

FINANCIAL UPDATE

- **Fund Balance**
- **FY23 Estimated Results**



**CITY COUNCIL
MEETING
OCTOBER 16, 2023**

Term used to describe the difference between the assets and liabilities reported in Governmental Funds.

Assets:

Current Financial Resources

Cash and Investments

Receivables

Inventory

No reporting of capital assets such as land & building

Liabilities:

Accounts Payable

Current Liabilities

No reporting of long-term liabilities such as debt service

Fund Balance:

Non-spendable – cannot be spent

Restricted - grants, enabling legislation

Committed – self-imposed limitations (reserves)

Assigned – encumbrances or funded use of fund balance

Unassigned – not obligated or restricted

What is Fund Balance?

Fund Balance is the total accumulation of operating surpluses and deficits since the beginning of the local government's existence.

Committed Fund Balance

SELF-IMPOSED LIMITATIONS - RESERVES

- Health Insurance Reserve
- Leave at Termination Reserve
- Future Debt Service Reserve

Unassigned Fund Balance

NOT OBLIGATED OR SPECIFICALLY DESIGNATED

UNASSIGNED FUND BALANCE ORDINANCE

Ordinance Amended February 2013

..It is recognized that the financial management goal of the City of Portsmouth is to annually maintain an Unassigned Fund Balance between

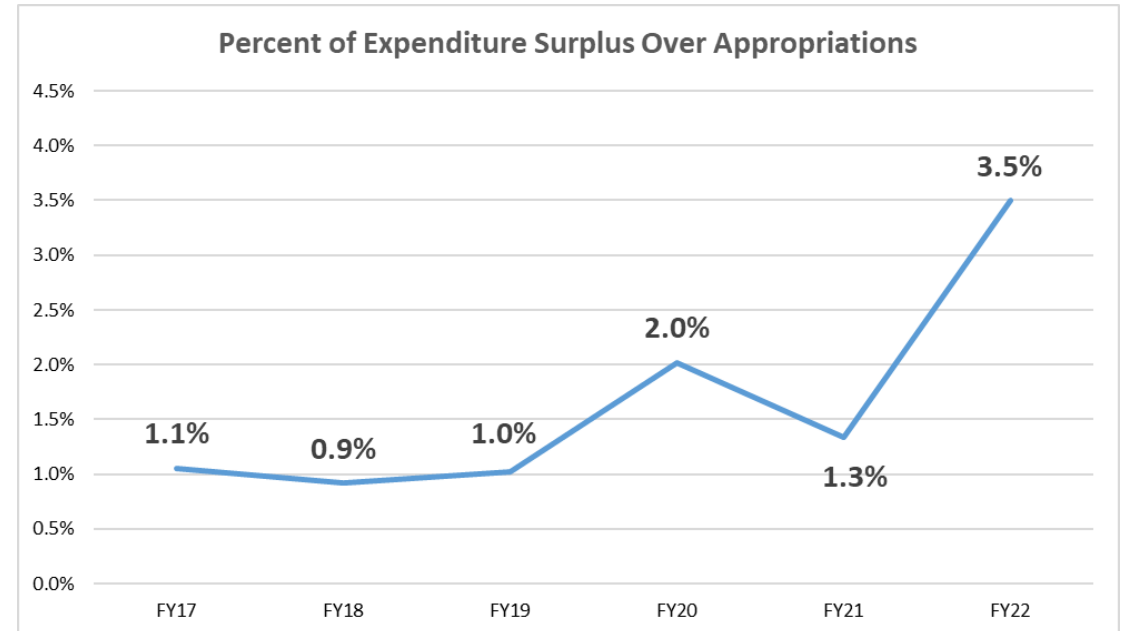
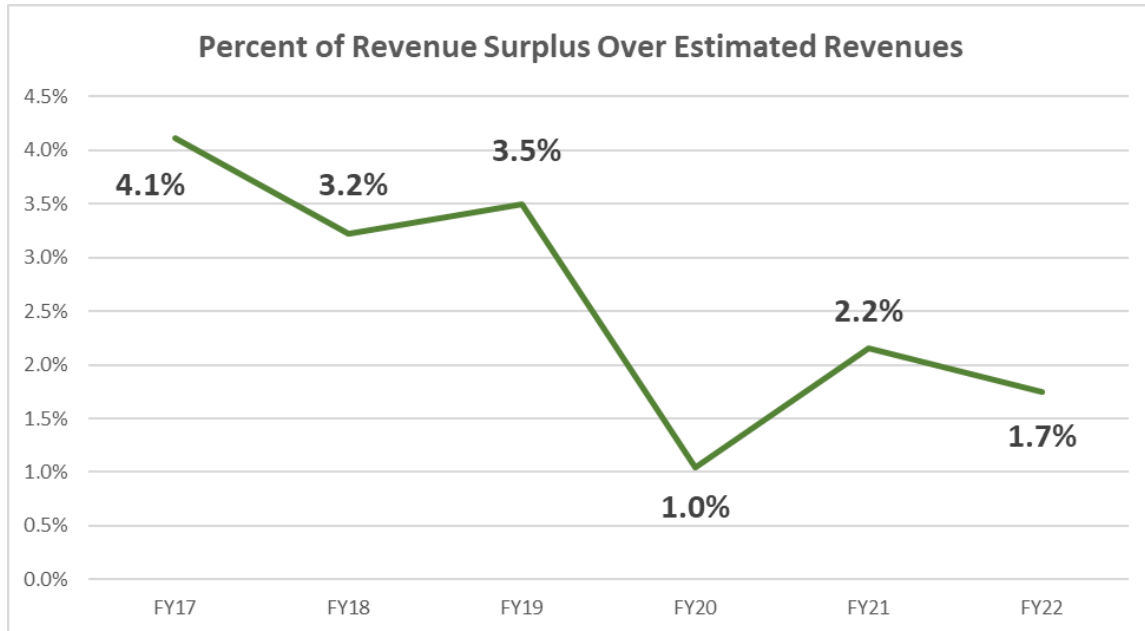
10% and 17% of total General Fund appropriations.

REVENUE & EXPENDITURE SURPLUS Through Audited FY22

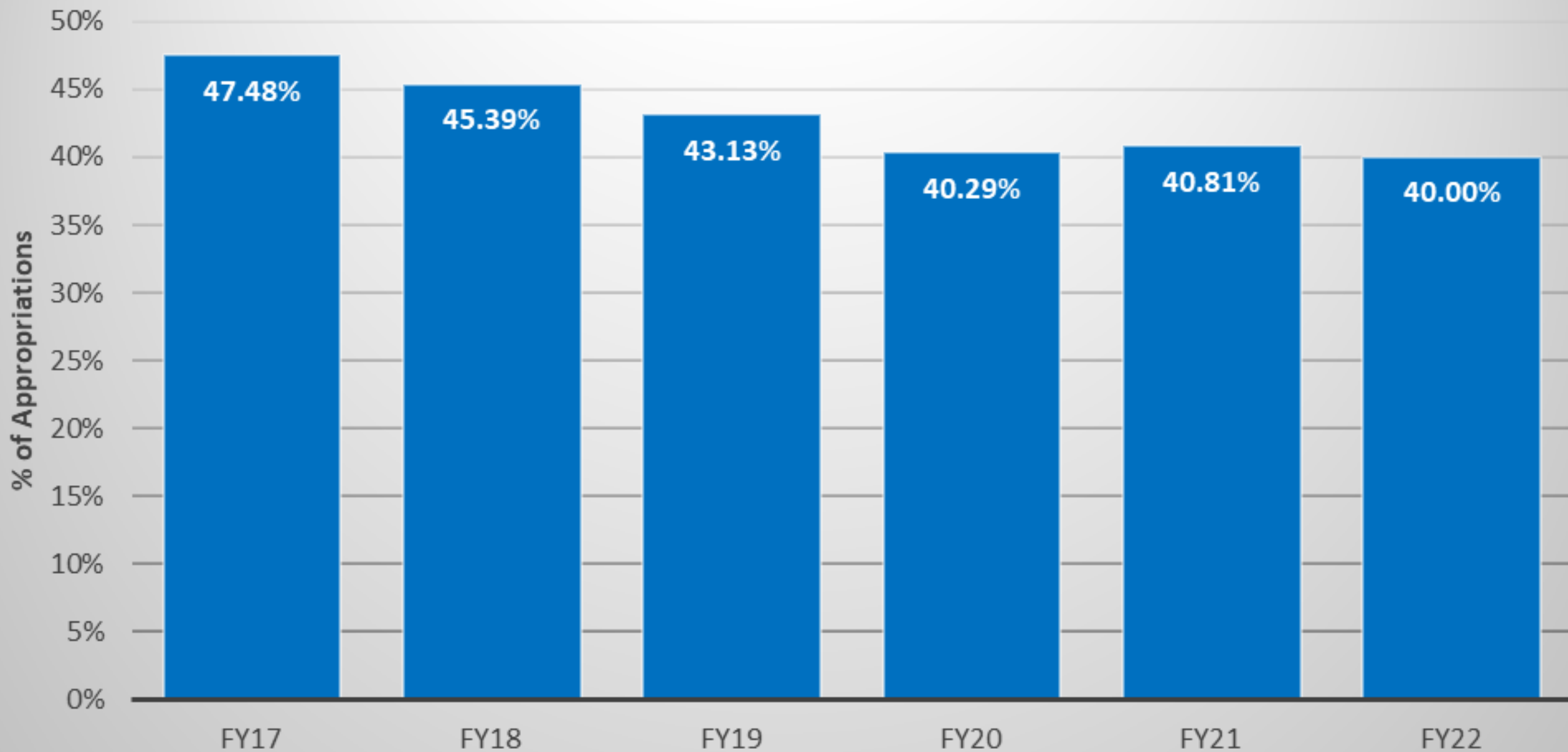
	FY17	FY18	FY19	FY20	FY21	FY22
Revenues - Surplus	4,418,605	3,572,483	3,993,573	1,234,828	2,565,828	2,207,688
	4.1%	3.2%	3.5%	1.0%	2.2%	1.7%

Expenditures - Surplus	1,131,499	1,015,225	1,165,530	2,392,192	1,598,678	4,421,512
	1.1%	0.9%	1.0%	2.0%	1.3%	3.5%

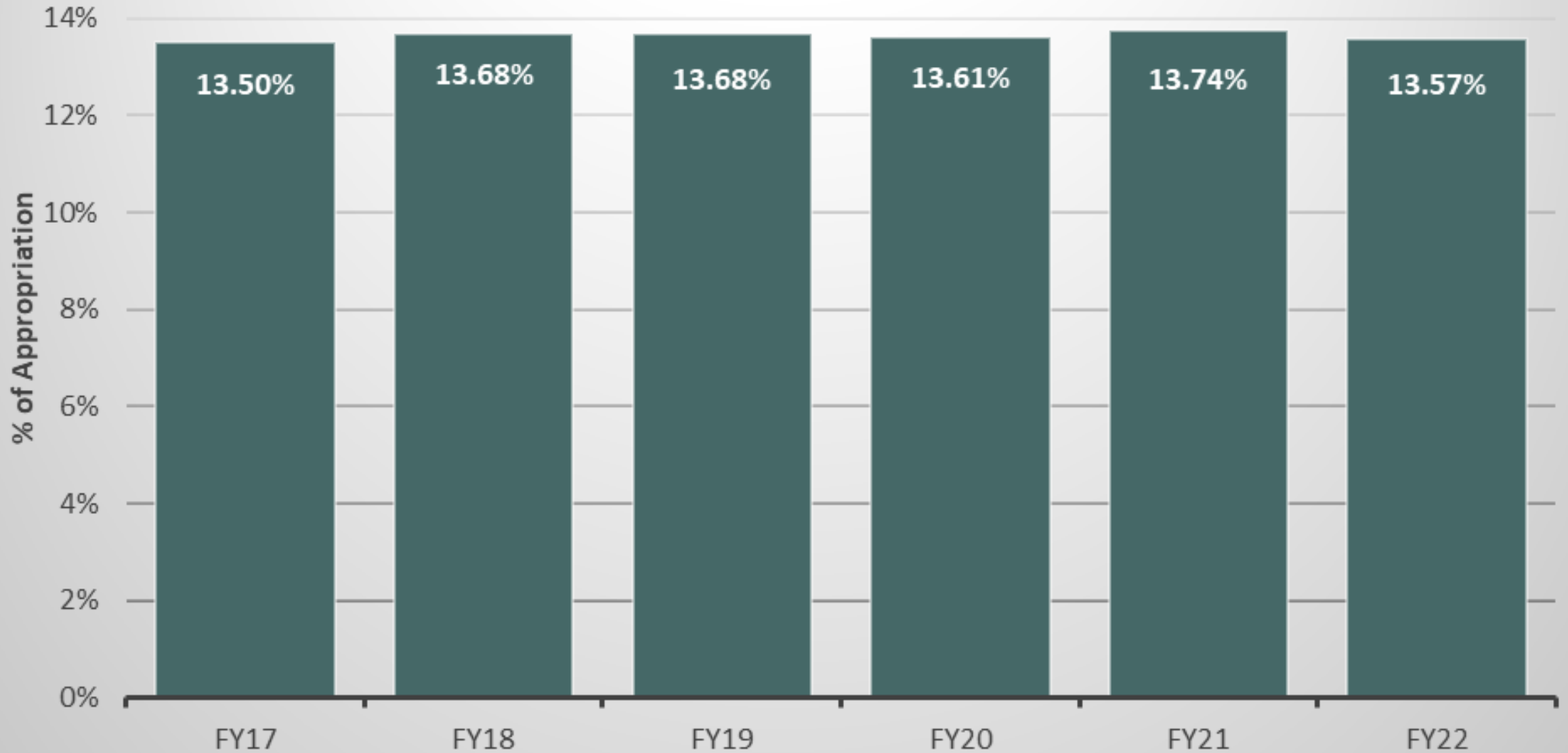
Excess(Deficit) Budgetary	5,550,104	4,587,708	5,159,103	3,627,020	4,164,506	6,629,200
	5.2%	4.1%	4.5%	3.1%	3.5%	5.2%

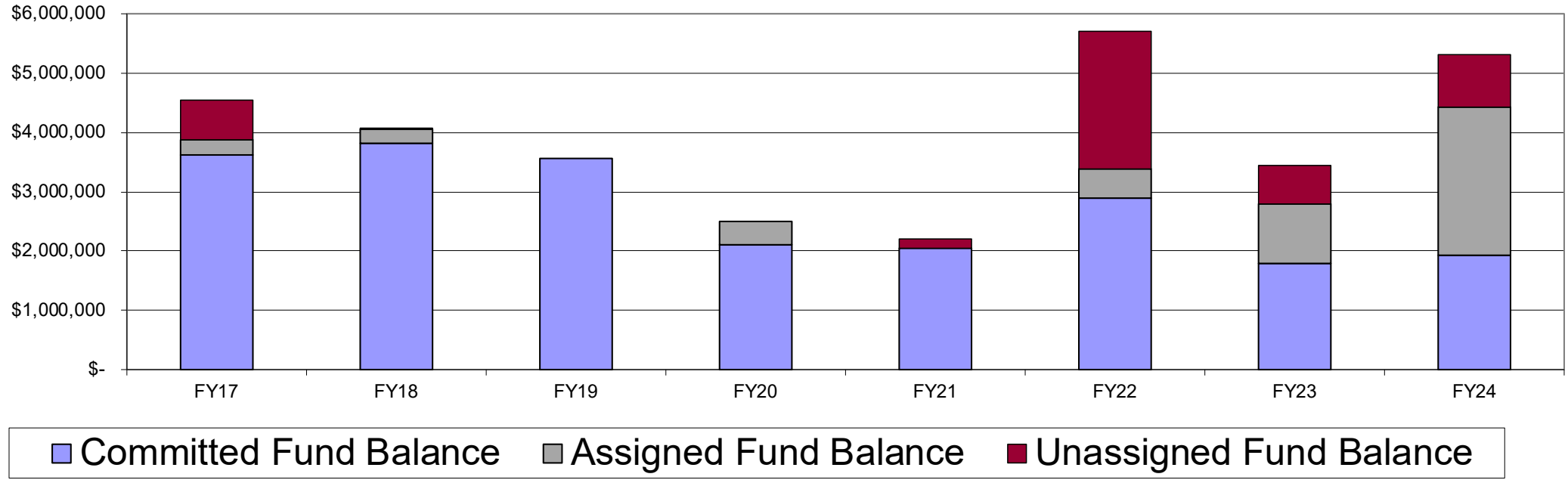


General Fund - Total Fund Balance



General Fund - Unassigned Fund Balance





Use of:	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total FY17-FY24
Committed Fund Balance	3,623,500	3,819,149	3,559,114	2,100,000	2,050,000	2,900,000	1,800,000	1,928,379	21,780,142
Assigned Fund Balance	250,000	231,000	-	400,000	-	480,000	1,000,000	2,500,000	4,861,000
Unassigned Fund Balance	665,800	27,167	-	-	150,000	2,316,000	650,000	890,000	4,698,967
Total Use of Fund Balance	\$4,539,300	\$4,077,316	\$3,559,114	\$2,500,000	\$2,200,000	\$5,696,000	\$3,450,000	\$5,318,379	\$31,340,109

Average Use Per Year **\$3,917,514**

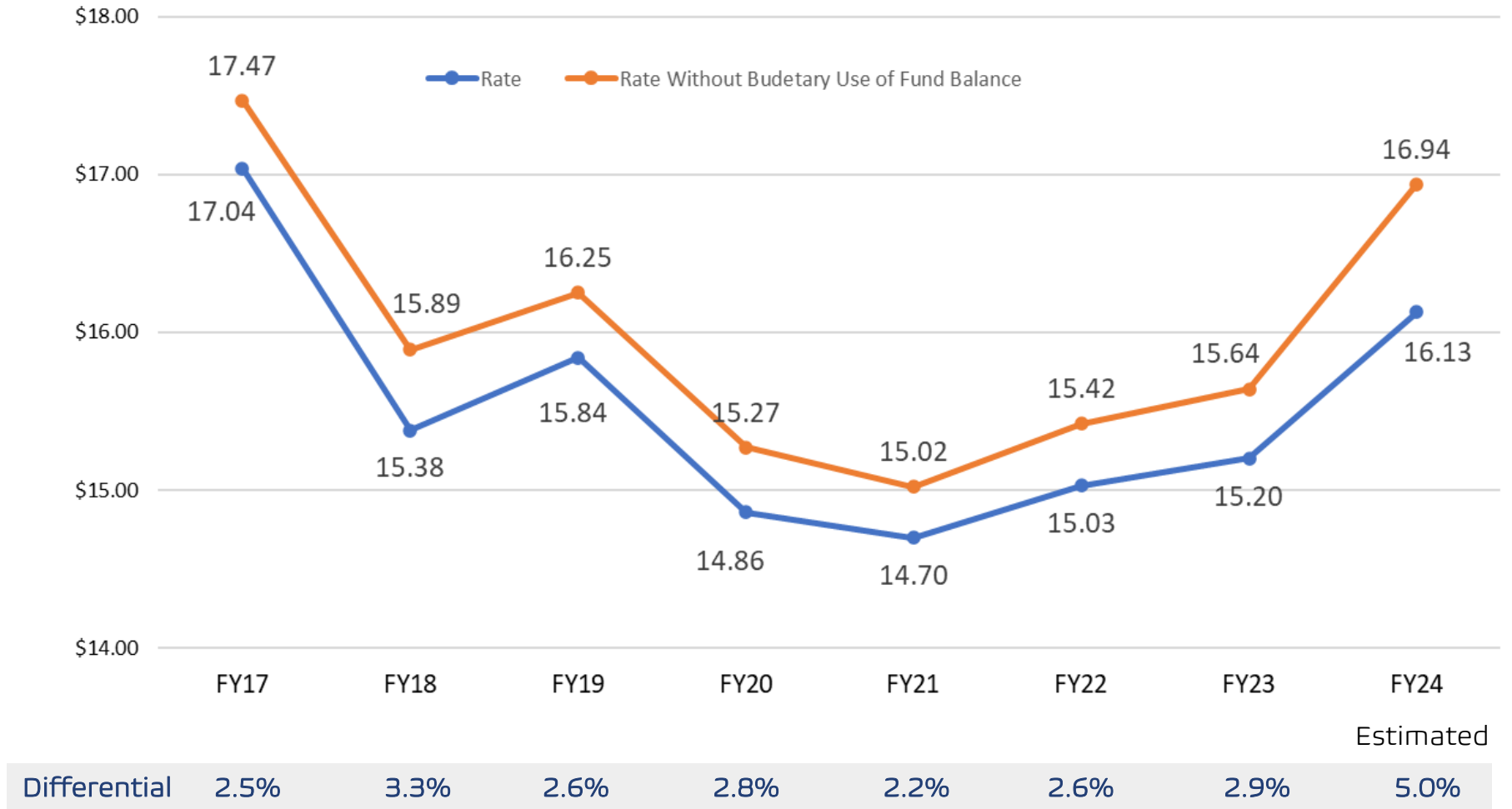
BUDGETARY AND SUPPLEMENTAL APPROPRIATIONS TO OFFSET TAXES

How the Use of Fund Balance Offsets Your Taxes

Budgetary
Use only of
Fund Balance
From
FY17 to FY24

\$22,225,879

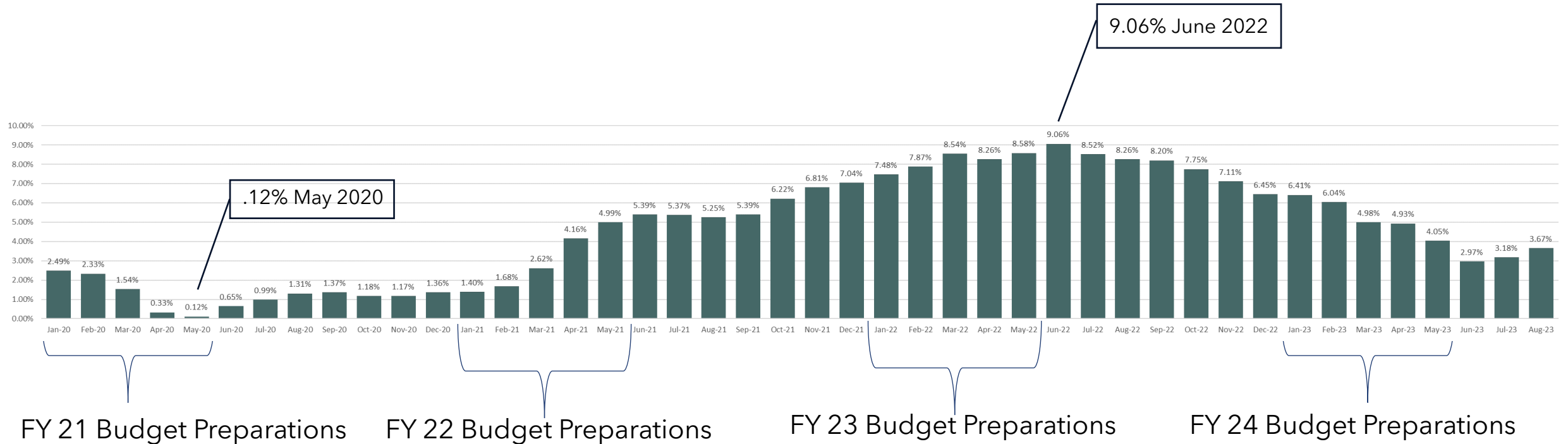
*(At the time of
setting the tax rate)*



WHAT AFFECTS THE ANNUAL BUDGET?

- Additional Services and Demands
- New Initiatives
- Technology Changes
- Regulatory Compliance
- Additional Facilities to construct, purchase and/or maintain
- Capital Projects (Capital Outlay and Bonded Projects)
- Collective Bargaining
- Economy - Inflation

US City Average CPI January 2020 - August 2023



Bureau of Labor Statistics, Consumer Price Index for U.S. city average, all urban consumers, not seasonally adjusted.

Eight (8) Year Budget History

Annual average Increase of 4.5% per year

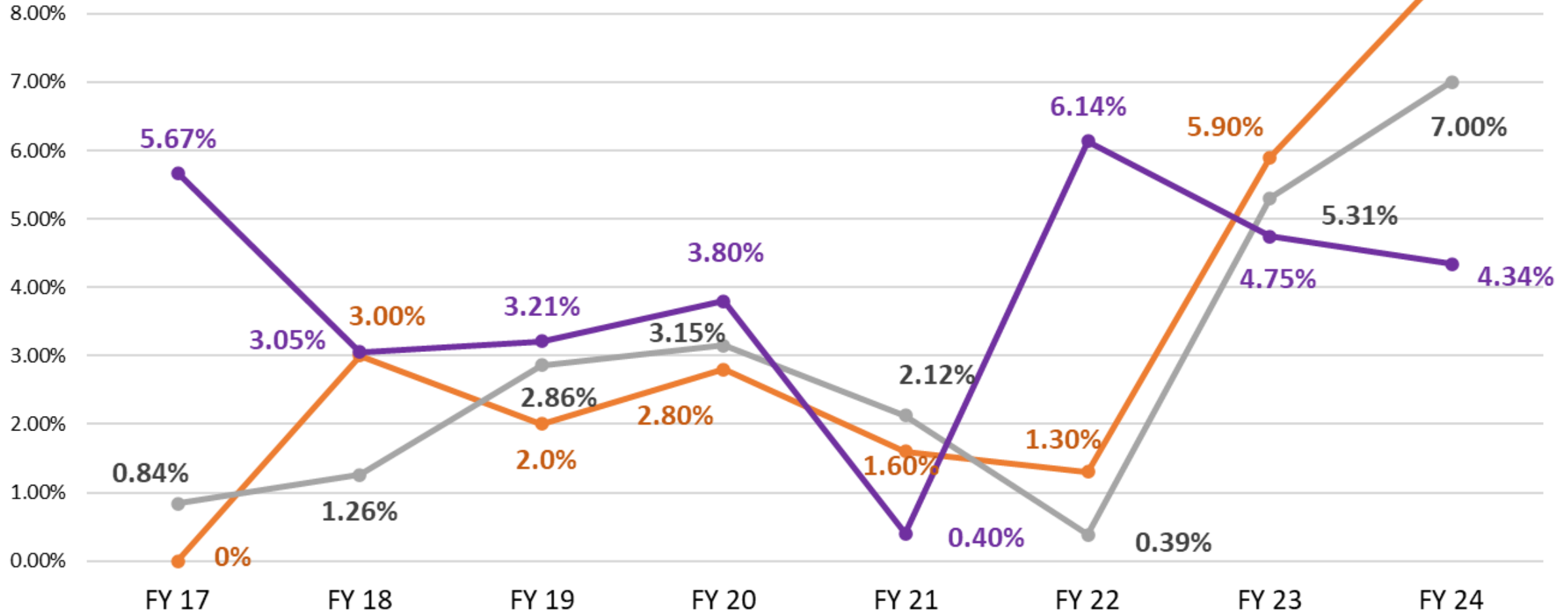
- Creation of Prescott Park Division
- DPW - first food composting pilot
- Initiate Code Red Snow Alerts
- Implement Click- N-Fix App
- Creation of Stormwater Division
- Creation of Trees & Greenery Group
- Increased DPW Presence at events due to security needs
- New Senior Activity Center opens

- COVID 19
- McIntyre
- New athletic field
- Reduced and delayed Capital and Rolling Stock

- Collective Bargaining
- IT Investment
- Student support needs increased
- Loss of one-time revenues
- Community Campus
- Historic high Inflation

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Budget Process Use of FB to offset Taxes	2,023,500	2,781,000	2,273,000	2,500,000	2,050,000	2,480,000	2,800,000	4,428,379
Adopted Budget	104,947,043	109,448,605	113,009,093	118,638,630	118,965,338	123,209,033	131,774,911	137,283,375
Supplemental Appropriations	2,515,800	1,296,315	1,286,114		150,000	3,216,000	650,000	890,000
Final Budget	107,462,843	110,744,920	114,295,207	118,638,630	119,115,338	126,425,033	132,424,911	138,173,375
Change From Prior Year	5,766,641	3,282,077	3,550,287	4,343,423	476,708	7,309,695	5,999,878	5,748,464
Percent Change From Prior Year	5.67%	3.05%	3.21%	3.80%	0.40%	6.14%	4.75%	4.34%
Two Year \$ Change		9,048,718		7,893,710		7,786,403		11,748,342
Two Year % Change		8.90%		7.13%		6.6%		9.3%

CPI COMPARISON TO GENERAL FUND ANNUAL BUDGET



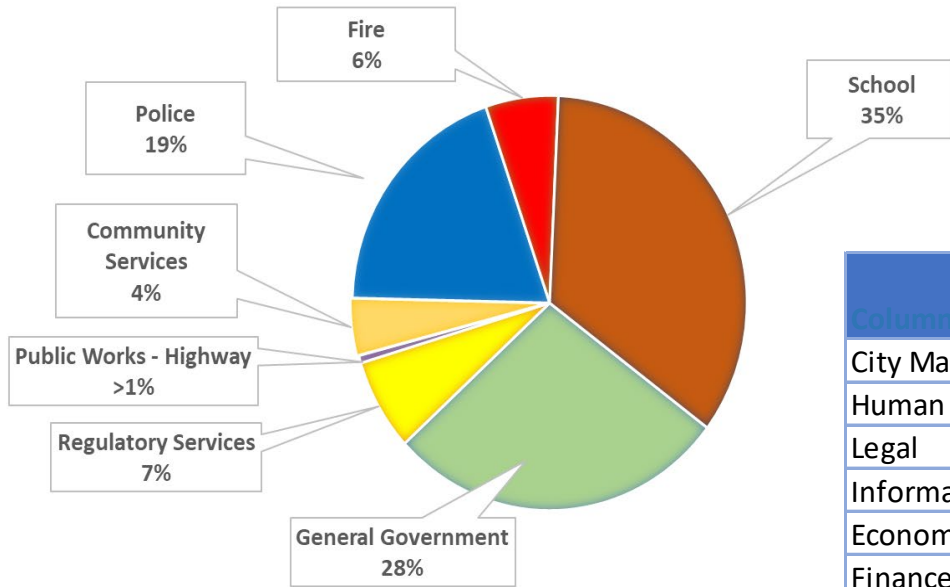
—●— Social Security (Calendar Year)

—●— CPI Nov-Nov Boston-Cambridge-Newton MA-NH (FY)

—●— Annual Budget Increase

GENERAL FUND

FULL-TIME EQUIVALENT CHANGES



Many of the additional FTEs were grant-funded positions or replaced contracted services.

27.1 additional FTEs in FY23 & FY24

School, Police, and Fire Departments make up 60% of the FTE increase from FY17 to FY24.

Column1	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Adopted FY24
City Manager			1.00			0.8	1.00	-0.20
Human Resources			-1.00	2.00				
Legal			0.28	1.00				1.50
Information Technology			1.00				5.00	2.00
Economic Development							1.00	
Finance	2.08	0.20	1.95	0.10	-2.00	1.00	-1.00	1.00
Total General Gov't	2.08	0.20	3.23	3.10	-2.00	1.80	6.00	4.30
Planning		0.08	0.03	-0.10	-1.00	-0.65	0.50	0.50
Inspection						1.95	1.00	
Health				1.00		0.50	1.00	
Total Regulatory Services	0.00	0.08	0.03	0.90	-1.00	1.80	2.50	0.50
Total Public Works - Highway	1.70	0.90	-2.75	-1.15	0.75	0.25	1.00	-0.30
Library		1.00				1.00	-1.00	
Recreation						1.00		1.00
Total Community Services	0.00	1.00	0.00	0.00	0.00	2.00	-1.00	1.00
Total Police Department	4.00	3.00		4.00	-1.00	-1.00	3.00	1.00
Total Fire Department				4.00				
Total School Department	1.08	10.23	7.69	1.34	-0.44	-5.80	7.44	1.66
TOTAL	8.86	15.41	8.20	12.19	-3.69	-0.95	18.94	8.16

FY23 Estimated Results



ESTIMATED BUDGET TO ACTUAL FOR FY23

Revenue Surplus Est. \$4,800,000 or 3.6%

Expenditure Surplus Est. \$2,400,000 or 1.8%

Surplus Key Factors

Investment Income

Licenses & Permits: motor vehicle, building permits, other miscellaneous permits

Intergovernmental: rooms & meals tax, school tuition, adequate education one-time revenue

Charges for Services: PDA Airport district, Police outside detail, ambulance billing, and recreation programs

Other Revenues: workers' comp & property liability holiday premium, sale of surplus equipment and vehicles

Surplus Key Factors

Operating: mainly attributed to vacancies in Police, Fire and general administration, and emergency shelter

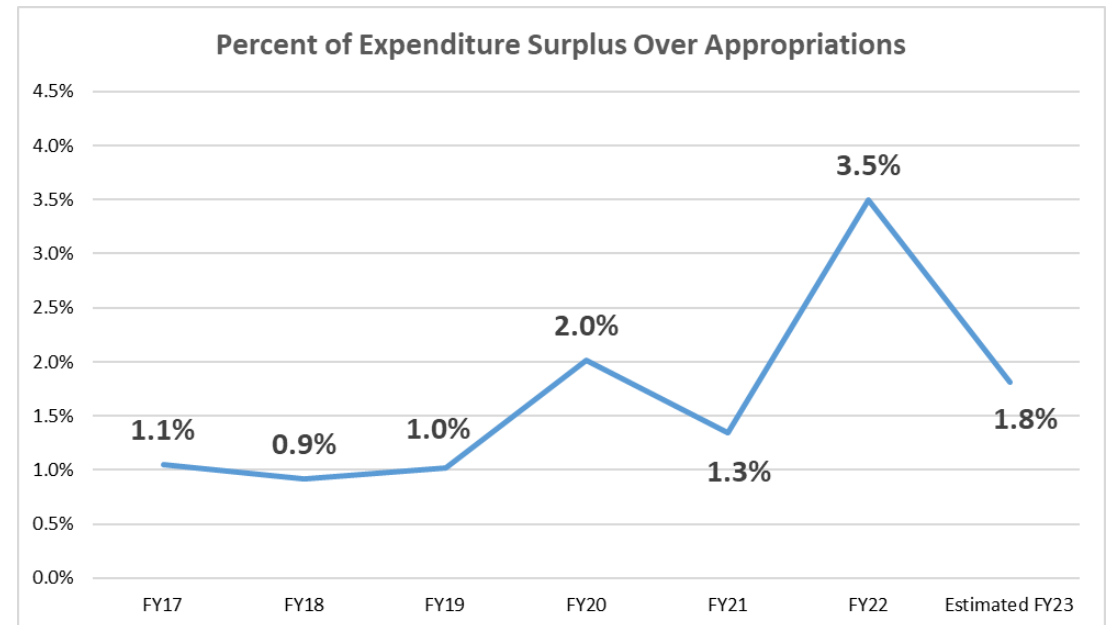
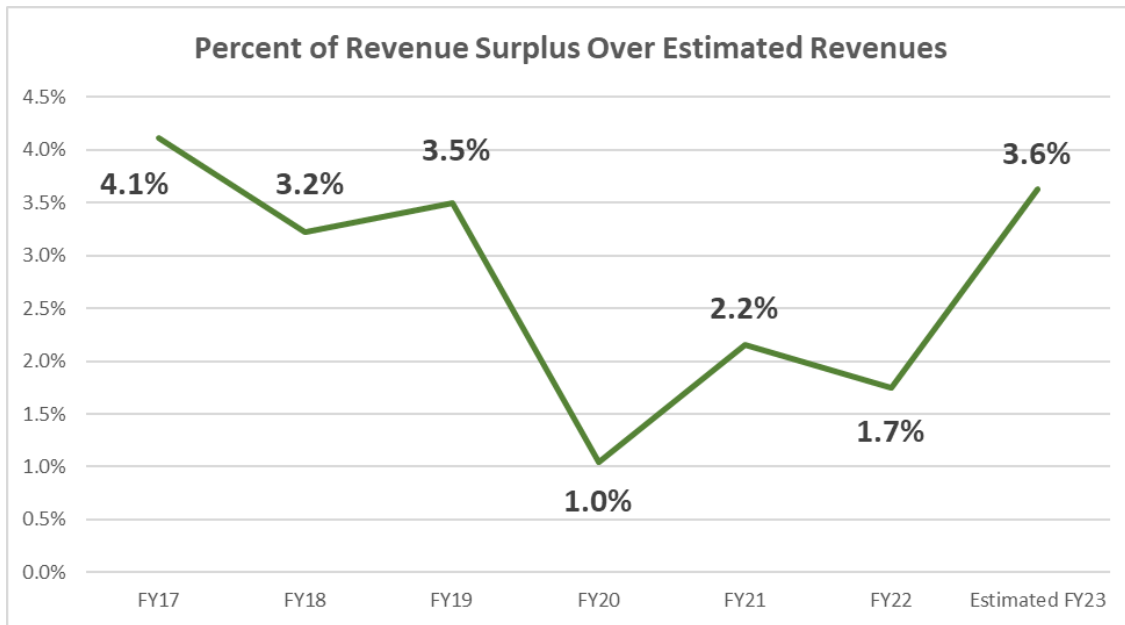
Non-Operating: Rockingham County tax, overlay, and debt service related expenses

REVENUE & EXPENDITURE SURPLUS (FY23 Unaudited Results)

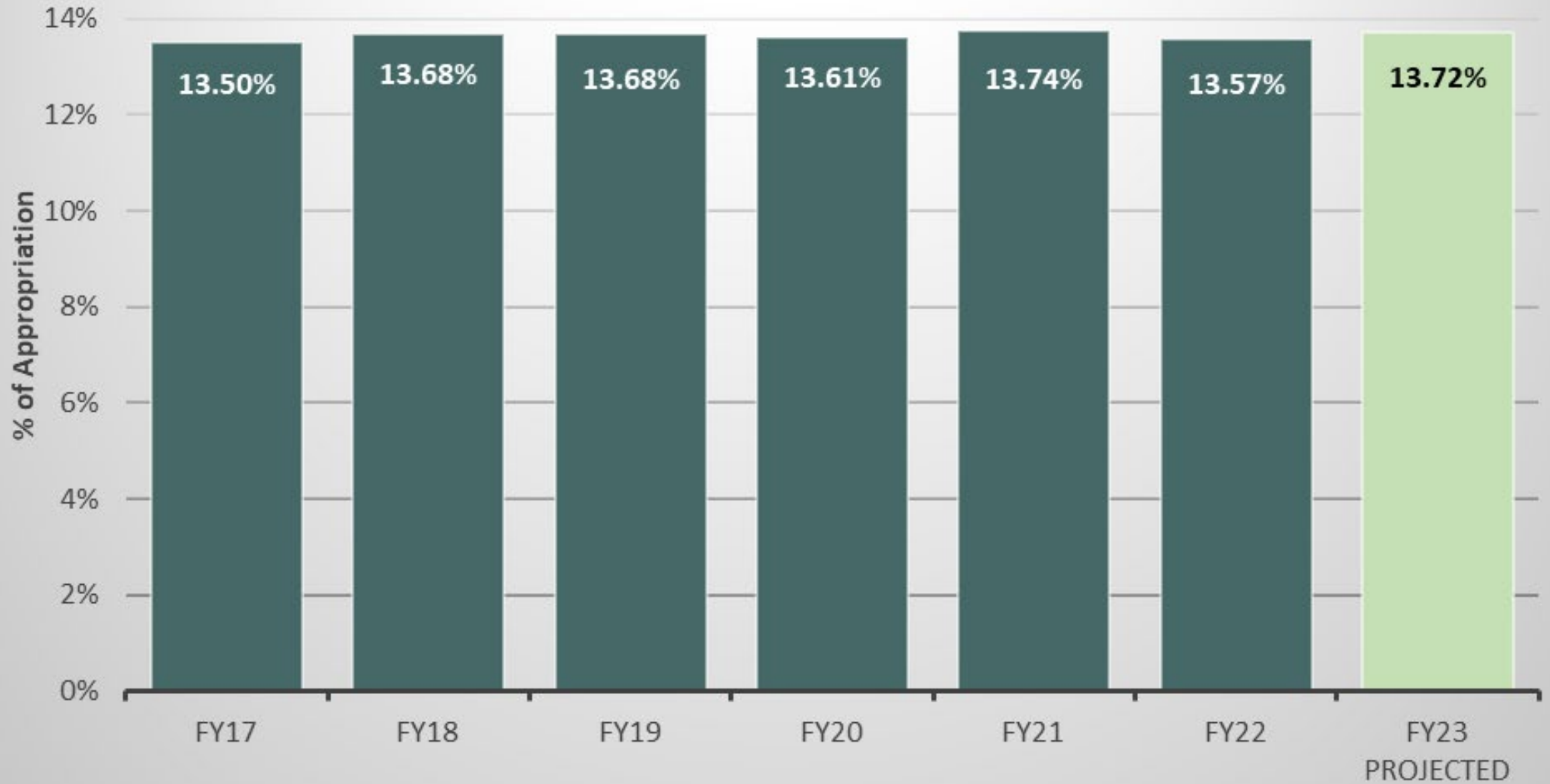
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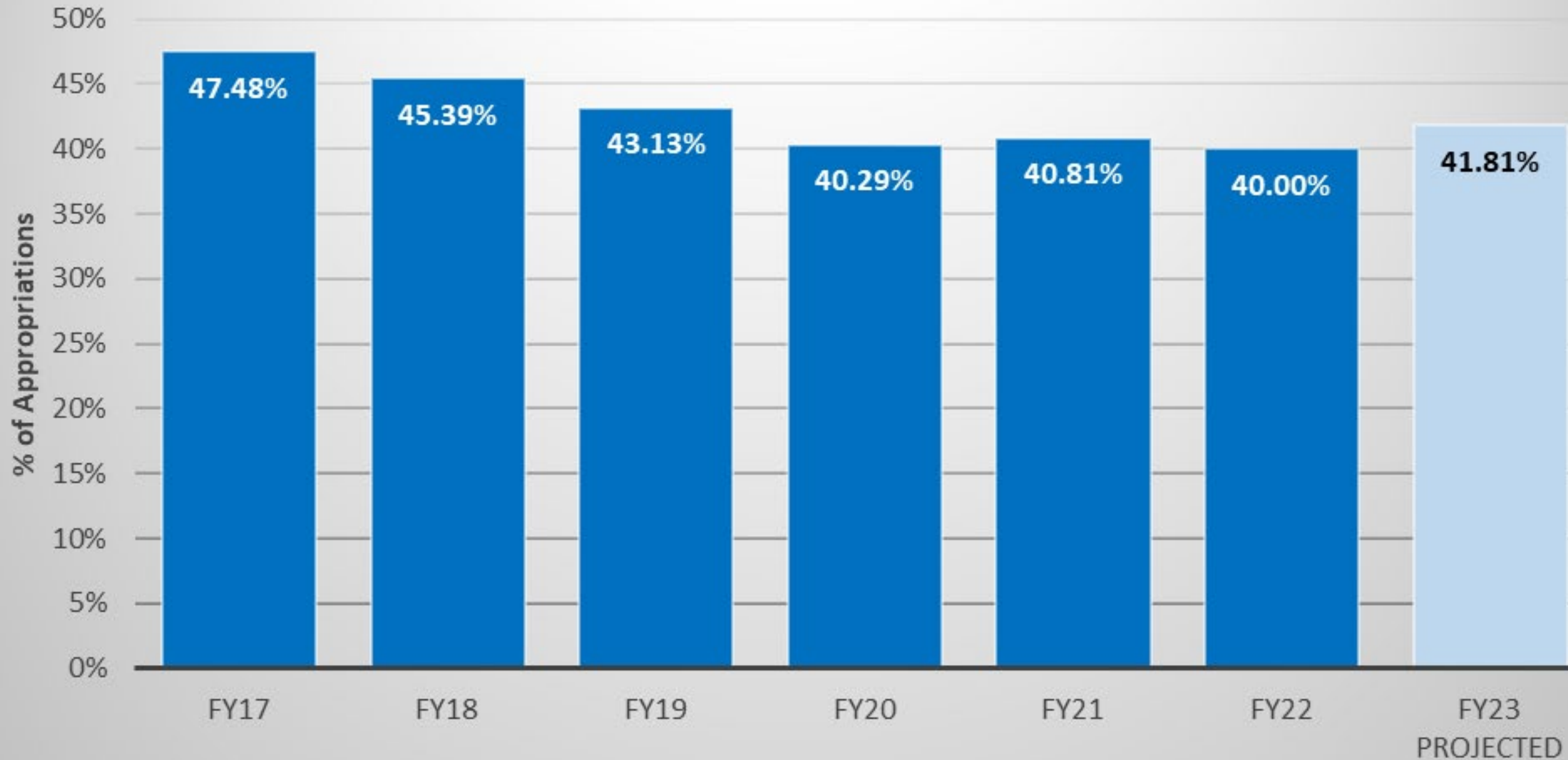
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General Fund - Unassigned Fund Balance

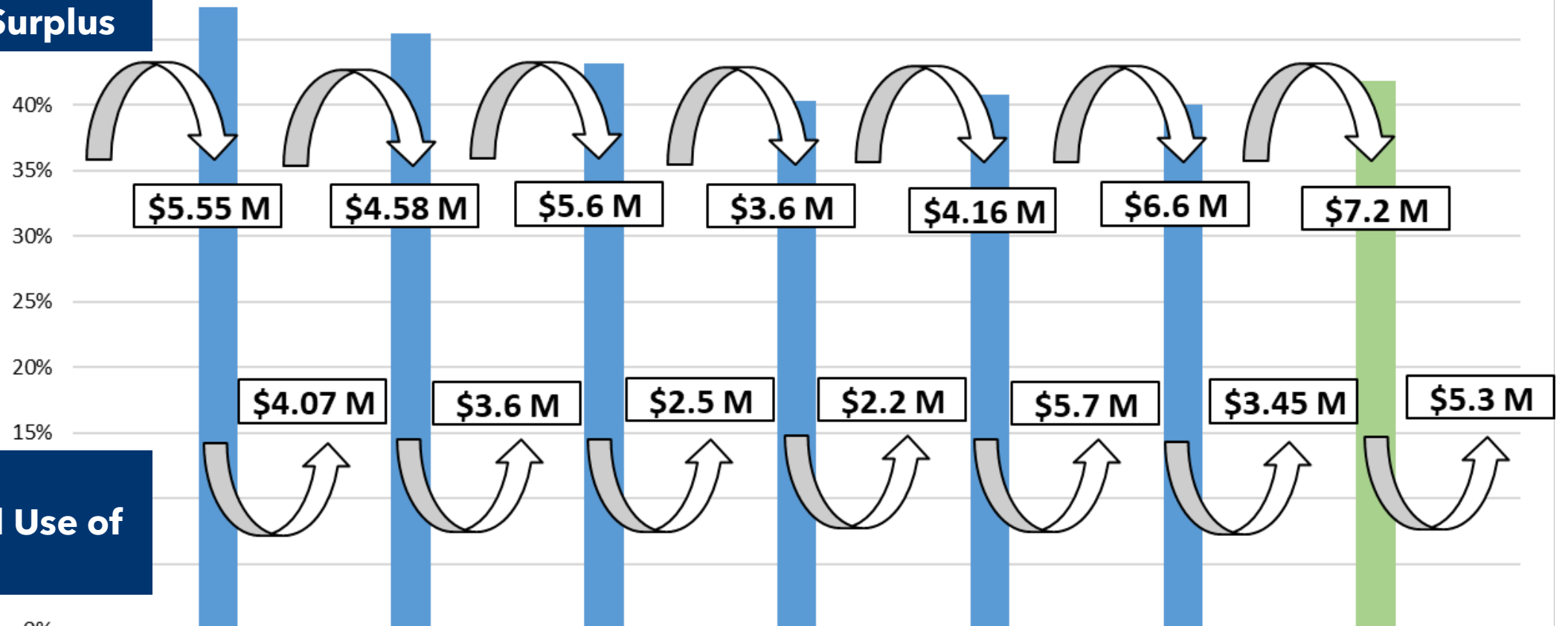


General Fund - Total Fund Balance



FUND BALANCE ACTIVITY

Net Revenue & Expenditure Surplus



Budget & Supplemental Use of Fund Balance

	FY17 BUDGET	FY17	FY18 BUDGET	FY18	FY19 BUDGET	FY19	FY20 BUDGET	FY20	FY21 BUDGET	FY21	FY22 BUDGET	FY22	FY23 BUDGET	FY23 Projected	FY24 BUDGET
■ Percent of total fund balance		47.48%		45.39%		43.13%		40.29%		40.81%		40.00%		41.81%	

Parking Revenues



Unaudited Parking Related Revenues for FY23

Percentage of Fiscal Year Complete 100.00%

Preliminary
Totals Thru
June 30, 2023

	Total	Budgeted	% of Budget
Parking Meter Fees	4,189,513.27	3,250,000.00	129%
Meter Space Rental	226,450.00	150,000.00	151%
Meter In Vehicle	0.00	0.00	0%
EV Charging Stations	16,959.41	10,000.00	170%
Parking-Area Service Agreements	32,208.80	50,000.00	
High Hanover Transient	2,357,141.41	1,909,000.00	123%
High Hanover Passes	1,239,062.34	1,265,100.00	98%
Foundry Place Transient	422,563.41	502,000.00	84%
Foundry Place Passes	482,150.08	451,500.00	107%
Parking Sign Permit	0.00	0.00	
HH Pass Reinstatement	660.00	750.00	88%
Foundry Pass Reinstatement	1,149.75	750.00	153%
Parking Violations	1,153,790.28	700,000.00	165%
Immobilization Administration Fee	5,700.00	5,000.00	114%
Summons Admin Fee	0.00	0.00	0%
<hr/>			
Total FY 23	10,127,348.75	8,294,100.00	122%

	BUDGETED 5,881,795	71% Transfer to Parking Fund
	2,412,305	29% Funds Remaining in Gen Fund

Restaurant Parklette Space Lost Revenue Calculation Summer 2023

	<u>Date Range</u>	<u>Collections in Zone A</u>	<u>Total Days</u>	<u>Revenue Per Day</u>	<u>Total Inventory</u>	<u>Revenue/Space/Day</u>
Existing Zone A Inventory	May 1 - October 12th	\$1,194,827.00	165	\$7,241.38	391	\$18.52
	<u>Date Range</u>	<u>Lost Collections in Parklettes</u>	<u>Total Days</u>	<u>Revenue Per Day</u>	<u>Total Inventory</u>	<u>Revenue/Space/Day</u>
Calculation of Parklettes	May 1 - October 12th	\$116,121.29	165	\$703.77	38	\$18.52

Quick Synopsis

Zone A delivered \$18.52 per space per day in the Summer of 2023. Multiplying that figure by 38 parklette spaces * 165 days (May 1 - October 12) renders a Gross Revenue Lost figure of \$116,122.05. Considering \$57,000 was collected from restaurants for the use of the space, a **Net Revenue Loss figure of \$59,155.05** is reached.