,132,203)

WORKER'S COMPENSATION

	FY17 BUDGET	FY18 PRELIMINARY BUDGET	\$ CHANGE	% CHANGE
GENERAL GOVERNMENT	159,708	162,455	2,747	1.7%
POLICE	187,175	193,944	6,769	3.6%
FIRE	149,607	175,906	26,299	17.6%
SCHOOL	150,963	159,542	8,579	5.7%
TOTAL	\$647,453	\$691,847	\$44,394	6.9%

**PRELIMINARY BUDGET
BY DEPARTMENT**

GENERAL GOVERNMENT

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
Salaries - Full and Part time	8,129,573	225,211	8,354,784	2.8%
Overtime	355,767	1,115	356,882	0.3%
Longevity	53,637	3,669	57,306	6.8%
Retirement	875,619	25,946	901,565	3.0%
Health Insurance	1,811,412	114,481	1,925,893	6.3%
Leave @ Termination	250,000	0	250,000	0.0%
Workers' Compensation	159,708	2,747	162,455	1.7%
Other Benefits <i>(ss, med, dental, insurance reimbursement)</i>	889,666	19,595	909,261	2.2%
	12,525,382	392,763	12,918,145	3.1%
Electricity	809,400	-	809,400	0.0%
Natural Gas	158,000	-	158,000	0.0%
Gasoline	200,000	6,000	206,000	3.0%
Other Operating	4,483,627	238,000	4,721,627	5.3%
	5,651,027	244,000	5,895,027	4.3%
Total	18,176,409	636,763	18,813,172	3.5%
Collective Bargaining	30,660	82,476	113,136	
1386 6/30/14 *** 1386B 6/30/17	18,207,069	719,239	18,926,308	3.95%

POLICE DEPARTMENT

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
Salaries - Full and Part time	5,247,067	141,918	5,388,985	2.7%
Overtime	523,423	8,649	532,072	1.7%
Longevity, Holiday, Certification Stipend	385,738	(23,688)	362,050	-6.1%
Retirement	1,409,381	176,526	1,585,907	12.5%
Health Insurance	1,560,866	98,647	1,659,513	6.3%
Leave @ Termination	155,203	0	155,203	0.0%
Workers' Compensation	187,175	6,769	193,944	3.6%
Other Benefits <i>(ss, med, dental, insurance reimburse)</i>	344,913	920	345,833	0.3%
Police Services - Parking Fund	(80,000)	40,000	(40,000)	
	<u>9,733,766</u>	<u>449,741</u>	<u>10,183,507</u>	<u>4.6%</u>
Gasoline	100,000	3,000	103,000	3.0%
Other Operating	518,117	28,967	547,084	5.6%
	<u>618,117</u>	<u>31,967</u>	<u>650,084</u>	<u>5.2%</u>
Total	10,351,883	481,708	10,833,591	4.65%
Collective Bargaining	34,000	60,600	94,600	
Civilians 6/30/14	10,385,883	542,308	10,928,191	5.22%

FIRE DEPARTMENT

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
Salaries - Full and Part time	3,642,920	97,123	3,740,043	2.7%
Overtime	656,000	19,500	675,500	3.0%
Longevity, Holiday, Certification Stipend	452,888	9,572	462,460	2.1%
Retirement	1,376,849	174,362	1,551,211	12.7%
Health Insurance	1,211,661	76,577	1,288,238	6.3%
Leave @ Termination	70,084	0	70,084	0.0%
Workers' Compensation	149,607	26,299	175,906	17.6%
Other Benefits <i>(ss, med, dental, insurance reimbursement)</i>	278,488	24,579	303,067	8.8%
	7,838,497	428,011	8,266,508	5.5%
Electricity	55,000	0	55,000	0.0%
Natural Gas	34,000	1,020	35,020	3.0%
Gasoline	58,000	1,740	59,740	3.0%
Other Operating	355,401	26,599	382,000	7.5%
	502,401	29,359	531,760	5.8%
Total	8,340,898	457,370	8,798,268	5.48%

SCHOOL DEPARTMENT

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
Salaries - Full and Part time (Includes longevity)	24,659,845	1,245,824	25,905,669	5.1%
Overtime	68,935	11,800	80,735	17.1%
Retirement	3,595,791	545,904	4,141,695	15.2%
Health Insurance	6,443,603	407,236	6,850,839	6.3%
Leave @ Termination	400,000	-	400,000	0.0%
Workers' Compensation	150,963	8,579	159,542	5.7%
Professional Development	263,498	7,904	271,402	3.0%
Other Benefits <i>(ss,med, dental, insurance reimbursement)</i>	2,499,828	103,851	2,603,679	4.2%
	38,082,463	2,331,098	40,413,561	6.1%
Electricity	832,943	-	832,943	0.0%
Natural Gas	382,353	-	382,353	0.0%
Fuel Oil	786	-	786	0.0%
Gasoline	15,000	-	15,000	0.0%
Tuition	853,514	186,755	1,040,269	21.9%
Transportation	1,086,341	76,044	1,162,385	7.0%
Property & Liability	136,789	2,031	138,820	1.5%
Other Operating	3,293,895	131,796	3,425,691	4.0%
	6,601,621	396,626	6,998,247	6.0%
Total	44,684,084	2,727,724	47,411,808	6.1%
Collective Bargaining		67,950	67,950	
Custodial, Cafeteria, Paraprofessionals - 6/30/17	44,684,084	2,795,674	47,479,758	6.26%

TOTAL OPERATING PRELIMINARY BUDGET

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
General Government	18,176,409	636,763	18,813,172	3.5%
Police Department	10,351,883	481,708	10,833,591	4.7%
Fire Department	8,340,898	457,370	8,798,268	5.5%
School Department	44,684,084	2,727,724	47,411,808	6.1%
Collective Bargaining	-	-	-	
Transfer to indoor Pool	150,000	-	150,000	0.0%
	81,703,274	4,303,565	86,006,839	5.3%
Collective Bargaining	64,660	211,026	275,686	
General Government, Police, School	81,767,934	4,514,591	86,282,525	5.52%

NON-OPERATING BUDGET

PROPERTY & LIABILITY INSURANCE

	FY17 Budget	Preliminary FY18 Budget	\$ Change
CITY			
PROPERTY & LIABILITY	\$335,000	\$357,376	\$22,376
			6.7%

	FY17 Budget	Preliminary FY18 Budget	\$ Change
SCHOOL			
PROPERTY & LIABILITY	\$136,789	\$138,820	\$2,031
			1.5%

NON-OPERATING PRELIMINARY 2018 BUDGET

	FY17 BUDGET	\$\$\$ CHANGE	FY18 PRELIMINARY BUDGET	% Change
DEBT RELATED EXPENSES	275,000	-	275,000	0.0%
DEBT SERVICE	12,595,810	489,344	13,085,154	3.9%
CONTINGENCY OVERLAY	250,000	50,000	300,000	20.0%
COUNTY PROPERTY & LIABILITY	950,000	50,000	1,000,000	5.3%
ROLLING STOCK	5,277,514	263,876	5,541,390	5.0%
IT EQUIPMENT REPLACEMENT	341,000	22,376	363,376	6.6%
USE OF FUND BALANCE	956,165	(9,955)	946,210	-1.0%
OTHER NON-OPERATING CAPITAL OUTLAY	406,000	309,158	715,158	76.1%
	2,250,000	(2,250,000)	-	-100.0%
	393,280	27,000	420,280	6.9%
	2,000,000	140,000	2,140,000	7.0%
TOTAL	25,694,769	(908,201)	24,786,568	-3.5%

TOTAL FY 2018 PRELIMINARY BUDGET

	FY17 Budget	\$ Change	FY18 Preliminary Budget	% Change
General Government	18,176,409	636,763	18,813,172	3.5%
Police Department	10,351,883	481,708	10,833,591	4.7%
Fire Department	8,340,898	457,370	8,798,268	5.5%
School Department	44,684,084	2,727,724	47,411,808	6.1%
		-	-	
Transfer to Indoor Pool	150,000	-	150,000	0.0%
PRELIMINARY OPERATING BUDGET	81,703,274	4,303,565	86,006,839	5.3%
Debt Related Expenses	275,000	-	275,000	0.0%
Debt Service	12,595,810	489,344	13,085,154	3.9%
Contingency	250,000	50,000	300,000	20.0%
Overlay	950,000	50,000	1,000,000	5.3%
County Tax	5,277,514	263,876	5,541,390	5.0%
Property & Liability	341,000	22,376	363,376	6.6%
Rolling Stock	956,165	(9,955)	946,210	-1.0%
IT Equipment Replacement	406,000	309,158	715,158	76.1%
Use of Bond Premium - Purchase of Property	400,000	(400,000)	-	-100.0%
Use of Fund Balance - Purchase of Property	1,850,000	(1,850,000)	-	-100.0%
Other Non-Operating	393,280	27,000	420,280	6.9%
Capital Outlay	2,000,000	140,000	2,140,000	7.0%
PRELIMINARY NON-OPERATING BUDGET	25,694,769	(908,201)	24,786,568	-3.5%
Total	107,398,043	3,395,364	110,793,407	3.2%
Collective Bargaining	64,660	211,026	275,686	
Custodial, Cafeteria, Paraprofessionals - 6/30/17	107,462,703	3,606,390	111,069,093	3.36%

DISCUSSION