



CITY OF PORTSMOUTH

City Hall, One Junkins Avenue
Portsmouth, New Hampshire 03801
jpb@cityofportsmouth.com
(603) 610-7201

John P. Bohenko
City Manager

To: Honorable Mayor Robert J. Lister and City Council Members
From: John P. Bohenko, City Manager
Date: April 27, 2015
Re: Fiscal Year 2016 Budget Message

In accordance with Article VII of the City Charter, I hereby submit to you the Fiscal Year 2016 Proposed Budget document for all appropriated City funds: General, Water, Sewer, Parking and Transportation, and Community Development. This budget document also includes the City's Rolling Stock Replacement Program, a summary of the Capital Improvement Plan, and the FY16 Fee Schedule. In addition, I have included in the Appendix a summary of the operational costs related to Prescott Park which is managed by the Trustee of Trust Funds. This document includes city-wide accomplishments, outlines priorities for the coming year and establishes a financial plan to achieve a level of General Government, School, Fire and Police services that meets critical needs.

As we present a proposed budget for this fiscal year, it is important to reflect on how the City has navigated ongoing challenges in recent years as the economy continues to recover and annual State funding continues to decrease. Strategic budget planning has been instrumental in adjusting to both expected and unexpected changes in funding, and has allowed for sustained tourism, new business and unique culture. Entering FY16, the goal will be to continue forward with such stability while implementing more long-term budget initiatives that ensure a better quality of life for our citizens.

FISCAL CHALLENGES

It has become increasingly difficult to maintain stable tax rates for Portsmouth's taxpayers due to diminishing funds and downshift of obligations by the State of New Hampshire. A culmination of State activity over several years – the elimination of shared revenues, state aid grants and retirement contributions, along with limited return of investment from the Meals and Rooms tax – has resulted in a movement to create alternative funding to return to our taxpayers.

According to a report published by New Hampshire's Economic Security Agency in early 2015, jobs in the Portsmouth region are predicted to grow 14.7% over the next 10 years – faster than anywhere else in the state. A projected 15% job growth in 10 years puts pressure on Portsmouth to maintain adequate housing, transportation, roadways and more. This anticipated economic growth, along with the growing strains of tourism and weakened State funding has introduced newfound

circumstances within budget management. Our resources have diminished, yet we are expected to accomplish more for our citizens.

Meals and Rooms Tax

The Meals and Rooms tax has continued to be problematic given its monetary distribution based on population versus economic activity. Despite bringing in a large percentage of tourism and business for the State, due to our population size, this City only receives 1.6% of the net revenue from the meals and room tax distributed to municipalities. Therefore, only \$1,025,926 was allotted to Portsmouth last year out of the \$63.8 million meals and rooms tax distributed to cities and towns statewide. This amount is insufficient to support the demand on our infrastructure and services necessary to maintain a safe and attractive destination, especially when estimates provided by the Greater Portsmouth Chamber of Commerce reported that:

- our hotels make up roughly 10% of approximately 21,000 hotel rooms throughout New Hampshire;
- generate 80% of Rockingham County’s meals tax and 70% of rooms tax, returned almost \$70 million of the \$279 million in total meals and rooms taxes collected by the State in 2014; and
- Portsmouth’s hotels maintained an estimated 87% occupancy throughout the summer of 2014 and 78% on an annual basis.

The City continues to voice discord with the distribution formula used by the State to allocate Meals and Room revenues, based on local population and not by proportionate taxes collected within the community. The Mayor and I have testified in front of the state legislature in order to support the formation of a committee that will reevaluate how the Meals and Rooms tax is distributed, as well as explore added hotel fees for visitors to incur which could potentially form additional revenue to be retained in the City.

Retirement

In regard to retirement contributions, prior to FY10, the State of New Hampshire contributed 35% of the employer’s share to the New Hampshire Retirement System for Teachers, Police, and Fire personnel. The State reduced their contribution in FY10, FY11, and FY12 from 30%, 25%, and 0%, respectively, therefore placing that responsibility onto the City. This equates to \$8.3 million in the past seven fiscal years (FY10-FY16).

Downshift of State Obligations

Throughout my tenure as City Manager, the City has endured significant changes in financial support from the State. In my nineteenth year of budget planning for the City, I have seen over \$33 million downshifted from the State to Portsmouth’s taxpayers. The table below summarizes this accumulated downshift between FY00-FY16:

State Program	Total FY 00-16 City of Portsmouth Effect
Shared Revenue	\$12,079,319
Statewide Property Tax	\$11,750,318
Rooms and Meals Distribution	\$1,000,000
Retirement Contribution	\$8,300,000
Total	\$33,129,637

Municipalities across the state are currently at a tipping point. Through long-term planning and economic development, our City has been able to sustain its strong financial position. This was evident when Portsmouth was upgraded to a “AAA” bond rating, the highest obtainable rating by Standard & Poor’s in June of 2013. However, we continue to work in creating new strategies to help build new reserves that can be used to benefit the City. Having more income cycled back to the community will help preserve the culture that appeals to most visitors and keep citizens rooted in our City.

There is a misconception that the State is not raising taxes, but in fact, this downshift to cities and towns increases the local property taxes. Portsmouth has been able to maintain the lowest equalized tax rate out of the 13 cities in New Hampshire (detailed below), and is ranked #42 as the lowest equalized tax rate out of the 227 taxable municipalities in the State:

<i>New Hampshire Cities</i>	<i>Tax Year 2013 Equalized Tax Rate</i>	<i>Tax Rate listed from Lowest to Highest NH Cities Only</i>	<i>Tax Rate Ranking State- wide</i>
Portsmouth	16.11	1	42
Laconia	21.57	2	92
Nashua	22.31	3	104
Manchester	22.33	4	105
Franklin	23.72	5	128
Concord	24.07	6	136
Dover	24.10	7	137
Lebanon	24.57	8	147
Rochester	25.50	9	161
Somersworth	30.66	10	211
Keene	34.20	11	220
Claremont	40.03	12	226
Berlin	42.19	13	227

As reported by the State of New Hampshire Department of Revenue

ENVIRONMENTAL PROGRAMS

In addition to the loss of funds previously mentioned, the City has seen reduced State Aid Grants in various construction and environmental projects as well. In January 2015, the City announced the completion of a series of long-term sewer separation control projects which began in 2002 and included work in the Lincoln Avenue area, along Islington Street and its low-lying neighborhoods. The City relied heavily on State Revolving Fund loans and was eligible for 30% funding through the State Aid Grant program; this grant program has been eliminated. Therefore, the last half of the sewer separation projects had to be executed without assistance from the State. Despite this loss of funding, the City was able to avoid significant financial impacts and dedicate other funds to conduct research and allow additional improvements such as pipe replacements, sidewalks, curb cutting and more.

Although the City is required to implement certain construction improvements to adhere to the Environmental Protection Agency and fulfill Clean Water Act policies, further plans have been adopted in order to become a more sustainable community. With the long-term control plan completed, a construction monitoring plan is in place to measure the overflow and infiltration conditions and note how other improvements can be made. Sewer separation and stormwater management efforts have shifted towards the downtown, where environmental enhancements such as tree box filters and rain gardens have also been put in place.

Entering FY16, the City has budgeted for expanded efforts in introducing sustainable projects and practices, ranging from downtown improvements to environmentally-friendly waste management and recycling programs.

PROGRESS ON GOALS AND PUBLIC OUTREACH

The budget is produced at a time in which much progress is being made on many significant and complex issues and projects all while maintaining a core of high quality local government services in all areas of operation. Some major initiatives in progress include (*more information about these initiatives can be found in the Citywide Priorities section*):

- African Burying Ground Memorial Park
- Wayfinding Plan
- Bike and Pedestrian Plan
- Character-based Zoning
- Master Plan
- Sarah Mildred Long Bridge
- Harborwalk Park and Pier
- Pease and Peirce Island Wastewater Treatment Facilities
- Senior Programming and Services

The City continues to expand its efforts to ensure connectivity with the community and provide significant public input opportunities. This includes website comment forms, social media engagement, multi-day design charrettes for planning developments and public meetings regarding planning and public works projects.

FISCAL YEAR 2016 GENERAL FUND BUDGET

In preparation of the Fiscal Year 2016 budget, the City Council ratified the recommendation to bring back the Joint Budget Committee (JBC) which was charged with assisting myself and the City Council in developing this year's budget plan. By the end of calendar year 2014, meetings with the JBC allowed for early compilation of a preliminary FY16 proposed budget and provided an improved viewpoint of what needed to be accomplished.

OPERATING BUDGET

The JBC focused on the Operating Budget that finances expenditures associated with the day-to-day operation and services provided by Police, Fire, School and General Government Departments. The JBC recommended that a guideline be set that would result in the continuation of existing services. Due to increases in rates such as COLA, retirement and health insurance, the preliminary operating budget was presented with an overall increase of approximately 4%. The JBC recommended that for each department there not be a set percentage increase but an *overall* operating budget increase of no more than \$3,000,000 or 3.95%. The City Council voted on January 5, 2015 in favor of this recommendation.

The total Operating budget that I present is submitted to you as requested by each department and is *below* the recommended cap. The proposed Operating budget of \$79,100,185 reflects an increase of \$2,807,245 or 3.68% over FY15.

PROPOSED FY16 OPERATING BUDGET

	FY15 BUDGET	\$\$\$ INCREASE	FY16 PROPOSED BUDGET	% Change
GENERAL GOVERNMENT	17,126,460	509,480	17,635,940	2.97%
POLICE	9,354,354	238,334	9,592,688	2.55%
FIRE	7,762,440	232,807	7,995,247	3.00%
SCHOOL	41,806,896	1,429,414	43,236,310	3.42%
	76,050,150	2,410,035	78,460,185	3.17%
COLLECTIVE BARGINING	92,790	397,210	490,000	428.07%
TRANSER TO INDOOR POOL	150,000	-	150,000	0.00%
TOTAL	\$76,292,940	\$2,807,245	\$79,100,185	3.68%

There are several challenges that Departments face when preparing the FY16 proposed budget without reducing services or the quality of services that our citizens deserve. All City services are labor-intensive so it is not surprising that salaries and benefits make up 83% of the total operating budget. The challenge has become more significant in the last several years as health insurance premiums continue to rise, pushed down retirement costs from the State, and other rising costs such as utilities become more difficult to control.

Salaries

The City of Portsmouth has fifteen (15) collective bargaining units of which six expired on June 30, 2014 and three will expire June, 30, 2015. The submitted budgets from Police, Fire, School and General Government are prepared without cost-of-living (COLA) adjustments for the following nine (9) contracts that currently do not have settled agreements for fiscal year 2016.

Contracts Expired June 30, 2014

- AFSCME Local 1386 servicing Public Works, Recreation, Library, and City Hall.
- Police Ranking Officers Association
- Police Patrolman Association
- Police Civilians
- Fire Officers Association
- Fire Fighters Association

Contracts Expires June 30, 2015

- School Principal and Directors
- School Custodial Supervisors
- School Clericals

The increase in salaries for FY16 is a result of the following:

- Although these nine contracts will be expired prior to FY16, departments included step increases for employees who have not reached top step in the job classifications in accordance with current contracts.
- Pursuant to the six (6) settled collective bargaining units agreements; Professional Management Association (PMA), Supervisory Management Alliance (SMA), Association of Portsmouth's Teachers, School Custodial union, School Cafeteria union, and School Paraprofessionals, salaries have been adjusted by a contractual COLA of 2%.

At this time, we can only anticipate negotiated salaries and benefits associated with the (9) nine collective bargaining units that will expire prior to FY16. Therefore, I am recommending an appropriation of \$490,000 in a separate line item within the operating budget that would reserve funds until such time these contracts are approved.

Retirement

The New Hampshire Retirement System (NHRS) set its contribution rate for FY16 & FY17 as follows:

	FY15 Rates	FY16 Rates	% change from FY15 rates
GROUP I			
Employees	10.77%	11.17%	3.71%
Teachers	14.16%	15.67%	10.66%
GROUP II			
Police	25.30%	26.38%	4.27%
Fire	27.74%	29.16%	5.12%

The total retirement appropriation for FY16 is \$6,870,198. As you can see from the following table, the increase of \$466,469 or 7.28% over FY15, which is mainly due to the increase in the contribution rate, has significantly impacted the Departments' operating budget.

	FY15 Budget	FY16 Proposed Budget	\$ Change	Percent % Change
General Government	803,222	837,148	33,926	4.22%
Police Department	1,240,014	1,301,852	61,838	4.99%
Fire Department	1,227,458	1,306,762	79,304	6.46%
School Department	3,133,035	3,424,436	291,401	9.30%
Total	\$6,403,729	\$6,870,198	\$466,469	7.28%

Keep in mind that retirement contributions have not been included for those collective bargaining units currently not settled for FY16.

As mentioned earlier, the elimination of the State of New Hampshire’s entire share of the employer contribution to the NHRS for Teachers, Police and Fire personnel is one of the biggest impact to the City’s taxpayers in the most recent years. This legislative change impacts the FY16 budget by more than \$1.9 million alone and has burdened our taxpayers by more than \$8.3 million since FY10.

Health Insurance

The City of Portsmouth has been making strides in the last several years to address and to mitigate large spikes in health insurance premiums from year to year. One effort was that the City has been able to offer to the collective bargaining units a SchoolCare Product supported by Cigna. As the switch to another health care plan must be negotiated with each union, five of the fifteen unions have accepted this plan. The SchoolCare health plan saves both the City and the employee a substantial amount of money. However, many of our larger unions remain on the New Hampshire Local Government Center (LGC) HealthTrust plans.

Establishing the appropriation for health insurance premiums for the General Government, Police, Fire and School Departments has traditionally been determined in accordance with the average increase of Health Insurance rates provided by HealthTrust over 10 years. Any shortfall from the appropriation for health premiums would be subsidized by the Health Insurance Stabilization Fund. *[Detailed information on the Health Insurance Stabilization Fund can be found in the Financial Policies and Long-Term Financial Guidelines section of this budget document.]*

The Guaranteed Maximum Rate (GMR) increase for FY16 is 2.7%, which will result in a **total** premium cost of approximately \$13.8 million. City employees’ share will be approximately \$2.25 million, or approximately 16.38% of the total cost, leaving the City’s share at \$11.5 million.

The Guaranteed Maximum Rate (GMR) of 2.7% makes the 10-year average rate increase 5.36%. For FY16, the Police, Fire and School Departments used this rolling average to increase their health insurance appropriation. The General Government used a factor of 2.61% as savings are realized with employees selecting SchoolCare products. The total increase for FY16 is \$491,861 or 4.9% over the previous year.

HEALTH INSURANCE PREMIUM BUDGET

	FY15 Budget	FY16 Budget Increase	FY16 Budget	% Increase
General Government	1,686,043	44,054	1,730,097	2.61%
Police Department	1,414,956	75,842	1,490,798	5.36%
Fire Department	1,098,396	58,874	1,157,270	5.36%
School	5,841,258	313,091	6,154,349	5.36%
Total General Fund Budget	\$10,040,653	\$491,861	\$10,532,514	4.90%

NON-OPERATING BUDGET

The Non-Operating budget of \$22,333,517 finances expenditures for debt service, overlay, capital outlay, county tax, contingency and other non-operating expenditures. The overall increase of \$11,298 or .05% over FY15 is primarily a net result of the major areas of expenditures outlined below.

NON-OPERATING BUDGET

	FY15 BUDGET	\$\$\$\$ INCREASE	FY16 PROPOSED BUDGET	% Change
DEBT RELATED EXPENSES	275,000	-	275,000	0.00%
DEBT SERVICE	11,231,523	707,602	11,939,125	6.30%
OVERLAY	1,000,000	-	1,000,000	0.00%
PROPERTY & LIABILITY	318,000	3,000	321,000	0.94%
COUNTY	4,764,174	238,209	5,002,383	5.00%
CONTINGENCY	250,000	-	250,000	0.00%
ROLLING STOCK	786,300	118,560	904,860	15.08%
MUNICIPAL COMPLEX-USE OF BOI	1,417,897	(1,417,897)	-	-100.00%
OTHER NON-OPERATING	679,325	111,824	791,149	16.46%
CAPITAL OUTLAY	1,600,000	250,000	1,850,000	15.63%
TOTAL	\$22,322,219	\$11,298	\$22,333,517	0.05%

Debt Service Payments

The increase in debt service payments of \$707,602 or 6.3% over FY15 is due to projected future debt payments outlined in the Capital Improvement Plan. Despite this increase we remain within the guidelines established by the City's debt service policy. This increase will bring the City's net debt service payments to 8.45% of total general fund appropriation. The City's policy is to use no more than 10% of the annual appropriation towards net debt service. In addition, the City's debt limit margin is far below the legal allowable limit in accordance with State Statute. *[Detailed information on the City's Policy and the legal debt limit can be found in the Debt Service section of the budget document.]*

County Tax

The Rockingham County is comprised of 37 communities. Each community is annually assessed its portion of the county obligation tax based on its equalization of property values for the entire county. Although Portsmouth is the 4th most populous community, making up 7.2% of the total county population, Portsmouth paid 10.78% of the tax obligation in FY15, the highest contributor of the entire County.

Over the last 10 years, the total Rockingham County tax obligation has increased over 26%, while Portsmouth share of this tax obligation has increased more than 55%.

At this same time, Portsmouth percentage share of the equalized value of Rockingham County has increased more than 23%.

Rockingham County Tax vs. Portsmouth's County Tax Obligation		
	FY 06	FY 16
Total Rockingham County Tax	36,505,736	46,013,873
		26.05%
		10 Year % Increase
		Estimated
City of Portsmouth \$\$ Share	3,221,025	5,002,383
		55.30%
		10 Year % Increase
		Estimated
City of Portsmouth %% Share of Rockingham County Tax	8.82%	10.87%
Based on Equalized value share of Rockingham County		23.20%
		10 Year % Increase

In FY16, it is estimated that Portsmouth will pay approximately \$5 million to Rockingham County. The proportion of the City's share, which determines the actual amount due to the County, is established by the State of New Hampshire Department of Revenue Administration at the time of setting the tax rate.

Capital Outlay

The Planning Board-CIP Subcommittee has recommended for FY16 an appropriation of \$1,850,000 from the General Fund for capital projects within the Capital Improvement Plan. This appropriation will fall in line with their recommended policy of tying capital expenditures from the general fund to *up to 2%* of the prior year's general fund budget.

FISCAL YEAR 2016 TAX RATE

In addition to preparing the annual budget to provide, maintain and improve public services as well as continue the investments in the City's infrastructure, we strive to maintain a stable and predictable tax rate in spite of the impacts of cost downshifting by the State of New Hampshire and other operating cost increases. There are many factors that positively impact the City's budget and contribute to the City's strong financial stability. Over time, the City Council has adopted policies to address long-term liabilities and limit the impact from external financial conditions. These policies include, but are not limited to:

- Unassigned Fund Balance Ordinance;
- Leave at Termination Stabilization Fund;
- Health Insurance Stabilization Fund;
- Debt Service Planning Policy;
- Capital Improvement Plan; and,
- Rolling Stock Replacement Program.

As a result of these efforts, Portsmouth has been able to navigate changes in policies and unexpected modifications in funding in a steadier manner without cutting major services.

The total proposed FY16 budget to fund both the operating and non-operating budget for FY16 is \$101,433,702. This is an increase of \$2,818,543 or 2.86%.

2016 PROPOSED BUDGET	FY15 BUDGET	\$\$\$ INCREASE	FY16 PROPOSED BUDGET	% Change
OPERATING	76,292,940	2,807,245	79,100,185	3.68%
NON-OPERATING	22,322,219	11,298	22,333,517	0.05%
TOTAL PROPOSED BUDGET	\$98,615,159	\$2,818,543	\$101,433,702	2.86%

Property taxes remain the major source of funding for the services provided by the City Departments. If the budget is adopted as proposed, it will result in an overall tax rate of \$18.58 which represents a 48¢ increase. As the following table illustrates, the average annual tax increase since FY11 has been 23¢ or 1.34% annually. Should be noted that the average of the November to November consumer price index (CPI) for the past five years is 1.61%

Tax Rate History

	Tax Rate	\$ Rate Increase
FY11	17.41	
FY12	17.27	(0.14)
FY13	17.55	0.28
FY14	17.91	0.36
FY15	18.10	0.19
<u>FY16 Proposed</u>	<u>18.58</u>	<u>0.48</u>
Five-year average of 23 cents per year		

Keep in mind that the tax rate is set by the New Hampshire Department of Revenue Administration in October once all state revenues, property valuation, and the county tax obligation are finalized.

It is important to note that *if* the State of New Hampshire still contributed a retirement portion for Police, Fire, and School personnel, and did not push this obligation down to the local level, there would be no tax increase in FY16.

WATER AND SEWER ENTERPRISE FUNDS

The City continues to move forward to meet the requirements of the Environmental Protection Agency (EPA) Judicial Consent Decree and related regulatory-driven improvements required for the Water and Wastewater Divisions. With anticipation of future significant costs and the impact to ratepayers going forward, the City initiated the Water and Wastewater system rate study in FY13 and implemented a rate stabilization approach of having predictable and stable user rates projected over the next several years to avoid large rate spikes as we begin to pay for these regulatory-driven costs. Fiscal Year 2016 marks the third year utilizing the new rate stabilization approach.

User Rates for Fiscal Year 2016

- Water – For the fifth consecutive fiscal year, the rate stabilization model for the Water Division will permit another year with ***no increase*** in user rates.
- Sewer – The user rates in the Sewer Division will have an increase of 5%.

More detail regarding the Water and Sewer proposed FY16 budget, rate study, programs and services is provided in the Water and Sewer Enterprise Fund sections of this document.

NEW PROGRAMS

Assistance Programs

As requested by the City Council, the City implemented on January 1, 2015 two (2) Water and Sewer Assistance Program for residential home-owners or tenants serviced by the City's Water and Sewer Division which allow qualifying customers assistance with the payment of their water and sewer bills.

- 1) Annual assistance of 25% discount off of water and sewer bills for income eligible home-owners or tenants.
- 2) Temporary assistance of up to a 50% credit towards an outstanding water and sewer balance to maximum of \$300 for a financial hardship.

Water Efficiency Rebate Program

In the efforts of conservation, the City Council approved on December 8, 2014 a Water Efficiency Rebate Program in which residential customers served by the Portsmouth Water and Sewer Division, including multi-family residents, are offered a rebate for installing high-efficiency toilets and washing machines. This program was approved as part of the Water and Sewer Enterprise Fund's FY15 Capital Improvement Plan, in which \$75,000 was authorized from each fund for a total of \$150,000 dedicated to this program. The rebates are \$100 for qualifying toilets and \$150 for qualifying washing machines. More on this program can be found on the City's website.

CONCLUSION

The following pages provide additional budget highlights, citywide priorities, financial policies, and long-term financial guidelines that were pertinent while creating the current proposed budget.

This year, I would like to thank the Joint Budget committee for their efforts and invaluable input and recommendation which assisted the departments and myself with the preparation of the FY16 Proposed Budget. I would like to express my appreciation to all Department Heads, Fire Commission, Police Commission, School Board, and especially the Finance Department for their assistance, dedication, and commitment to producing this proposed budget document. I look forward to working with the Mayor, City Council and members of the public throughout the budget process to finalize a budget that will allow for the continuation of high level services to our citizens throughout next fiscal year as well as years to come.

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2016 PROPOSED BUDGET HIGHLIGHTS

GENERAL FUND

Total Appropriation

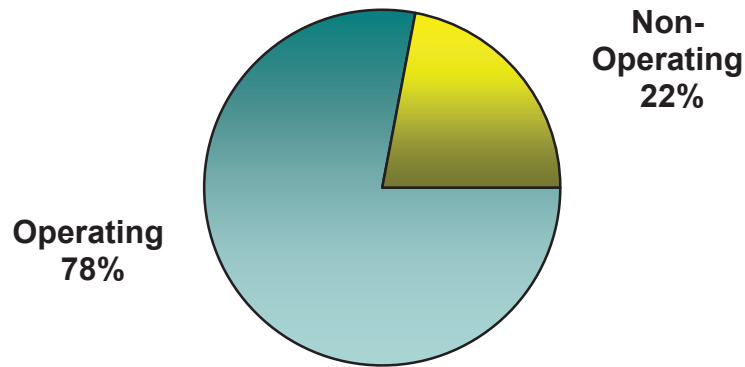
The General Fund for the City of Portsmouth represents services provided by the General Government, Police, Fire and School Departments as well as appropriations for the non-operating portion of the budget which include Debt Service, County Tax, Overlay, Capital Outlay and other non-operating expenditures not associated with individual departments. The total proposed FY16 appropriation for the General Fund is \$101,433,702 or a 2.86% increase over the FY15 budget.

The following table is a summary of major expenditure categories for the FY14 budget and actual, FY15 budget, FY16 Department requested budget and the City Manager's recommended budget, as well as the percent and dollar change over FY15.

TOTAL GENERAL FUND	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
SALARIES	35,960,338	35,623,950	37,779,645	38,393,393	38,393,393	1.62%	613,748
PART TIME SALARIES	1,715,467	1,715,334	1,633,919	1,691,335	1,691,335	3.51%	57,416
CITY COUNCIL/COMMISSIONS	41,600	39,050	41,600	41,600	41,600	0.00%	0
OVERTIME	1,465,327	1,667,048	1,498,807	1,533,307	1,533,307	2.30%	34,500
HOLIDAY	280,693	276,271	287,380	286,905	286,905	-0.17%	(475)
*LONGEVITY	112,559	108,986	116,226	119,998	119,998	3.25%	3,772
CERTIFICATION STIPENDS	276,268	257,101	287,413	246,734	246,734	-14.15%	(40,679)
SPECIAL DETAIL / EDUCATION STIPEND	65,050	71,513	72,917	71,194	71,194	-2.36%	(1,723)
RETIREMENT	6,104,064	6,008,976	6,403,729	6,870,198	6,870,198	7.28%	466,469
HEALTH INSURANCE	9,786,211	9,786,211	10,040,653	10,532,514	10,532,514	4.90%	491,861
DENTAL INSURANCE	610,285	605,236	620,108	641,056	641,056	3.38%	20,948
INSURANCE REIMBURSEMENT	114,068	118,383	120,308	125,695	125,695	4.48%	5,387
LEAVE AT TERMINATION	925,287	925,287	925,287	900,287	900,287	-2.70%	(25,000)
LIFE AND DISABILITY	268,954	230,326	258,112	262,623	262,623	1.75%	4,511
WORKERS' COMPENSATION	661,464	661,464	623,158	584,372	584,372	-6.22%	(38,786)
PROFESSIONAL DEVELOPMENT (SCHOOL ONLY)	250,080	240,362	250,080	250,080	250,080	0.00%	0
OTHER BENEFITS	2,712,021	2,500,884	2,821,254	2,830,609	2,830,609	0.33%	9,356
COLLECTIVE BARGAINING CONTINGENCY	-	-	92,790	490,000	490,000	428.07%	397,210
POLICE SERVICES - PARKING	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	0.00%	0
POLICE SERVICES-SCHOOL DEPT	-	(40,000)	-	-	-	0.00%	0
TOTAL SALARIES AND BENEFITS	61,269,736	60,716,382	63,793,386	65,791,900	65,791,900	3.13%	1,998,514
TRAINING/EDUCATION/CONFERENCES	126,511	110,208	145,390	147,992	147,992	1.79%	2,602
ELECTRICITY	1,336,751	1,378,453	1,373,736	1,755,243	1,755,243	27.77%	381,507
NATURAL GAS	647,533	487,505	626,533	653,803	653,803	4.35%	27,270
FUEL OIL	852	-	786	786	786	0.00%	0
GASOLINE	370,267	377,196	403,700	414,899	414,899	2.77%	11,199
DIRECT ASSISTANCE	250,100	290,180	279,100	251,100	251,100	-10.03%	(28,000)
OUTSIDE SOCIAL SERVICES	148,228	148,228	148,228	149,894	149,894	1.12%	1,666
CONTRACTED SERVICES	1,963,623	2,121,869	2,249,109	2,567,744	2,567,744	14.17%	318,635
PUPIL TRANSPORTATION	974,581	985,261	1,015,814	1,043,425	1,043,425	2.72%	27,611
TUITION	1,054,966	1,196,206	1,081,354	821,126	821,126	-24.07%	(260,228)
ADVERTISING	37,999	41,542	38,999	39,778	39,778	2.00%	779
PRINTING	46,187	31,579	49,892	54,967	54,967	10.17%	5,075
PROFESSIONAL ORGANIZATION DUES	112,978	105,000	115,133	123,583	123,583	7.34%	8,450
STUDENT BOOKS / PERIODICALS	217,797	171,105	219,168	217,804	217,804	-0.62%	(1,364)
OTHER OPERATING	4,655,215	4,851,567	4,602,613	4,916,141	4,916,141	6.81%	313,528
TRANSFER TO INDOOR POOL	150,000	150,000	150,000	150,000	150,000	0.00%	0
TOTAL OTHER OPERATING	12,093,588	12,445,899	12,499,554	13,308,285	13,308,285	6.47%	808,731
TOTAL OPERATING	73,363,323	73,162,281	76,292,940	79,100,185	79,100,185	3.68%	2,807,245
DEBT RELATED EXPENSES	350,000	77,275	275,000	275,000	275,000	0.00%	0
DEBT SERVICE	10,483,686	10,362,843	11,231,523	11,939,125	11,939,125	6.30%	707,602
CONTINGENCY	250,000	250,000	250,000	250,000	250,000	0.00%	0
OVERLAY	950,000	214,274	1,000,000	1,000,000	1,000,000	0.00%	0
COUNTY	4,540,274	4,667,200	4,764,174	5,002,383	5,002,383	5.00%	238,209
PROPERTY & LIABILITY	414,000	407,881	318,000	321,000	321,000	0.94%	3,000
ROLLING STOCK	766,892	766,892	786,300	904,860	904,860	15.08%	118,560
USE OF BOND PREMIUM	-	-	1,417,897	-	-	-100.00%	(1,417,897)
OTHER NON-OPERATING	601,962	600,734	679,325	791,149	791,149	16.46%	111,824
CAPITAL	1,365,000	1,365,000	1,600,000	1,850,000	1,850,000	15.63%	250,000
TOTAL NON-OPERATING	19,721,814	18,712,098	22,322,219	22,333,517	22,333,517	0.05%	11,298
TOTAL GENERAL FUND BUDGET	93,085,137	91,874,379	98,615,159	101,433,702	101,433,702	2.86%	2,818,543

The FY16 budget represents \$79,100,185 in operating expenditures or 78% of the total budget and \$22,333,517 for non-operating expenditures or 22% of the total budget as depicted in the pie chart below.

FY 16 Proportion of Operating & Non-Operating Proposed Budget

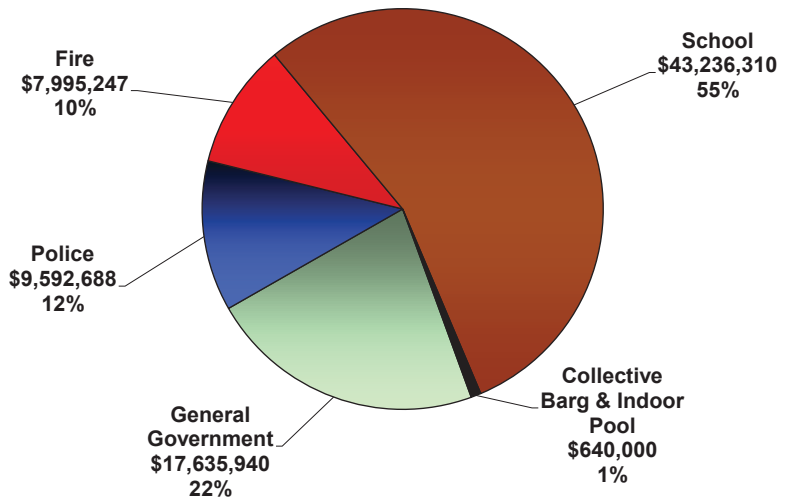


Operating Budget

The total proposed Operating Budget for FY16 is \$79,100,185 which funds the expenditures associated with the day-to-day operations and services provided by the General Government, Police, Fire and School Departments.

FY16 Proposed Operating Budget

The Operating Budget which, includes \$490,000 for Collective Bargaining Contingency and \$150,000 for operations related to the Indoor Pool, represents an increase of \$2,807,245 or 3.68% from the FY15 budget.



The next four tables summarize major expenditures for each of the four components of the Operating budget: General Government, Police, Fire and School Departments. The tables provide the FY14 budget, FY14 actual, FY15 budget, FY16 department requested budget and the City Manager’s recommended as well as the percent and dollar change over FY15. Detail information regarding each of these major departments is located in their respective pages of this document.

In these tables, the categories labeled *Other Benefits* and *Other Operating* primarily include the following details.

Other Benefits:

- Social Security
- Medicare
- Clothing Allowance
- Unemployment Compensation
- Life & Long-Term Disability

Other Operating:

- Telephone, Postage, Office Supplies
- Small office equipment
- Repairs to vehicles and equipment
- Furniture and fixtures
- Janitorial supplies
- Software and Software maintenance
- Sand & Salt for roads

General Government

The General Government includes services provided by the following departments:

- | | | | |
|------------------------|---------------|------------------|-------------------|
| ▪ City Council | ▪ Legal | ▪ Health | ▪ Public Welfare |
| ▪ City Manager | ▪ Finance | ▪ Public Works | ▪ Social Services |
| ▪ Human Resources | ▪ Planning | ▪ Public Library | ▪ Other Gen Admin |
| ▪ City Clerk/Elections | ▪ Inspections | ▪ Recreation | ▪ Senior Services |
| ▪ Emergency Management | | | |

The total proposed City Manager recommended FY16 budget for the General Government is \$17,635,940. This is an increase of \$509,480 or 2.97% from FY15.

TOTAL GENERAL GOVERNMENT	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
SALARIES	6,533,135	6,337,086	6,922,150	6,993,257	6,993,257	1.03%	71,107
PART-TIME SALARIES	846,890	729,698	717,868	761,626	761,626	6.10%	43,758
CITY COUNCIL/TRUSTEES	20,400	18,825	20,400	20,400	20,400	0.00%	0
OVERTIME	340,377	371,067	329,448	335,948	335,948	1.97%	6,500
LONGEVITY	55,595	52,030	52,130	50,849	50,849	-2.46%	(1,281)
RETIREMENT	753,755	741,793	803,222	837,148	837,148	4.22%	33,926
HEALTH INSURANCE	1,643,317	1,643,317	1,686,043	1,730,097	1,730,097	2.61%	44,054
DENTAL INSURANCE	113,510	106,696	114,847	128,300	128,300	11.71%	13,453
INSURANCE REIMBURSEMENT	50,000	55,852	52,500	65,814	65,814	25.36%	13,314
LEAVE AT TERMINATION	300,000	300,000	300,000	275,000	275,000	-8.33%	(25,000)
LIFE AND DISABILITY	43,208	39,123	44,300	48,000	48,000	8.35%	3,700
WORKERS' COMPENSATION	194,093	194,093	184,445	169,870	169,870	-7.90%	(14,575)
OTHER BENEFITS	594,555	543,024	622,905	626,943	626,943	0.65%	4,038
TOTAL CONTRACTUAL OBLIGATIONS	11,488,835	11,132,604	11,850,258	12,043,252	12,043,252	1.63%	192,994
TRAINING/EDUCATION/CONFERENCES	61,350	46,515	66,825	67,350	67,350	0.79%	525
ELECTRICITY	706,000	662,965	729,500	820,800	820,800	12.52%	91,300
NATURAL GAS	199,500	128,572	178,500	196,000	196,000	9.80%	17,500
GASOLINE	210,000	201,242	225,000	225,000	225,000	0.00%	0
WELFARE DIRECT ASSISTANCE	250,100	290,180	279,100	251,100	251,100	-10.03%	(28,000)
OUTSIDE SOCIAL SERVICES	148,228	148,228	148,228	149,894	149,894	1.12%	1,666
CONTRACTED SERVICES	985,923	1,145,255	1,196,596	1,201,621	1,201,621	0.42%	5,025
ADVERTISING	33,100	39,221	33,100	33,800	33,800	2.11%	700
PRINTING	22,805	15,663	26,750	32,160	32,160	20.22%	5,410
PROFESSIONAL ORGANIZATION DUES	58,496	57,102	60,096	64,246	64,246	6.91%	4,150
OTHER OPERATING	2,522,291	2,639,508	2,332,507	2,550,717	2,550,717	9.36%	218,210
TOTAL OTHER OPERATING	5,197,793	5,374,453	5,276,202	5,592,688	5,592,688	6.00%	316,486
TOTAL GENERAL GOVERNMENT	16,686,628	16,507,057	17,126,460	17,635,940	17,635,940	2.97%	509,480

Police Department

The total proposed City Manager FY16 budget for the Police Department is \$9,592,688. This is an increase of \$238,334 or 2.55% from FY15.

	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
POLICE DEPARTMENT							
SALARIES - UNIFORM	3,641,118	3,648,060	3,682,819	3,703,347	3,703,347	0.56%	20,528
SALARIES - CIVILIAN	1,017,754	955,992	1,027,875	1,079,450	1,079,450	5.02%	51,575
SHIFT DIFFERENTIAL	24,499	19,329	24,499	24,499	24,499	0.00%	-
PART-TIME SALARIES	110,505	123,657	126,022	126,044	126,044	0.02%	22
COMMISSIONER STIPEND	3,600	3,600	3,600	3,600	3,600	0.00%	-
OVERTIME	519,423	542,768	519,423	519,423	519,423	0.00%	-
HOLIDAY	151,564	151,328	154,661	149,982	149,982	-3.03%	(4,679)
LONGEVITY	31,772	31,942	34,395	35,963	35,963	4.56%	1,568
SPECIAL DETAIL / EDUCATION STIPEND	65,050	71,513	72,917	71,194	71,194	-2.36%	(1,723)
RETIREMENT	1,215,951	1,211,668	1,240,014	1,301,852	1,301,852	4.99%	61,838
HEALTH INSURANCE	1,379,099	1,379,099	1,414,956	1,490,798	1,490,798	5.36%	75,842
DENTAL INSURANCE	80,641	83,605	89,127	91,432	91,432	2.59%	2,305
INSURANCE REIMBURSEMENT	3,665	3,544	3,665	3,221	3,221	-12.11%	(444)
LEAVE AT TERMINATION	155,203	155,203	155,203	155,203	155,203	0.00%	-
LIFE AND DISABILITY	4,844	4,553	5,073	6,154	6,154	21.31%	1,081
WORKERS' COMPENSATION	126,074	126,074	124,201	119,147	119,147	-4.07%	(5,054)
OTHER BENEFITS	209,788	200,702	213,271	220,324	220,324	3.31%	7,053
POLICE SERVICES-PARKING FUND	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	0.00%	-
POLICE SERVICES-SCHOOL DEPT	-	(40,000)	-	-	-	-	-
<i>Contractual Obligations</i>	<i>8,660,550</i>	<i>8,592,639</i>	<i>8,811,721</i>	<i>9,021,633</i>	<i>9,021,633</i>	<i>2.38%</i>	<i>209,912</i>
TRAINING/EDUCATION/CONFERENCES	48,161	45,814	52,565	54,142	54,142	3.00%	1,577
GASOLINE	87,567	106,253	106,000	113,419	113,419	7.00%	7,419
CONTRACTED SERVICES	25,461	29,516	26,961	27,768	27,768	2.99%	807
ADVERTISING	1,624	291	2,624	2,703	2,703	3.01%	79
PRINTING	4,673	5,157	5,173	5,328	5,328	3.00%	155
PROFESSIONAL ORGANIZATION DUES	8,752	8,358	8,852	9,118	9,118	3.00%	266
OTHER OPERATING	337,871	366,434	340,458	358,577	358,577	5.32%	18,119
<i>Other Operating</i>	<i>514,109</i>	<i>561,823</i>	<i>542,633</i>	<i>571,055</i>	<i>571,055</i>	<i>5.24%</i>	<i>28,422</i>
TOTAL POLICE DEPARTMENT	9,174,659	9,154,461	9,354,354	9,592,688	9,592,688	2.55%	238,334

Fire Department

The Fire Department's FY16 proposed budget is \$7,995,247. This is an increase of \$232,807 or 3.00% from FY15.

	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
FIRE DEPARTMENT							
SALARIES	3,258,256	3,182,629	3,365,826	3,420,866	3,420,866	1.64%	55,040
PART-TIME SALARIES	58,345	57,166	55,348	56,151	56,151	1.45%	803
COMMISSIONER STIPEND	3,600	3,600	3,600	3,600	3,600	0.00%	0
OVERTIME	536,591	665,687	581,000	609,000	609,000	4.82%	28,000
HOLIDAY	129,129	124,943	132,719	136,923	136,923	3.17%	4,204
LONGEVITY	25,192	25,015	29,701	33,186	33,186	11.73%	3,485
CERTIFICATION STIPENDS	276,268	257,101	287,413	246,734	246,734	-14.15%	(40,679)
RETIREMENT	1,180,919	1,177,493	1,227,458	1,306,762	1,306,762	6.46%	79,304
HEALTH INSURANCE	1,070,561	1,070,561	1,098,396	1,157,270	1,157,270	5.36%	58,874
DENTAL INSURANCE	70,077	63,135	70,077	70,077	70,077	0.00%	0
INSURANCE REIMBURSEMENT	60,403	58,988	64,143	56,660	56,660	-11.67%	(7,483)
LEAVE AT TERMINATION	70,084	70,084	70,084	70,084	70,084	0.00%	0
WORKERS' COMPENSATION	232,230	232,230	213,898	199,769	199,769	-6.61%	(14,129)
LIFE AND DISABILITY	20,763	19,404	20,600	23,330	23,330	13.25%	2,730
OTHER BENEFITS	106,356	102,182	108,479	108,354	108,354	-0.12%	(125)
<i>Contractual Obligations</i>	<i>7,098,774</i>	<i>7,110,218</i>	<i>7,328,742</i>	<i>7,498,766</i>	<i>7,498,766</i>	<i>2.32%</i>	<i>170,024</i>
TRAINING/EDUCATION/CONFERENCES	17,000	17,880	26,000	26,500	26,500	1.92%	500
ELECTRICITY	40,881	36,091	41,000	51,250	51,250	25.00%	10,250
NATURAL GAS	30,000	26,026	30,000	34,200	34,200	14.00%	4,200
GASOLINE	54,000	52,505	54,000	57,780	57,780	7.00%	3,780
CONTRACTED SERVICES	20,000	19,334	20,000	21,000	21,000	5.00%	1,000
ADVERTISING	500	827	500	500	500	0.00%	0
PRINTING	400	329	400	250	250	-37.50%	(150)
PROFESSIONAL ORGANIZATION DUES	11,648	10,360	11,648	13,901	13,901	19.34%	2,253
OTHER OPERATING	257,875	257,507	250,150	291,100	291,100	16.37%	40,950
<i>Other Operating</i>	<i>432,304</i>	<i>420,860</i>	<i>433,698</i>	<i>496,481</i>	<i>496,481</i>	<i>14.48%</i>	<i>62,783</i>
TOTAL FIRE DEPARTMENT	7,531,078	7,531,078	7,762,440	7,995,247	7,995,247	3.00%	232,807

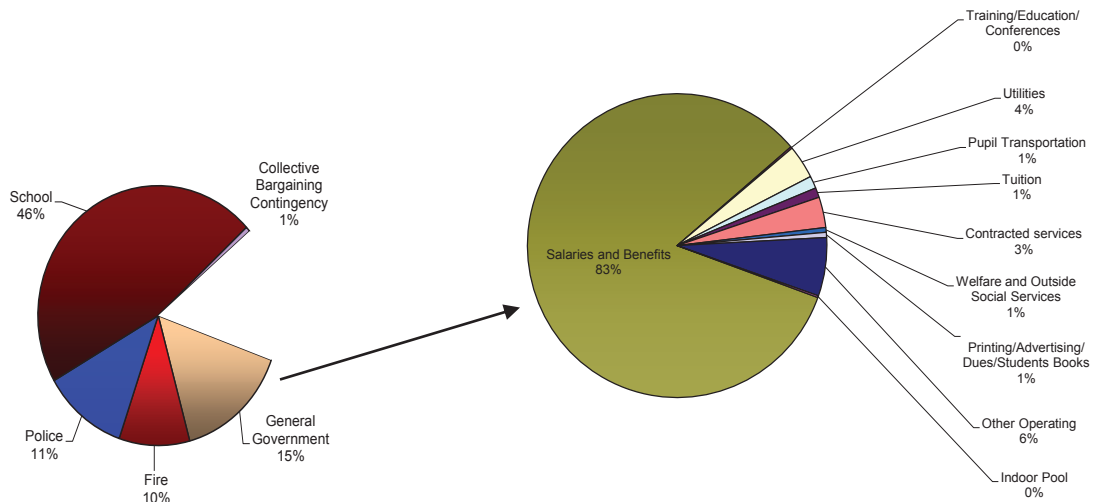
School Department

The School Department's FY16 proposed budget is \$43,236,310. This is an increase of \$1,429,414 or 3.42% from FY15.

	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
SCHOOL DEPARTMENT							
TEACHERS	17,437,072	17,487,535	18,627,563	18,912,507	18,912,507	1.53%	284,944
SALARIES	4,048,504	3,993,318	4,128,913	4,259,467	4,259,467	3.16%	130,554
PART-TIME SALARIES	699,727	804,812	734,681	747,514	747,514	1.75%	12,833
SCHOOL BOARD STIPEND	14,000	13,025	14,000	14,000	14,000	0.00%	0
OVERTIME	68,936	87,525	68,936	68,936	68,936	0.00%	0
RETIREMENT	2,953,439	2,878,022	3,133,035	3,424,436	3,424,436	9.30%	291,401
HEALTH INSURANCE	5,693,234	5,693,234	5,841,258	6,154,349	6,154,349	5.36%	313,091
DENTAL INSURANCE	346,057	351,799	346,057	351,247	351,247	1.50%	5,190
LEAVE AT TERMINATION	400,000	400,000	400,000	400,000	400,000	0.00%	0
WORKERS' COMPENSATION	109,067	109,067	100,614	95,586	95,586	-5.00%	(5,028)
LIFE AND DISABILITY	200,139	167,246	188,139	185,139	185,139	-1.59%	(3,000)
PROFESSIONAL DEVELOPMENT	250,080	240,362	250,080	250,080	250,080	0.00%	0
OTHER BENEFITS	1,801,322	1,654,976	1,876,599	1,874,988	1,874,988	-0.09%	(1,611)
<i>Contractual Obligations</i>	34,021,577	33,880,921	35,709,875	36,738,249	36,738,249	2.88%	1,028,374
TUITION	1,054,966	1,196,206	1,081,354	821,126	821,126	-24.07%	(260,228)
TRANSPORTATION	974,581	985,261	1,015,814	1,043,425	1,043,425	2.72%	27,611
CONTRACTED SERVICES	932,239	927,763	1,005,552	1,317,355	1,317,355	31.01%	311,803
ADVERTISING	2,775	1,203	2,775	2,775	2,775	0.00%	0
PRINTING	18,309	10,429	17,569	17,229	17,229	-1.94%	(340)
ELECTRICITY	589,870	679,396	603,236	883,193	883,193	46.41%	279,957
NATURAL GAS	418,033	332,906	418,033	423,603	423,603	1.33%	5,570
FUEL OIL	852	-	786	786	786	0.00%	0
GASOLINE	18,700	17,196	18,700	18,700	18,700	0.00%	0
REPAIR/MAINTENANCE	349,167	440,471	406,607	416,279	416,279	2.38%	9,672
STUDENT BOOKS / PERIODICALS	217,797	171,105	219,168	217,804	217,804	-0.62%	(1,364)
PROFESSIONAL ORGANIZATION DUES	34,082	29,180	34,537	36,318	36,318	5.16%	1,781
OTHER OPERATING	1,188,011	1,147,647	1,272,891	1,299,468	1,299,468	2.09%	26,577
<i>Other Operating</i>	5,799,382	5,938,764	6,097,021	6,498,061	6,498,061	6.58%	401,040
TOTAL	39,820,958	39,819,685	41,806,896	43,236,310	43,236,310	3.42%	1,429,414

Salaries, Benefits, and other Operating

As 83% of the Operating Budget represents salaries and benefits, the remaining 17% of the Operating Budget is comprised of non-salary and benefit costs such as utilities, contracted services, building and equipment repairs and maintenance, supplies, welfare and outside assistance, special needs tuition, transportation and other charges as depicted in the chart below.



Employee Relations

The City of Portsmouth has a total of fifteen (15) collective bargaining units of which six expired on June 30, 2014; three expire June 30, 2015; and the remaining agreements will expire on June 30, 2016, June 30, 2017, or June 30, 2018 (*See table below*). Therefore, the employee salaries in the highlighted areas below are submitted in the proposed budgets without salary adjustments (with the exception of step increases and stipends for eligible employees).

General Government	Expires	Police	Expires	Fire	Expires	School	Expires
Professional Management Association (PMA)	06/30/2016	Ranking Officers Association	06/30/2014	Fire Officers Association	06/30/2014	Principals/Directors	06/30/2015
Supervisory Management Alliance (SMA)	06/30/2016	Portsmouth Patrolman Association	06/30/2014	FireFighter Association	06/30/2014	Association of Portsmouth's Teachers	06/30/2018
AFSCME Local 1386 Public Works/Recreation/ Library/Clerical	06/30/2014	Civilians	06/30/2014			Clerical Employees	06/30/2015
						Custodial	06/30/2017
						Cafeteria	06/30/2017
						Paraprofessionals	06/30/2017
						Custodial Supervisors	06/30/2015

Retirement

The New Hampshire Retirement System (NHRS) sets the contribution rate every two years and FY16 marks the first year for this certification period. Therefore, the contribution rates will change from FY15. The following table depicts the City's new contribution rates.

RETIREMENT RATES-EMPLOYER			
	FY15 Rates	FY16 Rates	% change from FY15 rates
GROUP I			
Employees	10.77%	11.17%	3.71%
Teachers	14.16%	15.67%	10.66%
GROUP II			
Police	25.30%	26.38%	4.27%
Fire	27.74%	29.16%	5.12%

The table below displays the City's Retirement Budget for FY15 and FY16.

RETIREMENT APPROPRIATION FY16				
	FY15 BUDGET	FY16 PROPOSED	\$ Change	Percent % Change
General Government	803,222	837,148	33,926	4.22%
Police Department	1,240,014	1,301,852	61,838	4.99%
Fire Department	1,227,458	1,306,762	79,304	6.46%
School Department	3,133,035	3,424,436	291,401	9.30%
Total	\$6,403,729	\$6,870,198	\$466,469	7.28%

The increase of \$466,469 or 7.28% over FY15 as shown in the above table by department, does not reflect any retirement increases associated with salary adjustments for the nine (9) collective bargaining agreements that will be expired by June 30, 2015.

EMPLOYEE CONTRIBUTION RATES

Group I	
Municipal	7.00%
Teachers	7.00%
Group II	
Police	11.55%
Fire	11.80%

Employees also pay a contribution rate as shown in this table.

Prior to FY10 the State of New Hampshire contributed 35% of employer contributions for Teachers, Police and Fire personnel. In FY10 and FY11, the State began to eliminate this contribution by reducing its obligation to 30% and 25% respectively and was then reduced to zero for FY12 and all subsequent Fiscal Years. The City of Portsmouth has been forced to pay the portion of the contribution that was historically paid by the State of NH. In FY16 alone, the lack of State contributions will cost the City of Portsmouth's tax payer \$1.9 million. This equates to \$8.3 million over the past seven fiscal years (FY10-FY16).

STATE RETIREMENT CONTRIBUTION PROPORTIONS

	FY09 Rates	FY10 Rates	FY11	FY12	FY13	FY14	FY15	FY16
GROUP I								
Employees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Teachers	35.00%	30.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%
GROUP II								
Police	35.00%	30.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fire	35.00%	30.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Health Insurance

The New Hampshire Local Government Center (LGC) HealthTrust has announced a guaranteed maximum rate (GMR) of 2.7% for health insurance premiums which the majority of municipal employees subscribe to. The City has also offered to the collective bargaining units a SchoolCare Product supported by Cigna. As health care plan must be negotiated with each union, five of the fifteen unions have accepted this plan.

The total health insurance premium for FY16 is estimated to be \$13.8 million. The City employees' share will be approximately \$2.25 million, or 16.3% of the total cost, leaving the City's share at almost \$11.5 million.

Per the Health Insurance Stabilization Fund Policy the annual appropriation amount for each department is determined by the average increase of Health Insurance rates over 10 years. For FY16, Police, Fire, and School Department used the rolling average of 5.36% to increase the health insurance appropriation. The General Government used a factor of 2.61% as savings are realized with employees selecting the SchoolCare product at a much lessor premium cost.

HEALTH INSURANCE PREMIUM BUDGET

	FY15 Budget	FY16 Budget Increase	FY16 Budget	% Increase
General Government	1,686,043	44,054	1,730,097	2.61%
Police Department	1,414,956	75,842	1,490,798	5.36%
Fire Department	1,098,396	58,874	1,157,270	5.36%
School	5,841,258	313,091	6,154,349	5.36%
Total General Fund Budget	\$10,040,653	\$491,861	\$10,532,514	4.90%

The total represents an increase in the operating budget of approximately \$491,861 for FY16 with the balance of the premiums funded with the health insurance stabilization reserves. [detailed information on the Health Insurance Stabilization Fund can be found in the Financial Policies and Long-Term Financial Guidelines section of the budget document].

Utility Cost

Electricity, gasoline/diesel, and natural gas continue to have a major impact on the Operating Budget. The City of Portsmouth continues its efforts to reduce energy costs through energy conservation, and improvements to the infrastructure of municipal facilities. City staff have been working to identify potential savings and will explore upgrading City street lighting from incandescent to LED lighting in FY16. The City’s commitment to the principles of sustainability includes decreasing our dependence on fossil fuels and synthetic chemicals. All City-owned diesel fuel-powered vehicles operate on biodiesel. In addition, the City continues to negotiate competitive rates from third-party vendors for natural gas and electricity supply, saving thousands of dollars.

The proposed budget of \$2,824,731 for these utility costs reflects an increase of \$419,976 or 17.5% from FY15. The City continues its commitment to sustainable practices and seeking competitive rates.

The following charts depict the General Fund appropriations for natural gas, electricity and gasoline/diesel over the last seven years; chart 1 in total, chart 2 by utility.

Chart 1

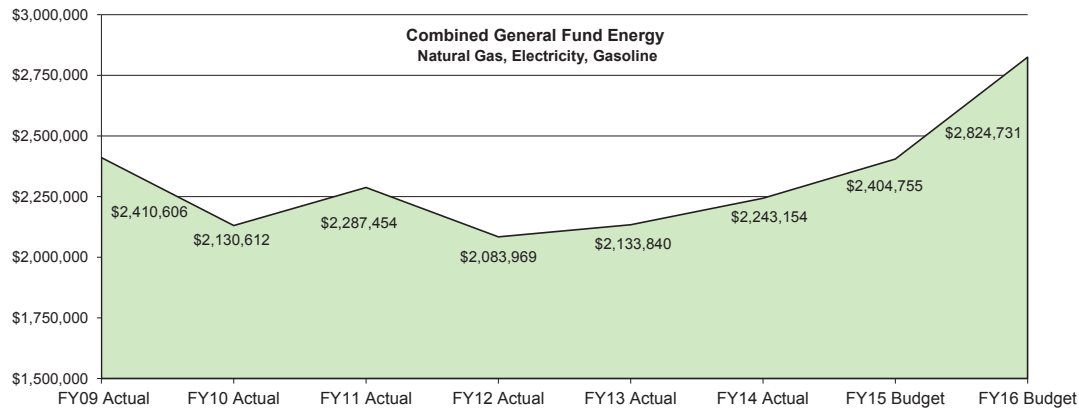
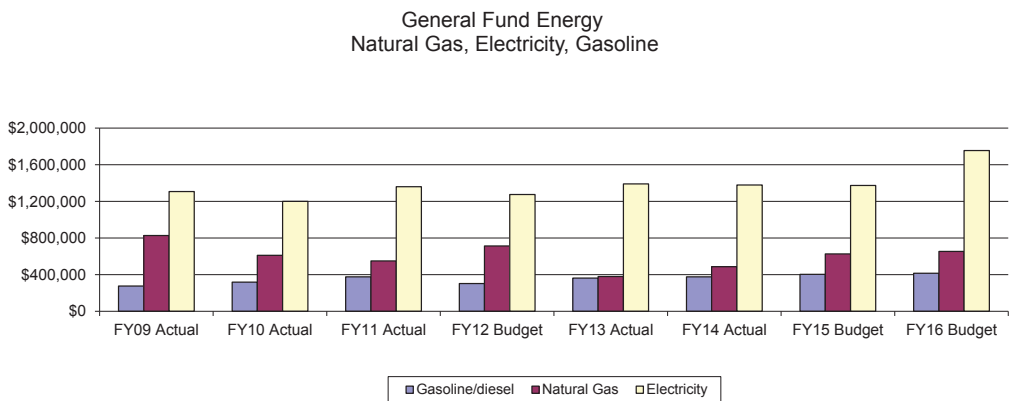


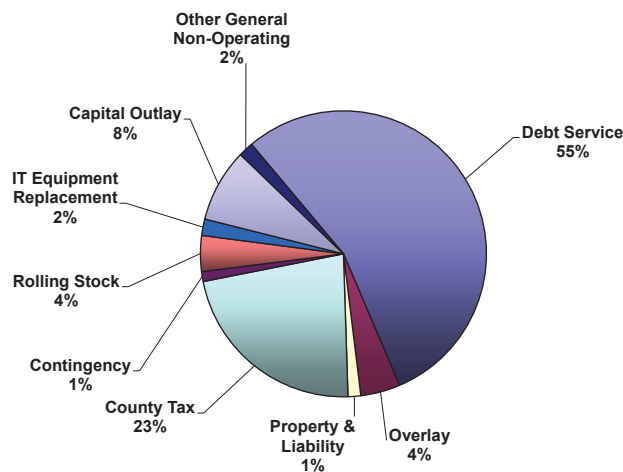
Chart 2



Non-Operating Budget

The Non-Operating budget of \$22,333,517 represents an increase of .05% from the FY15 budget. The non-operating budget consists of expenditures for the following:

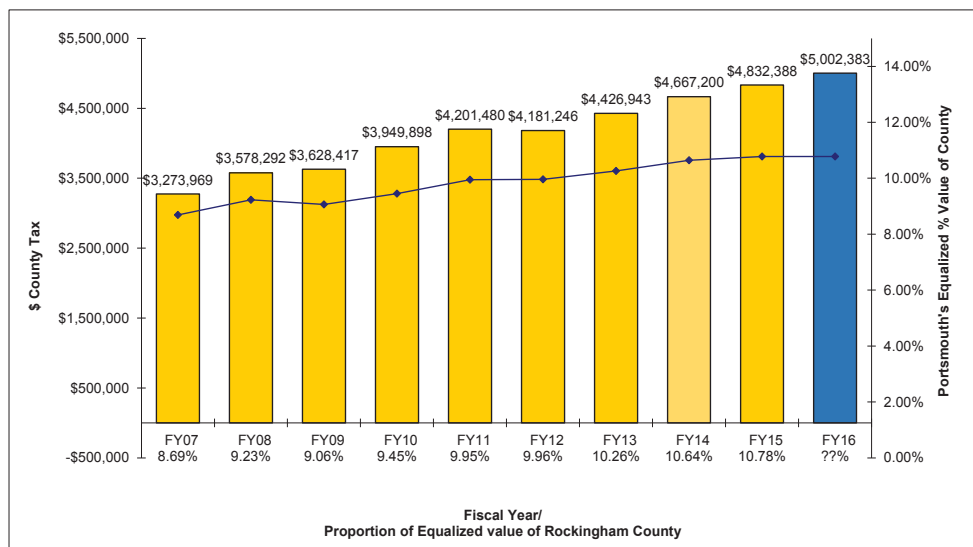
➤ Debt Service / Debt Related costs	\$12,214,125
➤ County Tax	\$5,002,383
➤ Capital Outlay	\$1,850,000
➤ Overlay	\$1,000,000
➤ Rolling Stock	\$904,860
➤ IT Equipment Replacement	\$414,700
➤ Property & Liability	\$321,000
➤ Contingency	\$250,000
➤ Other General Non-Operating	\$376,449



County Tax

The City of Portsmouth is annually assessed its portion of the Rockingham County budget based on the City's share of the equalization of property values for the entire county. In FY16, it is estimated that Portsmouth will pay approximately \$5 million to Rockingham County. The following table depicts the property tax obligation and the equalized assessed value proportion history of the City of Portsmouth to Rockingham County for the last nine (9) years as well as the estimated tax for FY16.

The proportion of the City's share, which determines the actual amount due to the County, is established by the Department of Revenue at the time of setting the tax rate.

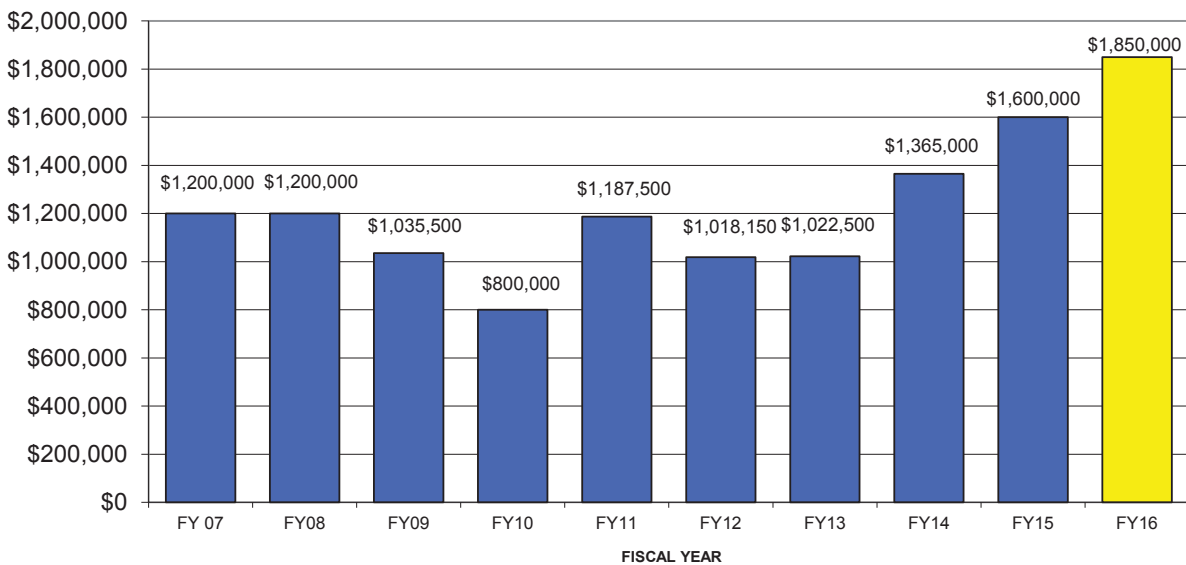


Capital Outlay

The Planning Board has recommended for FY16 an appropriation of \$1,850,000 from the General Fund for capital projects within the Capital Improvement Plan. Appendix II identifies projects funded by all funds within the plan.

A summary of the Capital Improvement Plan FY 2016-2021 can be viewed and downloaded at the following link: <http://www.planportsmouth.com/plansandreports.html>.

The chart below provides the history of capital outlay in the General Fund, including the FY16 proposed capital outlay of \$1,850,000 as adopted by the City Council on February 17, 2015. The average expenditure for capital outlay over a 10-year period including the proposed FY16 budget is \$1,227,865 per year.



The Capital Outlay appropriation is included in the non-operating budget of the General Fund. The following lists the recommended individual projects that comprise the Capital Outlay appropriation for the General Fund and was approved by the City Council. A description of each of the following projects can be found in Appendix II of this document.

**Capital Improvements
Fiscal Year 2016
Taken from Capital Improvement Plan 2016-2021**

Budget Book
PAGE

City Council
Adopted
2/17/2015

II-21	VEHICLE REFURBISH-FIRE BOAT #1	\$60,000
II-22	MUNICIPAL FIRE ALARM SYSTEM: REPAIRS AND IMPROVEMENTS	\$30,000
II-25	FIRE STATION LIGHTING IMPROVEMENTS	\$15,000
II-31	PRESCOTT PARK: FACILITIES CAPITAL IMPROVEMENTS	\$80,000
II-32	HISTORIC MARKERS REPLACEMENT PROJECT	\$10,000
II-33	LAND ACQUISITION	\$25,000
II-34	IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	\$25,000
II-35	IMPLEMENTATION OF SAGAMORE CREEK PARCEL CONCEPTUAL	\$50,000
II-36	MCINTYRE FEDERAL OFFICE BUILDING-PLANNING AND IMPLEMEN	\$25,000
II-37	REUSE OF PAUL A DOBLE ARMY RESERVE CENTER	\$50,000
II-38	PARK AND PLAYGROUND IMPROVEMENTS	\$100,000
II-41	BLEACHER/GRANDSTANDS	\$50,000
II-42	SOUND BARRIERS IN RESIDENTIAL AREA ALONG I-95	\$50,000
II-43	HISTORIC CEMETERY IMPROVEMENTS	\$40,000
II-44	RETAINING WALLS REPAIR AND IMPROVEMENTS	\$100,000
II-45	CITYWIDE STORMDRAINAGE IMPROVEMENTS	\$200,000
II-46	MUNICIPAL COMPLEX STORAGE BUILDING REPLACEMENT	\$50,000
II-48	MASTER PLAN PLANNING PROCESS	\$50,000
II-61	HAMPTON BRANCH RAIL TRAIL	\$56,000
II-62	MAPLEWOOD AVE COMPLETE STREET	\$167,000
II-63	MARKET SQUARE UPGRADE	\$50,000
II-64	SPINNEY ROAD NEW SIDEWALK CONSTRUCTION	\$125,000
II-70	CITYWIDE TRAFFIC SIGNAL UPGRADE PROGRAM	\$100,000
II-71	CITYWIDE INTERSECTION IMPROVEMENTS	\$100,000
II-72	INTERSECTION UPGRADE: MARKET STREET AT-GRADE CROSSING	\$77,000
II-73	LONGMEADOW ROAD EXTENSION	\$75,000
II-74	CITYWIDE TREE REPLACEMENT PROGRAM	\$20,000
II-13	CAPITAL CONTINGENCY	\$70,000

TOTAL

\$1,850,000

Rolling Stock

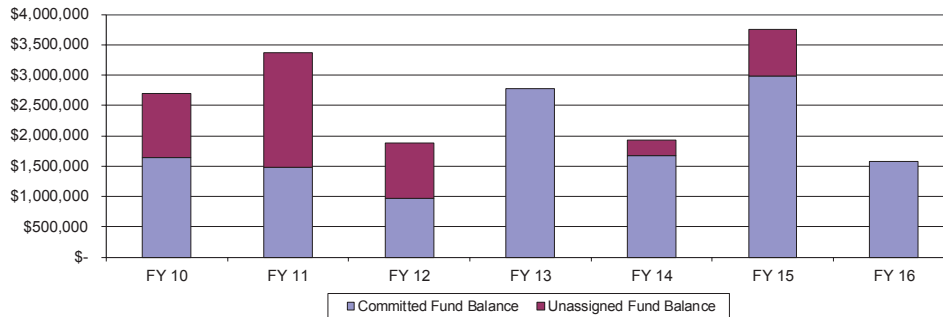
The Rolling Stock program is intended to provide an overall schedule for the expenditure of City Funds on replacement of vehicles and equipment necessary to carry out daily City activities. The complete 10 year schedule is located in Appendix I of this budget booklet. The following schedule will be funded by pay-as-you-go financing except for a Fire Pumper using financing of \$600,000.

FY 16 Rolling Stock Requests:

<u>Public Works</u>	<u>Year of Mfg.</u>	<u>Requested Funding</u>	<u>Total</u>
Loader	2001	180,000	
Packer	1996	180,000	
Mower	2006	12,000	
Mower	1999	4,000	
Backhoe	2001	110,000	
Pickup	2003	20,000	
			<u>506,000</u>
<u>Police</u>			
Cruiser	2010	46,400	
Cruiser	2010	46,400	
Cruiser	2011	46,400	
Tahoe	2009	46,400	
Motorcycle	2010	9,260	
			<u>194,860</u>
<u>Fire</u>			
Ambulance (1 of 2 Year funding)		100,000	
Tahoe	2007	40,000	
Pumper Engine #4	1988	(Bonding \$600,000)	
			<u>140,000</u>
<u>School</u>			
Pickup with Plow	2001	40,000	
Ground Utility Vehicle	2004	9,000	
Sedan	2007	15,000	
			<u>64,000</u>
		<u>Total General Fund</u>	<u>904,860</u>
<u>Water</u>			
4x4 1 ton	2008	45,000	
4x4 1 ton	2008	55,000	
Van	2008	25,000	
Plow	2008	4,500	
Plow	2008	7,000	
Misc Equip		65,000	
		<u>Total Water</u>	<u>201,500</u>
4x4 1 ton	2008	50,000	
10 Wheel Roll-Off	1997	125,000	
Tank	1994	102,000	
Misc Equip		225,000	
		<u>Total Sewer</u>	<u>502,000</u>
<u>Total Rolling Stock City of Portsmouth FY 16</u>			<u>\$1,608,360</u>

Use of Fund Balance

While property taxes remain the City of Portsmouth's major source of funding for the services provided by the General Government, Police, Fire and School Departments, the City has diligently utilized other sources of revenue to keep the tax rate stable and predictable. One source is the use of Fund Balance. Each year, it is utilized to help mitigate the effects of property taxes through either the budget process or with supplemental appropriations. In FY16 the use of \$1,573,500 is scheduled to be utilized from committed fund balance to help offset the use of property taxes. The annual use of Fund Balance is depicted in the table below:

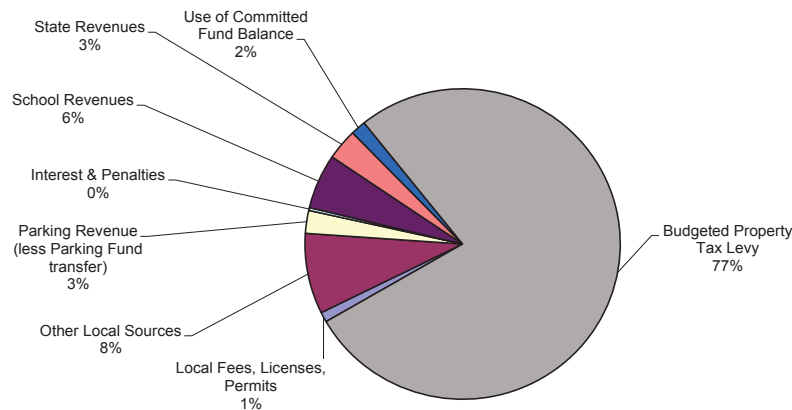


Use of:	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	Total FY10-FY16
Committed Fund Balance	1,642,344	1,486,201	973,500	2,772,742	1,673,500	2,991,397	1,573,500	13,113,184
Unassigned Fund Balance	1,053,006	1,882,000	900,000	-	247,000	755,500	-	4,837,506
Total Use of Fund Balance	2,695,350	3,368,201	1,873,500	2,772,742	1,920,500	3,746,897	1,573,500	17,950,690

Revenues

The FY16 Municipal General Fund Budget appropriations would be funded from the following sources:

- \$78,519,480 Property Taxes.
- \$8,512,185 Other Local Sources.
- \$5,790,750 School Tuition and other School Fees.
- \$1,573,500 Use of Committed Fund Balance
- \$3,269,732 State Revenue and State School Building Aid.
- \$2,412,305 Parking Revenues, less the amount to be transferred to the Parking Fund.
- \$1,055,750 Local Fees and Permits.
- \$300,000 Interest and Penalties.



WATER ENTERPRISE FUND

Total Appropriation

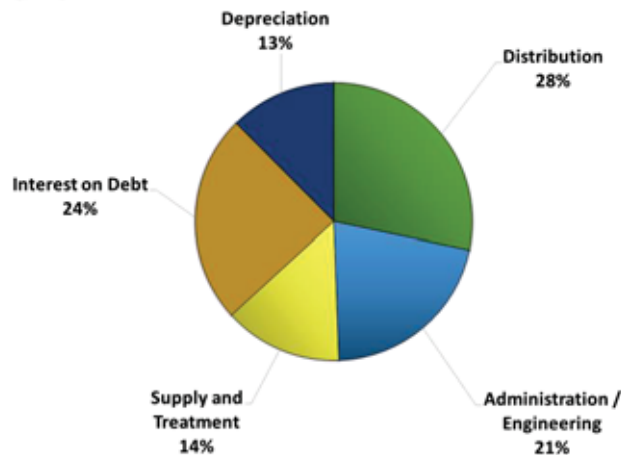
Appropriations on a full accrual basis of accounting for the Water Enterprise Fund total \$7,931,272. This is an increase of \$509,970 or 6.87% from the FY15 budget. The following table is a summary of major expense categories for the FY14 budget and actual, FY15 budget and the proposed FY16 budget.

Water Fund	FY14 Budget	FY14 Actual	FY15 Budget	FY16 Department Request	FY16 City Manager Recommended	% Change	\$ Change
EXPENSES							
<u>Operations and Maintenance Expenses</u>							
Personnel Costs	2,026,447	2,046,566	2,130,683	2,429,848	2,429,848	14.04%	299,165
Chemicals	422,015	436,272	451,873	451,000	451,000	-0.19%	(873)
Electricity	361,947	311,194	393,587	390,801	390,801	-0.71%	(2,786)
Natural Gas	5,000	0	5,354	5,354	5,354	0.00%	0
Propane & Fuel Oil	25,760	26,825	27,585	32,142	32,142	16.52%	4,557
Gasoline & Diesel	66,894	56,721	71,867	71,867	71,867	0.00%	0
Repairs & Maintenance	236,805	194,101	199,007	165,470	165,470	-16.85%	(33,537)
Prof Services: Contract, Lab Testing	219,212	131,198	165,462	114,862	114,862	-30.58%	(50,600)
Stock Materials	122,400	355,987	123,900	227,400	227,400	83.54%	103,500
Assistance Program	0	0	50,000	25,000	25,000	-50.00%	(25,000)
Other Operating	1,070,514	933,901	1,080,773	1,078,853	1,078,853	-0.18%	(1,920)
<i>Operations and Maintenance Subtotal</i>	<i>4,556,994</i>	<i>4,492,765</i>	<i>4,700,091</i>	<i>4,992,597</i>	<i>4,992,597</i>	<i>6.22%</i>	<i>292,506</i>
<u>Non-Operating Expenses</u>							
Interest on Debt	793,427	879,823	992,560	1,096,925	1,096,925	10.51%	104,365
Property Taxes	118,000	100,800	118,000	118,000	118,000	0.00%	0
Depreciation	1,582,924	1,419,960	1,530,901	1,676,000	1,676,000	9.48%	145,099
Equipment	126,000	71,043	79,750	47,750	47,750	-40.13%	(32,000)
<i>Non-Operating Expenses Subtotal</i>	<i>2,620,351</i>	<i>2,471,626</i>	<i>2,721,211</i>	<i>2,938,675</i>	<i>2,938,675</i>	<i>7.99%</i>	<i>217,464</i>
TOTAL	7,177,345	6,964,391	7,421,302	7,931,272	7,931,272	6.87%	509,970

The Water Fund budget consists of five (5) functions:

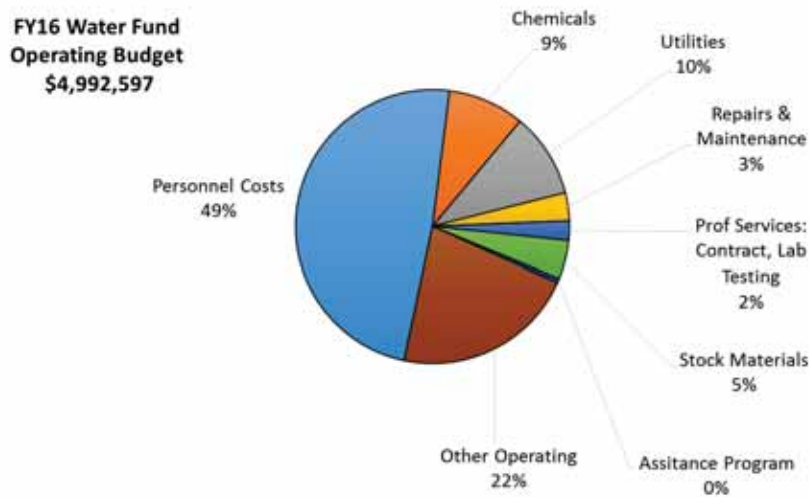
- Administration/Engineering: Costs related to employee benefits, administrative overhead, GIS services, and engineering.
- Depreciation
- Interest on Debt
- Distribution: Services, hydrants, mains, meters, meter reading, and cross connections.
- Supply and Treatment: Madbury Treatment Plant, laboratory, a booster station, 8 wells, and 5 storage tanks.

**FY16 Water fund
Budget by Function**



Operating Budget

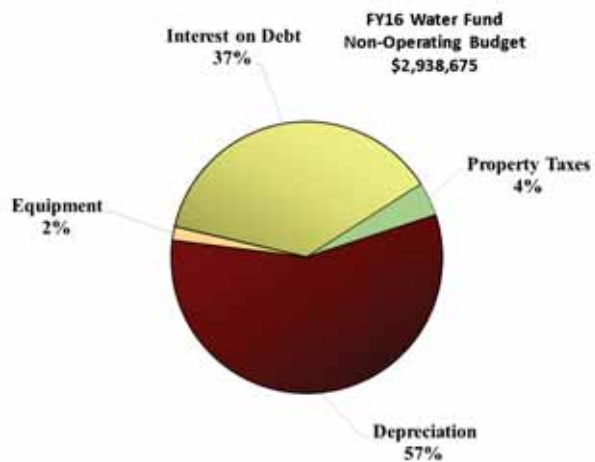
The proposed Operating Budget is \$4,992,597 or 63% of the total budget. As depicted in the pie chart below, the personnel-related costs consist of 49% of the Operating Budget. The remaining 51% includes major costs related to providing quality and adequate supply of water.



Non-Operating Budget

The Non-Operating Budget of \$2,938,675 is 37% of the total proposed budget.

The Non-Operating Budget consists of expenses related to capital projects, depreciation, minor equipment outlay, interest on debt and property taxes.



Capital Outlay

The Water Division, through the Capital Improvement Plan, requests funds from revenues to support the pay-as-you-go policy of the City in regard to capital improvements. Once the Capital Improvement Plan is approved, the funds for the capital projects are requested through the budget process. The following is a list of projects that were approved during the FY16 CIP process for a total of \$700,000. Details for each of these projects can be found in Appendix II of this document. In addition, a summary of the Capital Improvement Plan FY 2016-2021 can be viewed and downloaded at the following link:

<http://www.planportsmouth.com/plansandreports.html>

**Water Fund
Capital Outlay Projects
Fiscal Year 2016**

Appendix II

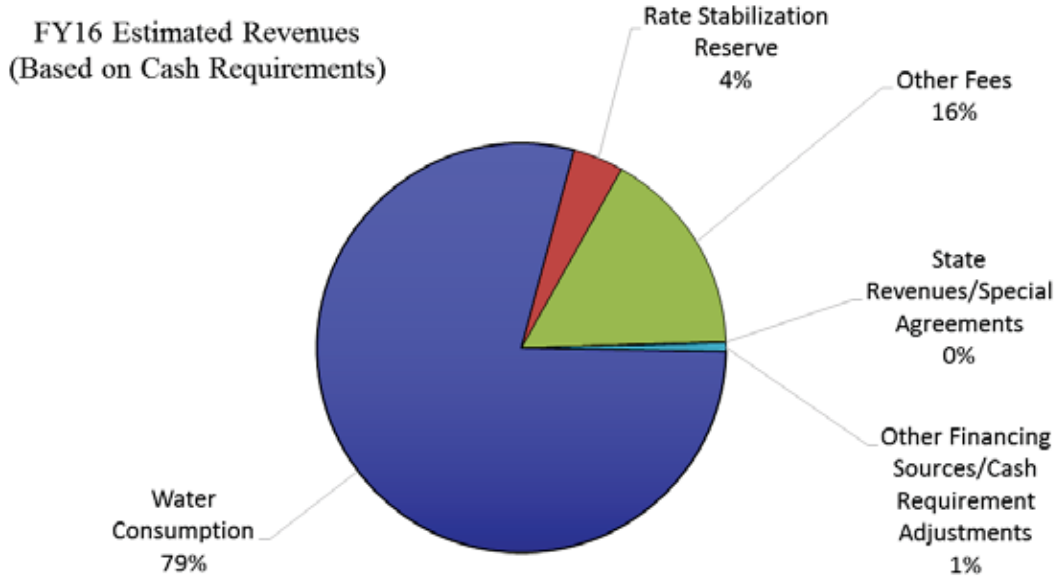
Page:	CIP #		Water Revenues
II-81	EF-WD-01	ANNUAL WATER LINE REPLACEMENT	500,000
II-83	EF-WD-03	WELL STATIONS IMPROVEMENTS	150,000
II-86	EF-WD-06	WATER EFFICIENCY MEASURES	50,000
Total Water Fund Capital Outlay			\$700,000

Revenues

The FY16 Water Division appropriations would be funded from the following sources to meet cash requirements:

- \$7,430,987 Water Consumption
- \$375,000 Rate Stabilization Reserve
- \$1,544,830 Other Fees
- \$6,309 State Revenues/Special Agreements
- \$64,081 Other Financing/Cash Requirement Adjustment

The following chart shows the percentage allocation of these estimated revenue sources.



SEWER ENTERPRISE FUND

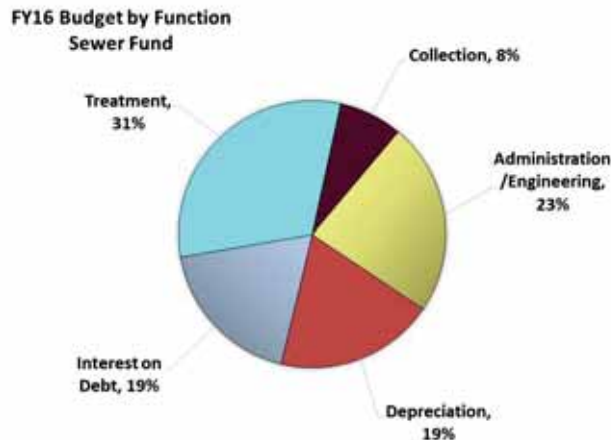
Total Appropriation

Appropriations on a full accrual basis of accounting for the Sewer Enterprise Fund total \$10,864,068. This is an increase of \$903,449 or 9.07% from FY15. The following table is a summary of major expense categories for the FY14 budget and actual, FY15 budget and the proposed FY16 budget.

Sewer Fund	FY14 Budget	FY14 Actual	FY15 Budget	FY16 Department Request	FY16 City Manager Recommended	% change	\$ Change
EXPENSES							
<u>Operations and Maintenance Expenses</u>							
Personnel Costs	2,350,694	2,131,378	2,461,952	2,663,473	2,663,473	8.2%	201,521
Chemicals	906,891	740,856	970,028	970,028	970,028	0.0%	0
Electricity	546,150	431,806	584,817	584,817	584,817	0.0%	0
Natural Gas	34,850	17,041	37,317	13,229	13,229	-64.5%	-24,088
Propane & Fuel Oil	31,208	46,889	33,418	60,607	60,607	81.4%	27,189
Gasoline & Diesel	64,600	49,733	59,600	60,100	60,100	0.8%	500
Repairs & Maintenance	462,645	591,173	459,925	282,075	282,075	-38.7%	-177,850
Prof Services: Contract, Lab Testing	292,209	57,084	248,659	145,759	145,759	-41.4%	-102,900
Stock Materials	53,850	23,333	50,750	70,500	70,500	38.9%	19,750
Other Operating	1,555,723	1,403,784	1,430,745	1,516,425	1,516,425	6.0%	85,680
-General Operations	6,298,820	5,493,077	6,337,211	6,367,013	6,367,013	0.5%	29,802
Permit Expenses/Legal Fees	291,000	377,774	240,000	205,000	205,000	-14.6%	-35,000
<i>Total Operations and Maintenance</i> Subtotal	6,589,820	5,870,851	6,577,211	6,572,013	6,572,013	-0.1%	-5,198
<u>Non-Operating Expenses</u>							
Interest on Debt/Financing Fees	1,609,074	1,376,660	1,265,583	2,017,555	2,017,555	59.4%	751,972
Depreciation	1,542,718	1,712,271	1,908,325	2,100,000	2,100,000	10.0%	191,675
Equipment	216,300	187,162	209,500	174,500	174,500	-16.7%	-35,000
<i>Non-Operating Expenses</i> Subtotal	3,368,092	3,276,094	3,383,408	4,292,055	4,292,055	26.9%	908,647
TOTAL	9,957,912	9,146,945	9,960,619	10,864,068	10,864,068	9.07%	903,449

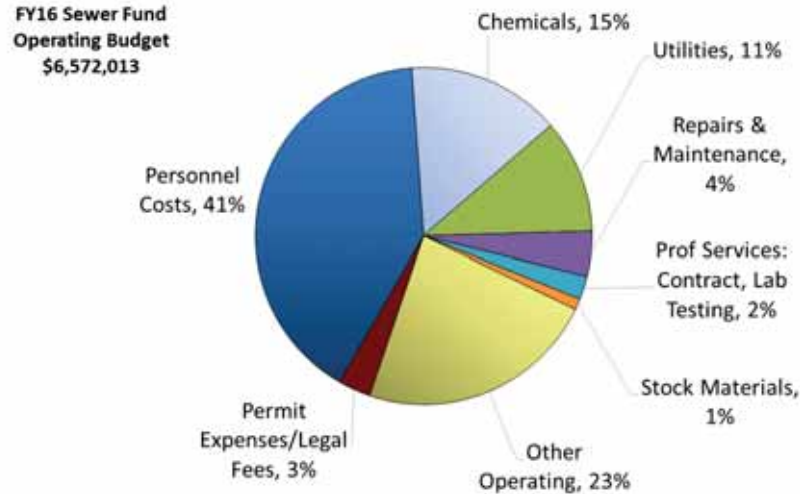
The Sewer Fund budget consists of five (5) functions:

- Administration: Costs related to employee benefits, administrative overhead, engineering and GIS services.
- Depreciation
- Interest on Debt
- Collection: Force mains, laterals, and meter reading.
- Treatment: Peirce Island Treatment Plant, Pease Treatment Plant, 2 laboratories, and 20 pump stations.



Operating Budget

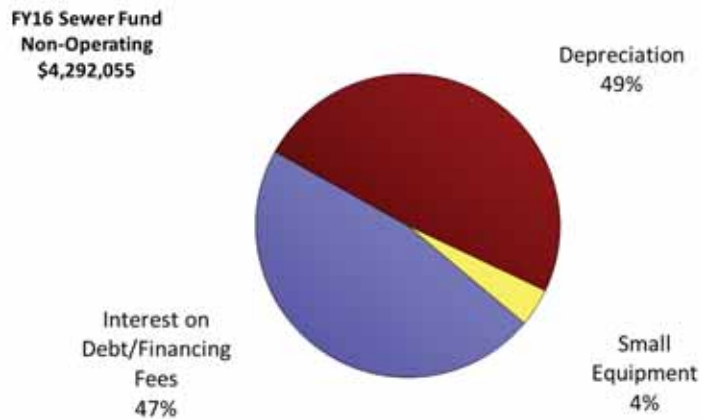
The proposed Operating Budget is \$6,572,013 or 60% of the total budget. The Operating Budget is divided into various accounts. As depicted in the chart below, 41% is associated with personnel-related costs. The remaining 59% is related to major costs associated with collecting and treating city sewage.



Non-Operating Budget

The Non-Operating Budget of \$4,292,055 is 40% of the total proposed budget.

The Non-Operating Budget consists of expenses related to depreciation, minor equipment outlay, and interest on debt.



Capital Outlay

The Sewer Division, through the Capital Improvement Plan, requests funds from revenues to support the pay-as-you-go policy of the City in regard to capital improvements. Once the Capital Improvement Plan is approved, the funds for the capital projects are requested through the budget process. The following is a list of projects that were approved during the FY16 CIP process for a total of \$950,000. Details for each of these projects can be found in Appendix II of this document. In addition, a summary of the Capital Improvement Plan FY 2016-2021 can be viewed and downloaded at the following link:

<http://www.planportsmouth.com/plansandreports.html>

**Sewer Fund
Capital Outlay Projects
Fiscal Year 2016**

Appendix II

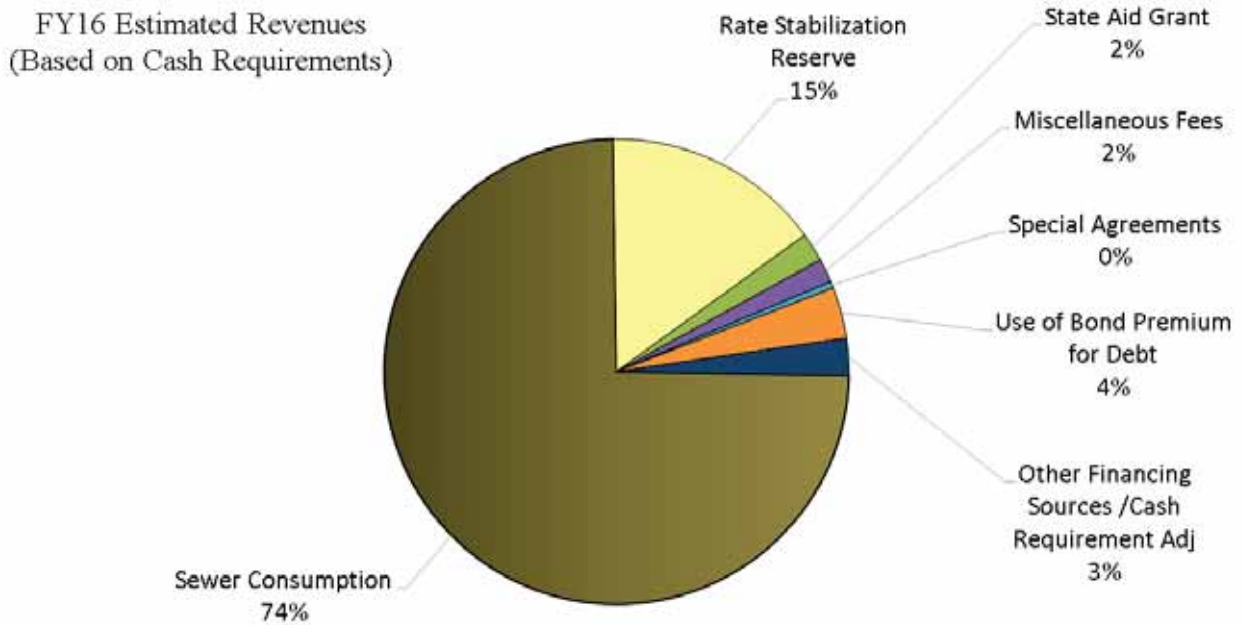
Page:	CIP #		Sewer Revenues
II-89	EF-SD-03	LONG TERM CONTROL PLAN	400,000
II-90	EF-SD-04	ANNUAL SEWER LINE REPLACEMENT	500,000
II-92	EF-SD-07	WATER EFFICIENCY MEASURES	50,000
Total Sewer Fund Capital Outlay			\$950,000

Revenues

The FY16 Sewer Division appropriations would be funded from the following sources to meet cash requirements:

- \$11,726,590 Sewer Consumption
- \$2,400,000 Rate Stabilization Reserve
- \$315,125 State Aid Grant
- \$259,500 Miscellaneous Fees
- \$72,960 Special Agreements
- \$560,250 Use of Bond Premium for Debt
- \$406,075 Other Financing Sources/Cash Requirement Adjustment

The following chart shows the percentage allocation of these estimated revenue sources.



PARKING AND TRANSPORTATION FUND

Total Appropriation

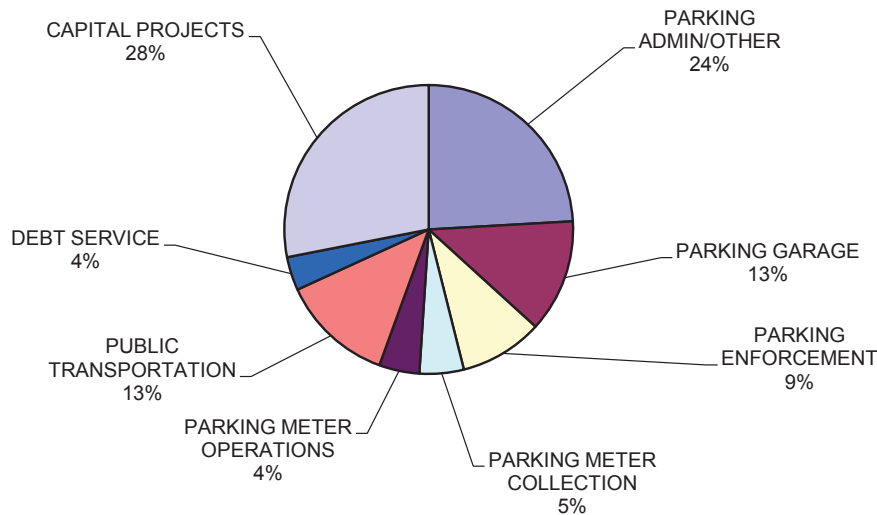
The total proposed appropriations for the Parking and Transportation Fund is \$3,995,663. The following table is a summary of major expenditure categories for the FY14 budget and actual, FY15 budget and the proposed FY16 budget. The budget is comprised of an Operating Budget, Capital Budget, Transportation Budget and Debt Service.

	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	FY16 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
OPERATING							
PERSONNEL COSTS	1,152,948	1,160,151	1,252,390	1,552,658	1,552,658	23.98%	300,268
UTILITIES	54,500	48,408	48,500	51,750	51,750	6.70%	3,250
METER COLLECTION (Police)	10,500	9,232	10,500	10,500	10,500	0.00%	-
CONTRACTED SERVICES	166,000	126,330	166,000	160,200	160,200	-3.49%	(5,800)
OTHER OPERATING	294,410	255,868	441,005	444,755	444,755	0.85%	3,750
TOTAL OPERATING	1,678,358	1,599,990	1,918,395	2,219,863	2,219,863	0	301,468
NON OPERATING							
DEBT SERVICE	150,000	-	150,000	150,000	150,000	0.00%	-
CAPITAL PROJECTS	466,500	581,773	435,000	1,122,000	1,122,000	157.93%	687,000
TRANSPORTATION	365,000	328,096	543,800	503,800	503,800	-7.36%	(40,000)
TOTAL NON-OPERATING	981,500	909,868	1,128,800	1,775,800	1,775,800		647,000
TOTAL PARKING/TRANSP	2,659,858	2,509,858	3,047,195	3,995,663	3,995,663	31.13%	948,468

Parking & Transportation consists of the following major functions:

- Administration/Other (including Downtown Snow Removal)
- Parking Garage
- Parking Enforcement
- Parking Meter Collection
- Parking Meter Operations
- Public Transportation
- Debt Service
- Capital Projects

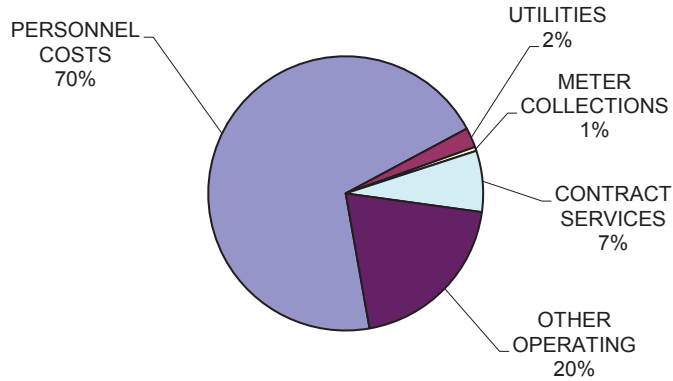
PARKING AND TRANSPORTATION BY FUNCTION



Operating Budget

The proposed Operating Budget is \$2,219,863 or 56% of the total budget. The Operating budget is divided into various accounts. As depicted in the chart, 70% is associated with personnel related costs. The remaining 30% is related to costs mostly associated with contracted services and parking facility operations.

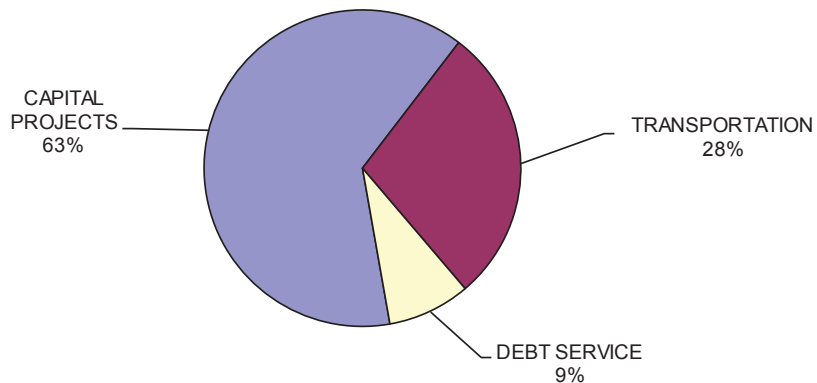
**FY16 PROPOSED PARKING & TRANSPORTATION
OPERATING BUBGET**



Non-Operating Budget

The Non-Operating Budget of \$1,775,800 is 44% of the total proposed budget consists of expenditures relating to debt service, capital projects and transportation.

**FY16 PROPOSED PARKING & TRANSPORTATION
NON-OPERATING BUDGET**



Capital Outlay

The Parking & Transportation Fund, through the Capital Improvement Plan, requests funds from parking revenues to support the pay-as-you-go policy of the City in regards to capital improvements. Once the Capital Improvement Plan is approved, the funds for the capital projects are requested through the budget process. The following is a list of projects the department is requesting in FY16 for a total of \$1,122,000. Detail on each of these projects can be found in Appendix II of this document.

**Parking & Transportation
Capital Outlay Projects
Fiscal Year 2016**

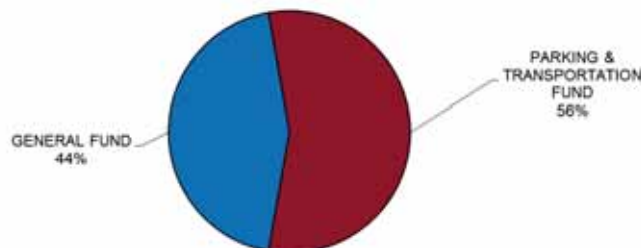
Appendix II			Parking Revenues
Page:	CIP #		
II-47	BI-PW-28	HIGH-HANOVER PARKING FACILITY-CAPITAL IMPROVEMENTS	150,000
II-57	TSM-PW-03	PARKING LOT LEASES	17,000
II-58	TSM-CITY/COAST/PDA-02	PARKING LOT PAVING	450,000
II-59	TSM-PW-03	REPLACEMENT OF PARKING METERS	45,000
II-66	TSM-CITY-10	WAYFINDING SYSTEM	440,000
II-75	TSM-CITY-23	TRANSPORTATION PLAN STUDIES	20,000
Total Parking & Transportation Fund Capital Outlay			\$1,122,000

Revenues

Expenditures for the Parking and Transportation fund are funded 100% from parking related revenues. Parking revenues in excess of Parking and Transportation operations are reported in the General Fund. The table and pie graph below display the distribution of revenues between the General and Parking and Transportation Funds. During FY 16 the Parking Fund will utilize \$948,468 from the Parking Fund-Fund Balance primarily to offset a one time increase in Capital Outlays.

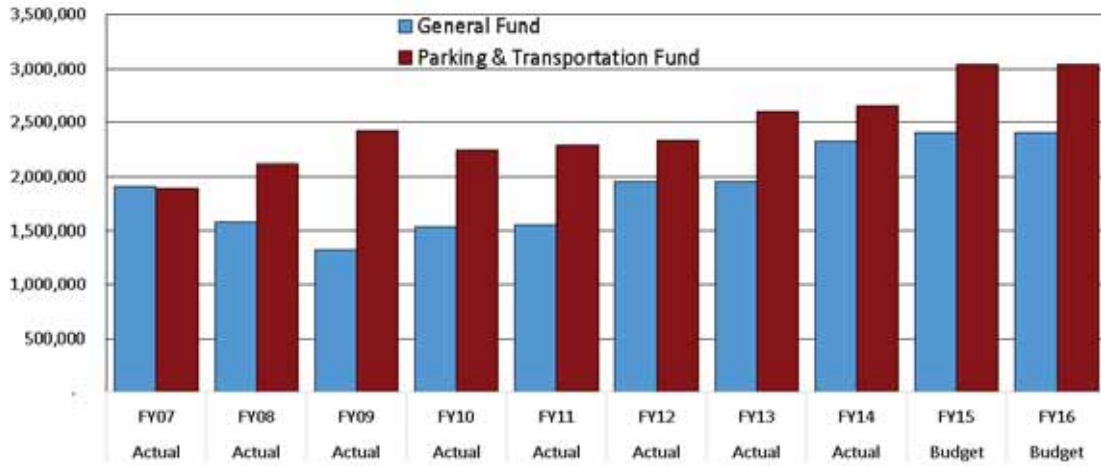
<u>Revenue Source</u>	<u>Estimated FY16</u>
Parking Meter Fee	\$1,765,500
Parking Garage Revenue	\$1,850,000
Parking Space Passes	\$1,000,000
Parking Violations	\$700,000
Other	\$144,000
Total Parking Revenue	\$5,459,500
Fund Revenue Recorded:	
General Fund	\$2,412,305 44%
Parking & Transportation	\$3,047,195 56%

FY 16 PARKING REVENUE DISTRIBUTION BY FUND



Following is a ten year History of Parking Revenue Distribution:

Parking Revenue
General Fund - Parking Fund Allocation



Parking Revenue	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual
Total Parking Revenue	3,800,518	3,692,135	3,755,038	3,775,139	3,842,650
Total for Parking & Transportation Fund	1,890,577	2,114,959	2,429,489	2,246,686	2,291,724
Total for General Fund	1,909,941	1,577,176	1,325,549	1,528,453	1,550,926

	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Budgeted	FY 16 Estimated	10 Year Total	%%
Total Parking Revenue	4,292,388	4,554,963	4,987,095	5,459,500	5,459,500	43,618,926	100%
Total for Parking & Transportation Fund	2,342,683	2,601,462	2,659,858	3,047,195	3,047,195	24,671,828	57%
Total for General Fund	1,949,705	1,953,501	2,327,237	2,412,305	2,412,305	18,947,098	43%



CITYWIDE PRIORITIES

The City of Portsmouth continues to identify priorities and carry out initiatives that benefit the community and contribute to the City's strong financial position. These efforts include improving infrastructure, enhancing cultural planning, stimulating economic development, and improving the delivery and quality of general government services, education, and public safety services.

The Recognitions and Continuing Priorities and Initiatives highlight accomplishments during the 2015 Fiscal Year, commencing July 1, 2014, and ongoing activities leading into the 2016 Fiscal Year.

RECOGNITIONS

Tree City Re-Certification



FY 15 marked the fifteenth year that the City has been recognized as a Tree City USA community for its investment and strong commitment to street trees as well as for the use of native species in public parks and public rights-of-way. An important part of Tree City recertification is a community's adoption and application of a local tree

ordinance by a local committee such as Portsmouth's Trees and Greenery Committee. In April, the City joined a group of local philanthropic tree maintenance companies to recognize Arbor Day by conducting tree work on a local state historic property. Sponsors of the Tree City USA program include the National Arbor Day Foundation, the U.S. Forest Service, and the National Association of State Foresters.

GFOA Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Portsmouth for its Comprehensive Annual Financial Report for the Fiscal Years ending June 30, 1988, 1989 and for Twenty (20) consecutive years from 1995 to 2014. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.



The City also received the GFOA's Distinguished Budget Presentation Award for the ninth consecutive year; fiscal year beginning July 1, 2006, to 2014. In order to receive this award, a governmental unit must publish a budget document judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Bond Ratings

In June 2014, the AAA bond rating was affirmed by Standard & Poor's Rating Group rating the City's very strong budgetary flexibility, strong budgetary performance, very strong economy, and very strong management conditions with strong policies as positive factors. S&P cited "The positive rating reflects the City's strong and conservative management practices that, when combined with a focus on predictability and stability, has led to a trend of very strong financial result".

CONTINUING PRIORITIES AND INITIATIVES

Master Plan

In FY 15, the City began work on several reports that will serve as either a part of or as appendices to the City Wide Master Plan. Those reports include the Bike/Ped master plan, the Existing Conditions Plan on Housing and the Existing Conditions Plan on Economic Development. Additional information was collected through vision plans for the City's North End Charrette and the Islington Street Corridor Charrette. The City has engaged the Master Plan Consultant and begun the preliminary tasks as part of the Master Planning effort. The bulk of the work required to develop the Master Plan will take place in the upcoming year including a comprehensive public engagement exercise, the existing conditions analysis, developing the visions, goals and priorities and ultimately producing, reviewing and approving the Master Plan.

Street and Sidewalk Improvements

In FY15, the City continued investing in the vital infrastructure of its streets and sidewalks. The following projects were completed or initiated:

- As part of its annual paving the City completed grinding and repaving on Elwyn Road, South Street, Peverly Hill road, Greenleaf Avenue, Portsmouth Boulevard, Hillside Drive, a section of Hover Drive and Cottage Street.
- In conjunction with water and sewer projects the City has upgraded pavement curbing and sidewalks on Wibird Street, Union Street Park Street, Hawthorn Street and Chauncey Street.
- Construction continued on the replacement of the Sagamore Bridge.
- Continued the design of Phase 3 of the McDonough Street area (Brewster Street and Langdon Street). In addition to street and sidewalk reconstruction, the project included storm drainage, sanitary sewers, water mains, and fire protection.
- Continued coordination with the NHDOT on the Maplewood Avenue and Islington Bridge projects.
- Continued coordination efforts with the Portwalk project to reconstruct three blocks of new sidewalks.



Parking and Transportation

Wayfinding Program

During 2014, the City moved forward with implementation of the first phase of the City's Wayfinding Plan (completed in early 2014). In September, the City awarded the contract to Architectural Graphics, Inc. The signs and improvements included in this phase are for the public parking locations in the downtown core. Products for this phase included approximately 25 trailblazing signs, 14 parking lot signs, updated signs for the Parking Garage exterior, and an electronic variable message sign for Market Street. Fabrication is now complete and installation began in the winter and will continue into the early spring of 2015.



Bicycle and Pedestrian Plans and Projects



In August of 2014, the Planning Board adopted the city-wide Bicycle Pedestrian Plan. The plan lays out a complete city-wide bicycle and pedestrian network, provides guidelines and standards for bicycle and pedestrian facilities, and includes a prioritized list of infrastructure improvements to improve connectivity and safety for bicyclists and pedestrians.

Staff continues to work to incorporate accommodations for bicycle and pedestrians in all road improvement projects to the extent possible. Some examples include the Pease Bicycle Path which parallels Grafton Road and Route 133 opened this fall, and provides a critical safe off-road connection for bicycles and pedestrians accessing the Pease International Tradeport from the south and west. The first phase of Sagamore Avenue

street improvement project is nearing completion and includes new concrete sidewalks, bike lanes, and an upgraded intersection with Little Harbor Road. Final design plans are nearly complete for the Market Street Gateway Project which includes bicycle lanes and pedestrian amenities, and a phased construction of the streetscape and roadway improvements, to be coordinated with the Sarah Mildred Long Bridge replacement, is expected to begin in spring of 2015.

The City has received a Safe Routes to School grant from NHDOT to construct an on-road bicycle route along Middle Street / Lafayette Road between the High School and Downtown. The design process is considering all possible options for this route within the existing right-of-way to determine the most effective way to create a dedicated on-road bike route that is safe and usable for bicyclists of all ages. This project will also evaluate pedestrian crossings at the intersections along this corridor to consider where improvements might be necessary to improve safety and accessibility.



Public Transit

The Planning Department continues to work with the Cooperative Alliance for Seacoast Transportation (COAST), the region's public bus system, to improve service and manage

costs. COAST provides regional service between Portsmouth, Somersworth and Exeter, as well as local service between downtown and both Lafayette Road and the Pease Tradeport. COAST and its member communities are increasingly challenged by the rising cost of accessible transportation services mandated under the Americans with Disabilities Act (ADA). Staff members are researching opportunities to provide these services more efficiently and, in particular, to improve coordination between COAST and other local and regional transportation providers.



Parking Shuttle

The City contracted with TransAction Corporate Shuttles to operate a free Downtown Parking Shuttle running between the Connect Community Church (CCC) parking lot on Market Street to the Hanover Parking Garage. From May 2nd to August 3rd the service operated on Fridays from 4pm to 1:30am, Saturdays from 12pm to 1:30am, and Sundays from 12pm to 10pm. Beginning August 7th, the service hours

were expanded to include Thursdays from 4pm to 1:30am and additional hours on Friday starting at 12pm. At the end of 2014, the shuttle had transported approximately 22,600 one-way riders.

Garage

Several improvements to the High Hanover parking garage commenced or were completed in FY15. The generator was replaced, LED lighting improvements were completed, an ATM was installed, and the rooftop elevator vestibule was installed. A structural review of the High Hanover Parking Facility was conducted in FY15 to determine an appropriate program of restoration and maintenance to extend the useful service life of the facility by at least 20 years. Immediate action was taken on the most critical elements needing attention, and a course of action on the full restoration will be determined in FY 16.

Progress towards a new parking garage off of Deer Street was realized in 2015, with the city working with a private landowner to develop plans for a 600 space garage with liner buildings.

Downtown Parking:

In FY15, the City continued to explore ways of improving utilization of the existing supply of parking and increasing the supply when possible. These efforts included investments in vital infrastructure and creation of new parking locations. The following projects were completed or initiated:

- Middle Street Baptist Church Lot – The City continued an agreement with the Middle Street Baptist Church to use 17 spaces for Library staff.
- Isles of Shoals Lot: The City was able to negotiate a seasonal agreement for the public's use of 50 spaces located on the lot off Market Street at the Isles of Shoals Steamship Company. These spaces are available from November 1st to March 31st, 2015. The City anticipates that this leasing arrangement will continue to be renewed annually from November through March.
- 299 Vaughan Street: The City continued its private/public agreement which makes 90 spaces available for public and valet parking.
- McIntyre Lot: City staff continued to manage the public's use of 33 spaces at the McIntyre Building. These spaces are available for public use on weekends and holidays.
- Sheraton Hotel Lot: City discussions with the Sheraton Hotel have led to the hotel allowing public parking in its lot off Russell Street (across from the hotel) for up to 36 vehicles.
- Rock Street Lot: Following the demolition of the Rock Street garage at the end of Rock Street, the City constructed a new 35 space parking lot. This lot along with a private-public agreement with an adjacent property owner has allowed public access to 110 free parking spaces in close proximity to downtown. These spaces are available weekday evenings and weekends.
- Shuttle – The City began operating a pilot shuttle bus from the High Hanover parking garage to the Connect Community Church lot on Market Street.
- Worth Lot Repaving -The Worth Parking Lot was completely repaved. This upgrade included the addition of a curbed center island, new lighting, trees and sidewalk improvements.

Downtown Parking Strategies

The City's Department of Public Works has made solid progress in FY15 by applying the Guiding Parking Principles adopted by the City Council in March 2012 and will continue in FY16 to monitor each development:

- Parking staff continue to offer the EasyPark in-car parking meter system which is currently used in Dover and Manchester with more communities in line to join the consortium. Eventually, the system may also be used as a proximity card allowing parking garage patrons to pay via EasyPark.
- Continue to review the replacement of coin-only single head parking meters with coin/credit card meters. Plan is to replace an additional 175 single-space meters with coin/credit card units when a newer model becomes available.
- Continues to explore options for remote lot parking such as the Albacore Park lot and the Fairpoint parking lot on Islington Street.
- Implemented a trial parking shuttle program from the CCC lot to the downtown.
- Supported efforts to provide alternative means of transportation for residents and visitors to Portsmouth.
- Continued the seasonal permit parking specifically for downtown employees in the Isles of Shoals Parking lot. The lot can accommodate 50 vehicles and may be used from November through March.

- Engaged vendors to devise a potential bike-share program for the city.
- Continued to expand safe bicycle pedestrian infrastructure in support of the City Council Complete Streets policy.

Form-Based Zoning

Because of residents' increasing concern about the scale and character of development in Portsmouth's historic downtown area, the City is considering the concept of "form-based" zoning as an alternative to the existing zoning regulations that apply in this area. Compared to conventional zoning, form-based zoning creates "Character-Based Zoning Districts" which focus less on specific land uses, and instead emphasize building placement, scale and design. The purpose of considering form-based zoning for downtown Portsmouth is to provide more certainty about how new buildings will relate to their surroundings, and more flexibility as to how those building may be used. The Planning Department has continued hosting public charrettes to share with the community zoning plans for various neighborhoods.

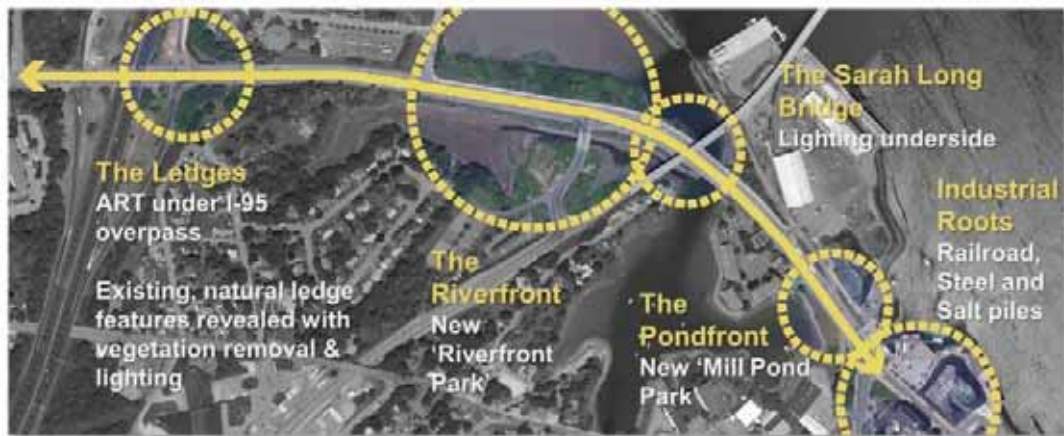
Sarah Mildred Long Bridge Replacement

The Sarah Mildred Long Bridge Replacement Project is a joint venture between the Maine and New Hampshire Departments of Transportation, with MaineDOT serving as the lead. The DOTs will equally share the costs of replacing the bridge which is approximately \$160 million. City staff are participating in the weekly construction progress meetings which began in 2014, and it is anticipated that the new bridge will be opened in 2017.

Islington Street Action Plan

The Islington Street Improvement Action Plan is a long-range strategy of prioritized actions for corridor improvements. It addresses the City's Master Plan goal of creating a vision for the City's corridors that includes both physical and regulatory strategies for each corridor. The plan includes short- and long-term action-oriented recommendations for the Islington Street Corridor such as improved circulation, pedestrian and vehicular safety and appropriate economic development tools to benefit growing and creative businesses in the corridor. In FY15, a RFP was issued for design of the first phase of improvements.

Market Street Gateway Improvement Project



The Market Street Gateway Improvement Project moved closer to implementation in FY 15 with development of preliminary and final engineering design. This exciting capital project will provide traffic calming, safe pedestrian and bicycle travel, landscaping in the medians and along street frontage, historic pedestrian scale streetlights, innovative storm water treatment, intersection reconfigurations, two parks along the public waterfront and signage to direct visitors from I-95 to the central business district. The City anticipates having final engineering plans, cost estimates and bid documents by July 1, 2015 for phased implementation of improvements along this important gateway to the City.

Harborwalk Park and Pier

In FY 15, the first phase of the Harborwalk Park and Pier was completed. This waterfront park provides public access and vivid views of the new Memorial Bridge and of the Piscataqua River and neighboring Kittery, Maine. It features brick walkways, historic lighting, landscaping and benches. Also included in the park are an interpretive panel featuring Memorial Bridge history and two



plaques from the original structure which recognize the original bridge designer and local dignitaries in office when the first bridge was constructed. Phase two of the project is planned for FY 16 and will consist of a pier built into the Piscataqua River for dramatic views of the swift currents, boating activity and the City's waterfront.

Implementation of City's Cultural Plan

In FY 15, Art-Speak, d/b/a the City's Cultural Commission, focused its efforts on the following initiatives related to the City's Cultural Plan:

- Launched a redesigned Art-Speak website to promote the City's art and cultural assets and to allow for private online donations.
- Continued participation in Middle School Public Art Project.
- Established the new Portsmouth Arts and Cultural Alliance (PACA) with representatives of the City's cultural organization as a member-based organization to promote and market the City's creative economy outside Portsmouth.
- Identified Portsmouth's public artwork and created and unveiled public art walking tours. The tours are available to download via www.art-speak.org, in print and via Smartphones.



Senior Services

At the start of FY15 the temporary Senior Activity Center at Community Campus began operation Monday-Friday from 9:00am-3:00pm. The Senior Services Coordinator position also transitioned from part time to full time. The list below summarizes the continuing work of the senior services department in FY15.

- FY15 kicked off with a grand opening celebration at the newly created senior activity center at Community Campus. There was a terrific turnout by both seniors and providers alike.
- Senior luncheons continue to be a success and a mainstay of the programming, now offered twice monthly. In January 2015, the Mark Wentworth Home contributed a donation to support the continuation of the senior luncheon program for two years.
- 2,000 Senior News newsletters are distributed monthly throughout the City.
- A part time staff position was added to support the Center.



- The senior activity center offered a drop-in lounge Monday-Friday along with fitness classes, wellness clinics, active and passive recreation, and social opportunities.
- Partnership with Rockingham Nutrition Meals on Wheels was created to offer meal delivery to the center.
- Outreached to senior providers in the seacoast region by hosting two networking breakfasts.
- Continued to be on planning committee to offer the senior health and wellness fair in October with Foundation for Seacoast Health, Portsmouth Regional Hospital, Families First, and the Mark Wentworth Home.
- In partnership with Extended Family and the Portsmouth Library, an Alzheimer's Disease lecture was offered in September 2014. Over 120 people were in attendance.
- In June hosting the Alzheimer's Association for a lecture on dementia and Alzheimer's Disease.
- An Alzheimer's Café continues in partnership with Families First and the Mark Wentworth Home.
- Board member of the New Hampshire Association of Senior Centers.
- Senior subcommittee of the recreation board continues to support the senior services department.
- Continued to support the "So Much for Seniors!" TV show at PPMTV. An innovative project created for senior by seniors.
- The City continued its relationship with the Mark Wentworth Home senior transportation service.
- The Senior Services Department worked with service partners, healthcare providers and civic organizations to provide a bevy of resource opportunities.



Water Division

The Water Division completed a comprehensive Leak Detection Survey Grant from the New Hampshire Department of Environmental Services to perform water line leak detection analysis on approximately 33 miles of water main in the Pease portion of the water system. Information gained from this survey will be utilized to repair any leaking portions of the system as well as identify areas in the system that should be addressed through the Capital Improvement Plan for future replacement.

Water Efficiency Rebate Program



The City introduced their latest water efficiency outreach effort on December 8, 2014. Through this program, qualifying residential water and sewer customers are being offered rebates for installing high efficiency toilets and washing machines. This program was approved as part of the Water and Sewer Enterprise Fund's FY15 Capital Improvement Plan, in which \$75,000 was authorized from each fund for a total of \$150,000 dedicated to this program.

The rebates are \$100 for qualifying toilets and \$150 for qualifying washing machines. Customers will have to provide documentation and receipts of their purchases and will also have to agree that they will allow City staff to inspect the installations. It is the City's intent to audit a few customers periodically to verify these installations.

Qualifying low flow toilets are ones that are certified to use an average of 1.28 gallons of water per flush and have passed rigorous testing standards. Older model toilets use anywhere from 3.5 to 8 gallons of water per flush. Qualifying high-efficiency washing machines use 15 gallons of water per load versus 23 to 40 gallons per load for older, less efficient machines.

This program will be offered to all residential customers served by the Portsmouth Water and Sewer Divisions, including multi-family residents. The program is modeled after those in place at a number of other New England water systems, most notably the Acton Water District in Acton, Massachusetts. It is our understanding that Portsmouth will be the first water system in New Hampshire to offer rebates of this nature.

Leak Detection Program

A comprehensive leak detection program was undertaken by Portsmouth in 2014 to improve the process in pinpointing existing and potential leaks. The new system surveyed areas including Newington, New Castle and various areas of southern Portsmouth. Several leaks were discovered and they were promptly repaired by water system staff. Additionally, the entire Pease portion of the water system was surveyed as part of a New Hampshire DES leak detection grant. A total of 33 miles were surveyed and two small leaks were identified and fixed along with one service line leak. Leaks are now tracked in the City's electronic asset management database, where the information is utilized by City staff to assess, justify and schedule capital replacements.

Asset Management Grant

The Water Division also applied for, and received, an Asset Management Grant from the New Hampshire Department of Environmental Services. The Water Division is using these funds to update the City's Water Division fixed assets inventory; analyze and rate the assets for their reasonable useful life; and to update its replacement and funding plan. All of this data will be integrated into the City's existing GIS and VueWorks database to provide better management of critical water system infrastructure.

Long-Range Capital Improvement Projects

In FY15, the Water Division continued to pursue the projects recommended in the 2013 Water System Master Plan Update. These projects included:

- Completing pressure improvements for the Newington residential portion of the water system by switching 225 customers in that area to the higher-pressure Pease pressure zone.
- Continued replacement of larger customer water meters in the system with newer technology meters that are more accurate in capturing lower-flow water consumption.
- Initiating discussions with the Rye Water District to activate the interconnection between the two systems for emergency supply. A new water meter was installed at the Rye Water District's pump house to allow for better accounting between the two systems whenever water is delivered from one system to the other. An agreement between the two systems allows for a valve to be opened to allow water to flow from Rye to Portsmouth. This would also allow Rye access to water through Portsmouth pumps when needed in an emergency.
- Beginning the construction of the replacement of the Hobbs Hill Landing elevated water storage tank in the Pease pressure zone. Replacement of the older 400,000 gallon tank with a 600,000 gallon tank will improve system capacity for the Pease zone.
- Initiated the design of well station improvements for the three 60-year-old Madbury Wells. Additionally, the replacement of Madbury Well #4 was initiated to improve that well's efficiency. Finally, a backup Well #5 will be drilled in early 2015 to provide emergency supply capability.
- Initiated the design and replacement of the Greenland Well to improve system reliability and enable more sustainable operation of that water supply source.

- The Water Division continues to upgrade water lines in conjunction with other utility and roadway projects.

Bellamy Reservoir Source Water Protection



The City's Water Division developed a community outreach flyer for their Bellamy Reservoir Watershed, most of which is in the town of Madbury. The flyer provided information with respect to the reservoir's water quality and use as a primary drinking water source for Portsmouth's regional water system. Information was given regarding the allowable and restricted activities in and around the reservoir as well as land activities within

the shoreland buffer. This information was presented to the Madbury Board of Selectmen and they agreed to include the flyer in their fall 2014 tax bills which were mailed to all Madbury residents.

GIS Interns

The Department of Public Works employed the services of two University of New Hampshire students who interned in their GIS department. Working under the guidance of the City's GIS Coordinator, they used global positioning equipment, cameras and their own observations to track down and inspect the City's stormwater infrastructure. The information gathered from the assessments of storm drains, pipes and outfalls helped the City identify maintenance and capital projects to help improve the stormwater system and water quality. Public Works intends on continuing to offer these intern opportunities in the coming years.



FY16 Projects

The Water Division will continue optimizing the performance of the new Water Treatment Plant including optimization of reservoir aeration, coagulation and filtration systems. The replacement of the Newington Booster Tank will also address requirements of the Stage II Disinfection Byproduct regulatory requirements. Pump replacements at the Newington Booster Station will address electrical efficiency for system pumping. In addition, the Division is looking into the potential installation of a photo voltaic array to offset energy costs at the Madbury Water Treatment Facility.

The Water Division will continue water line replacement in conjunction with the sewer projects in the areas around Lincoln Avenue. Water line replacement will be completed on Sagamore Road prior to street paving in that area.

Wastewater Division

Wastewater Treatment Plant Upgrades



In FY15, the City Council voted to pursue a parallel path to continue design of the Peirce Island Wastewater Treatment Facilities (WWTF) Upgrade and to also explore the potential for treating all of the City's wastewater at an upgraded Pease WWTF. This option might also include regional service to Exeter and Stratham. The review will conclude in the latter part of FY15 and will have an

impact on design of new facilities in FY16. The decision on the location of the wastewater facilities, at Peirce Island or Pease, will have a major impact on the design moving forward and the focus of the wastewater division in FY16 will be the design of those facilities. During FY16, the final design of the new wastewater treatment facilities will be significantly advanced and the Division will prepare for this major construction project. Throughout the design, the Environmental Protection Agency (EPA) and Department of Environmental Services (DES) will be involved through their review of the design and issuance of the Peirce Island National Pollutant Discharge Elimination System (NPDES) permit.

Until a decision is made the City will continue to advance the design of the Peirce Island Wastewater Treatment Facility (WWTF) upgrade project that began in FY14. The consultant's scope of work included the design of a Biological Aerated Filter (BAF) capable of meeting a total nitrogen effluent limit of 8 mg/L on a seasonal rolling average basis. Field work has been completed including survey, geotechnical, odor measurements, and archaeological investigations. Design engineering has included an evaluation of existing facilities, development of the upgraded site, and facilities layouts and has progressed to near the 75% design completion level.

To support its wastewater NPDES permits, the Sewer Division will continue to support scientific research of the receiving water bodies through studies including water quality monitoring and a hydrodynamic/water quality model of the Piscataqua River.

The Pease Wastewater Treatment Facility will be a focus in FY16 regardless of the final decision on the City's overall wastewater upgrades. Parts of the Pease facility have not been upgraded since its original construction in the 1950s as part of the Pease Air Force Base. Future work will include upgrades in phases utilizing the recommendations of

previous engineering evaluations. This is necessary to comply with pending new permit requirements, improve aging facilities and to serve the needs of industries at the Pease Development Authority.

The Lafayette Road Pump Station will be upgraded in FY16. This pump station serves the entire southern part of the City and the work will replace equipment that is beyond its useful life. This work will also include esthetic improvements to the exterior of the existing building and site modifications. The project will result in a more reliable pumping system and reduce the risk associated with equipment failure and loss of service.

The Division continues to focus on improving public outreach efforts with respect to wastewater treatment upgrades and other projects in the system. The divisions continue to provide periodic updates on the status of projects at its web domain at www.portsmouthwastewater.com. This information will be supplemented by newsletter articles and press releases as needed to announce major project milestones. Finally, City staff provided public update presentations to the City Council and other City committees.

Long-Term Control Plan

Work on the collection system continued with the implementation of the City's Long-Term Control Plan to reduce Combined Sewer Overflows (CSO). The Lincoln 3C project, which focuses on the Richards Avenue, Wibird and Union Streets area, was completed in FY15. The primary focus of these projects is to separate the sanitary sewer system from the stormwater drainage system. This effort reduces the volume of CSO, localized flooding, and provides improved water quality discharged to receiving waters from precipitation events.

With the completion of the Lincoln 3C project, the City completed the last of its sewer separation projects required by the Environmental Protection Agency. In FY16 the City will complete a required evaluation, called a Post Construction Monitoring Plan, to determine the effectiveness of these sewer separation projects (Bartlett Street area, Lincoln Avenue area, and Cass Street area). The results of this evaluation will be used to determine what additional sewer separation work may be necessary.

A City wide evaluation of the condition of the sewers will be performed in FY16. The City has an old sewer collection system with many pipes being over 100 years old. This work will include measurements of the amount of extraneous groundwater and stormwater in the sewer collection system. In addition, the structural condition of the sewers will be reviewed and summarized. Based on these studies, a prioritized list of projects will be developed for sewer replacement and rehabilitation. This list and the implementation schedule will be used for years to come as a roadmap for future sewer improvements. This project will also include a pilot study to identify and determine the best means to implement a sump pump removal program in the City. Additional outreach will be provided on this subject as the study moves forward.

The Sewer Division continues to pursue initiatives to improve collection system operations which include the restaurant grease removal program and cleaning and inspections. The City will continue with its annual cleaning and inspection with the entire system (~115 miles) being cleaned and inspected every five years. Focused inspections will be performed as planned and the studies being performed this fiscal year will focus on historic problem areas and make recommendations for improvements.

The City will continue its annual replacement of sewer pipes as needed in advance of annual paving areas and in locations of planned capital projects such as the Sheafe and Chapel Street Roadway Reconstruction project.

Sustainability Initiatives

Under the leadership of the City Council and City Manager, with guidance from the Committee on Sustainable Practices and City staff, sustainability policies have been put in place and new initiatives continue to be implemented.

- The Department of Public Works upgraded its building's fluorescent light fixtures to new high efficient fluorescent bulbs resulting in a 30% energy savings.
- The City hired a full time Recycling and Solid Waste Coordinator to aid in solid waste, recycling and sustainability projects.
- The City's current solid waste contract is set to expire; presenting an opportunity to reevaluate the program and ensure our waste is managed in an environmentally and socially responsible manner.
- The City upgraded old T-8 fluorescent lights at the parking garage to new LED fixtures which increased visibility and lowered annual electricity use by 136,000 kWh.
- As an Eco-Municipality, the City continues to consider efficiency measures when evaluating required upgrades to current infrastructure.
- The City's new drinking water treatment recently received LEED silver certification which brings the number of new LEED certified municipal buildings to three.
- The Portsmouth Middle School project is complete and they are now applying for certification under the Northeast Collaborative for High Performance Schools (NECHPS). This green building methodology is similar to the LEED
- The City completed its coastal resilience initiative which looks at the City's vulnerability to coastal storm surges and sea level rise. Recommendations for future adaptation actions will be incorporated into the Master Plan.
- The Conservation Commission has been enhancing its stewardship of open space throughout the City to better understand its open lands and enhance public access to open space.

Parks and Recreation

City-owned Cemeteries

In FY15, City staff oversaw the completion of a number of tomb restoration projects in the North and Union Cemeteries as well as tree removal and trimming activities within North Cemetery and along its tree-lined border with Maplewood Avenue. In July, the City Council adopted an historic cemetery trust to serve as a repository for funds to be used for cemetery improvements and interpretation efforts. In FY16 cemetery improvement work will continue with the conservation and resetting of the Union Cemetery enclosure wall and fence along Maplewood Avenue. This and similar planned capital improvements were identified in a 2013 assessment and restoration plan for the various types of structures, fences, and walls in the six City-owned cemeteries.

Sagamore Creek Land

In 2015, the Mayor appointed a Blue Ribbon Committee on the Sagamore Creek Land. The Committee's charge is to develop a plan for public usage of the 66-acre city-owned parcel that lies along the Sagamore Creek off of Jones Avenue. The Committee's work is envisioned to result in a master plan that will include a series of improvements that will enhance public access to and usage of the site that can be implemented over time and as resources are available.

Greenleaf Recreation Center

In early 2014 the City entered into an agreement with Operation Blessing, Inc. to operate and manage the Greenleaf Recreation Center at 195 Greenleaf Avenue. This is a continuation of the partnership model that was recommended in the 2010 Recreation Needs Study to offer this facility as a recreation center open to the public with a non-profit partner. Operation Blessing will operate the facility as a recreation center serving underserved teens and run its highly successful Adopt-a-block and other programs, including new programs, out of the facility. This partnership leverages the programming talents and volunteerism of an established non-profit agency and ensures this recreation facility remains open to the public, while defraying costs from the City's budget.

Blue Ribbon Senior Committee

In July 2013, Mayor Spear formed the Blue Ribbon Senior Committee and charged the Committee with recommending a suitable site for a senior center and recommending a plan of action to develop the site to the City Council. The Senior Committee prepared a report recommending that the Paul A. Doble U.S. Army Reserve Center serve as the site for a center. The report also recommended that the City Manager include funding in the Capital Plan and the FY15 Budget. Additionally, the plan recommended that the Mayor appoint a Senior Subcommittee of the Recreation Board to advise the Senior Services Coordinator on general senior issues and the development of the Doble Center. The Subcommittee continues to meet and is preparing a recommendation for a vision and plan for the facility at the former Army Reserve Center on Cottage Street.

Federal Property Transfers

- **Thomas J. McIntyre Federal Building**

In FY15, the Mayor established a City Council working group to advance the disposition and re-use of the Thomas J. McIntyre Federal Building as well as redevelopment of the facility's prime two-acre parcel in the Central Business District.



The working group held bimonthly teleconferences with representatives of the US General Services Administration (GSA) and the NH Congressional Delegation with particular focus on meeting the programmatic needs of the current federal tenants in the McIntyre Building and on maintaining a retail US Post Office presence downtown.

- **Paul A. Doble Army Reserve Center**

Acquisition of the Paul A. Doble Army Reserve Center at 125 Cottage Street and its transformation into a new 50 plus activity center continues to be a major priority. City staff have worked both on ensuring the eventual transfer of the facility from the Army and, at the same time, worked with the Community on planning for its reuse. The Army Reserve is responsible for preparing the property and documentation prior to the transfer to the City. The timeline for this work was impacted by the delayed completion of the new Army Reserve center on Lafayette Road in Portsmouth. More information about the report from the Blue Ribbon Committee on Seniors and the concept of a 50 plus activity center can be found on the City's website.



African Burying Ground Memorial Park, *We Stand in Honor of Those Forgotten*

In May 2015, construction of the African Burying Ground and Memorial Park on Chestnut Street will be completed. This effort is the result of over a decade of archaeological research, community conversations, engineering and design, public outreach, and fundraising by many people in the Portsmouth community led by the African Burying Ground Committee and various committed volunteers and advocates.

The effort will be completed when the exhumed remains from the 2003 roadway reconstruction project are reburied in a vault constructed as part of the Memorial. The May reburial ceremony is one in a series of reburial related events currently in the planning stages. The project has attracted support, interest, artistic and academic inquiry, and funding from throughout New England and the United States. This site is the only archaeologically-authenticated Colonial era African burial site in all of northern New England and, on a smaller scale, is comparable to the African Burying Ground and National Monument in lower Manhattan. Over \$1.1 million has been raised to date for this \$1.2 million project. More information about the project can be found at the project's website www.africanburyinggroundnh.org.



Haven School Playground at South and South School Streets

The City has completed engineering and design for the renovation of the Haven School Playground at the corner of South and South School Streets. This project is funded through the City's Capital Improvement Plan. This small park has been the subject of multiple public meetings and web-based public input efforts with the neighborhood. Construction of the improvements are planned for the 2015 construction season.

Leary Field and South Mill Tennis Court Improvements

Leary Field between Rockland Street, Junkins Avenue and Parrott Avenue will see continued investment in FY16. In 2013, the field became the home of the Seacoast Mavericks Baseball team of the Futures Collegiate Baseball League of New England. Past improvements including new dugouts, benches, bullpens, a sound system and a field tarp. Improvements will continue with the replacement of the field lighting. Additional improvements in FY16 will include replacement of the tennis courts and the tennis court fencing and lighting.

Creation of Multi-Use Field at Former Stump Dump

The 2010 Recreation Study recommended that additional playing fields be added to the City's current inventory, which continue to be in high demand. In FY16, the City will continue its work to convert the former "stump dump" facility on Greenland Road into a multi-purpose, NCAA regulation-sized outdoor recreation field with associated amenities including parking, lighting, storage and associated site improvements. Initial site preparation has been leveraged at no cost to taxpayers in exchange for allowing the property to be used for construction lay down areas for various recent construction projects.

Legislative Subcommittee

The City Council's four-member Legislative Subcommittee (comprised of the Mayor and three councilors) continues to closely review New Hampshire Statehouse activities which have the potential to impact Portsmouth. Annually, many new bills are introduced in the State Legislature that could affect municipal operations, city residents, and/or the City's budgeting process. The City closely monitors legislation with the potential to substantially impact the budget. This includes legislation that may make changes to the NH Retirement System, tax exemptions and the State's education funding formula. The City will also follow legislation that amends the current Right-to-Know Law. Numerous bills are introduced each session that address a multitude of issues relative to right to-know requests. The City also continues to monitor and support legislation that would more fairly redistribute the meals and room tax revenue to those communities, like Portsmouth, that contribute significantly to the tax. Although Portsmouth has not been forced to raise excess Statewide Education Property Taxes as a "Donor" community since FY06, legislation that could potentially reestablish Portsmouth as a "Donor" community is regularly introduced and monitored by the City. The City will also continue to watch the Legislature's future education funding discussions on behalf of the Coalition Communities, a group of former "Donor" towns. This effort is funded by the City and contributions from Coalition-member towns.



COMMUNITY AND ECONOMIC PROFILE

The City of Portsmouth (population: 20,811) is a seaport community on the Piscataqua River, which divides New Hampshire and Maine. It is a regional economic and cultural hub for seacoast New Hampshire and lies 50 miles north of Boston, Massachusetts, and 50 miles south of Portland, Maine.

Settled in 1623, Portsmouth is the nation's third-oldest city with a rich heritage as a working seaport and the home of the State's only deepwater port. The city's quality of life, business climate, arts and cultural resources, and education facilities have attracted a wide variety of industries employing young, entrepreneurial and highly skilled workers in the technology, finance, biotech and health sectors which is attributable to a highly educated workforce. According to the US Census, 48% of Portsmouth residents have a college bachelor's degree or higher.



Portsmouth has maintained a stable economy, due in part to the diversity of businesses that make the City a major employment center. Almost half of working residents are employed locally, but the bulk of the workforce commutes into the city to work.

According to the NH Employment Security Office, Portsmouth's total public and private average quarterly employment at the end of the 2014 third quarter was 30,487 compared to 29,885 at year end 2013 indicating an increase of 602 jobs or 2% in the first three quarters of 2014. The average weekly wage for those periods were \$1,124.45 and \$1,108 respectively.

The City of Portsmouth continues to lead the region in low unemployment rates. As of February 28, 2015 the unemployment rate was 3.3%, compared to 3.8% in February 2014. The respective rates for the state and the nation were 3.9% and 5.5%.

Portsmouth also serves as the cultural and culinary destination for the region. This has resulted in a significant creative economy of for-profit and non-profit businesses ranging from theatres and museums to galleries and design/architectural firms. Recent studies indicate that the city's non-profit cultural institutions and organizations alone contribute over \$41.4 million to the community. These organizations, along with many year-round cultural offerings, make Portsmouth a preferred tourist destination and the media has taken note. In the past year, Portsmouth received the following media accolades:

- Google named Portsmouth the 2014 New Hampshire eCity of the year. Google's eCity Awards recognize the strongest online business community in each state.
- Portsmouth was selected by Hasbro to appear in the next two versions of the Monopoly board game based on votes received. March 2015.
- Portsmouth listed as top city to live in NH by *Blue Water Mortgage*, Feb 2015.

- Portsmouth's Ristorante Massimo was included as the only NH based restaurant in the Diners' Choice Awards for the Top 100 Most Romantic Restaurants in America, in January 2015.
- Portsmouth was named one of 10 Most Inspiring Cities for Artist in Northeast by *Printaholic.com* in January 2015.
- *The Pittsburg Tribune* named Portsmouth as a premier winter destination in, Jan 2015
- Portsmouth's Moxy Restaurant was named one of The 25 Best Restaurants in America 2014, GearPatrol.com.
- Portsmouth's Vintage Christmas event was featured in *WhereTraveler.com*
- Portsmouth's Market Square was ranked one of top 15 prettiest in US by *Travel and Leisure* website; October 2014.
- Portsmouth was featured in July 5, 2014 *Boston Sunday Globe* as an established cultural hub.
- Portsmouth was listed as "one of twelve coolest US road trip destinations" on *buzzfeed.com* in July 2014.

Along with its skilled workforce and superior quality of life, the City benefits from major economic assets that attract diverse businesses and workers. The City's economic assets include the Pease International Tradeport, the NH State Port, the Foreign Trade Zone, and the Portsmouth Naval Shipyard, each of which is highlighted below.

Pease International Tradeport

One of the nation's most successful military base redevelopments, Pease International Tradeport, is located in Portsmouth and continues to grow and be a significant contributor to the economic vitality of the region.

The Pease Development Authority (PDA) administers development of the Tradeport. Because the Tradeport is located primarily within the municipal boundaries of Portsmouth, the PDA and the City entered into a Municipal Services Agreement many years ago for both the Airport and Non-Airport Districts. In accordance with the Agreement, the City received \$2.3 million in revenue from the Airport district and \$3.7 million from the non-Airport district in property taxes; a total of \$6.0 million in revenue in FY15.

Pease International Tradeport continues to be an important regional economic driver with over 275 companies and 8,500 workers, many in well paying technology and advance manufacturing jobs. Highlights at Pease in 2014 include the relocation of corporate headquarters of High Liner Foods to the Tradeport and a new 40,000 square foot, Class A corporate office for Sprague Energy. Teledyne DGO also relocated its facility from Seabrook, NH to Pease International Tradeport. The defense oil and gas company brought 120 jobs with the goal of increasing that to 140 within a year.

The Tradeport is also home to the Pease International Airport, which is an asset to the entire region. Passenger flights are available on Allegiant Airlines and on several charter and private jets that operate out of the airport. The airport is also home to Alpha Flying Inc., (AFI), an aircraft management company with 25 fractional ownership planes and its sister company Atlas Pilatus Center Inc. (APC), which services the AFI fleet. Port City Air also provides airplane repair services at the Tradeport.

The Air National Guard 157th Air Refueling Wing is also located at Pease Tradeport and announced in 2014 that it was selected as the U.S. Air Force's top choice to receive twelve new KC 46A refueling tankers adding 100 new jobs with a payroll of \$7 million and indirect economic benefits of \$45 million in construction contracts.

The Port of New Hampshire

The Port of New Hampshire, located on the Piscataqua River in downtown Portsmouth, is the State's only deepwater port. The Port is overseen by the Pease Development Authority. Its strategic location on a deep natural harbor makes it viable for international cargo shipping as well as for visiting cruise ships. The Harbormaster offices and dock are located onsite. Port infrastructure includes a 66-foot-long wharf, a 310-foot barge pier, two large warehouse structures, and open areas for bulk storage and container facilities. The Port also leases space to local charter fishing and harbor cruise operators and serves as host to the popular tall ships that visit the city periodically.

Foreign Trade Zone (FTZ)

New Hampshire has one Foreign Trade Zone (FTZ) consisting of five distinct sites, three of which are located in Portsmouth: 1,095 acres at the Tradeport, 10 acres at the Port, and 50 acres at the Portsmouth Industrial Park. A Foreign Trade Zone is a site within the United States where items may be imported, stored and processed with deferral or elimination of customs duties and excise taxes, allowing firms to operate more competitively in the international market. The FTZ, in conjunction with the State's International Trade Resource Center, provides both opportunity and technical assistance for businesses interested in foreign commerce.

Portsmouth Naval Shipyard (PNSY)

Located in Kittery, Maine, just across the Piscataqua River, the Portsmouth Naval Shipyard is a major submarine overhaul and refueling facility and is the U.S. government's oldest continuously operating naval shipyard. It is the largest regional employer with a highly skilled, technical workforce. The most current data on Seacoast Shipyard Association's regional economic impact is for calendar year 2013 which revealed a total of 5,474 current employees (up from 5,313 in 2012) with a payroll of \$414 million (down from \$421 million in 2012). Portsmouth has the third highest number of shipyard employees of all NH communities and the seventh largest of both Maine and New Hampshire communities, with 235 shipyard workers. The Shipyard is a significant source of indirect expenditures in the region. In 2013, \$38 million of goods and services and \$129 million of contracted facility services were purchased.

The Shipyard is currently consolidating and modernizing the structural shop functions entailing two major construction projects. The first was an \$11.9 million energy and repair contract funded in FY 13. In January 2014, an additional \$11.5 million was allocated to improve operational efficiency by consolidation of three structural shops. PNSY also received funding for two Virginia-class submarine overhauls. This appropriation allows for predictability for the workforce and avoids furloughs. In December 2014 it announced a plan to hire 715 new workers, primarily in engineering and trade positions to execute future increase workload.

COMMUNITY PROFILE

CITY GOVERNMENT

Settled	1623
Incorporated	1849
Form of Government	Council-Manager

CITY FINANCE

Tax Rate FY 2015 (per \$1,000)	\$18.10
Total Valuation	\$4,182,368,805

Source: NH Dept. of Revenue Administration

Bond Ratings	
Standard & Poor's	AAA
Moody's Investors Service	AA1

LAND

Land Area	10,034 acres
Public Parks & Playgrounds	200 acres*
Public Streets	136 miles
Wetlands	3,538 acres**

* Source: Taintor and Associates, Existing Conditions, 2003

**Source: City of Portsmouth, 2003 Wetlands Inventory

UTILITIES

Telephone	Multiple Suppliers
High Speed Internet	Multiple Suppliers
Cable	Comcast
Gas	Unitil
Water	City of Portsmouth
Sewer	City of Portsmouth
Cell phone coverage	Complete Coverage

ECONOMIC INDICATORS

Largest Private Employers (2014)

Liberty Mutual	1,000
HCA Portsmouth Reg. Hospital	980
Lonza Biologics	792
John Hancock	400
Bottomline Technologies	365
Newmarket International	305
Thermo Fischer	274
Teledyne D.G O'Brien	260
Direct Capital	250
Sprague Energy	235

Source: City of Portsmouth, Economic Development

Portsmouth Employed Civilian Population by Industrial Sector

Professional Services	13.87%
Retail Trade	12.88%
Manufacturing	10.11%
Miscellaneous Services	36.18%
Finance, Insurance, Real Estate	5.69%
Transportation, Comm., Utilities	3.33%
All others	17.94%

Source: U.S. Census Bureau, 2008-10 American Community Survey

Unemployment (Not seasonally-adjusted)*

Portsmouth	3.3%
State of New Hampshire	3.9%

*Source: NH Economic & Labor Market Information Bureau, Feb. 2015

DEMOGRAPHICS

Population

2010 U.S. Census	21,233
2000 U.S. Census	20,784
1990 U.S. Census	25,925

Registered Voters

February 2015	16,106
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Source: City of Portsmouth, Office of the City Clerk

Households

2010 U.S. Census	10,014
2000 U.S. Census	9,875
1990 U.S. Census	10,329

Average Household Size	2.03
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Average Family Size	2.75
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Source: U.S. Census 2010

Age (Percent of Total Population)

Up to 24 years	24.3%
25 - 54	46.9%
60 and up	22.0%

Source: U.S. Census 2010

Median Household Income

2010 U.S. Census	\$60,874
2000 U.S. Census	\$45,198
1990 U.S. Census	\$30,591

Housing Types

Units in Structure

1-unit, detached	40.8%
1-unit, attached	7.2%
2 units	9.2%
3 or 4 units	8.5%
5 to 9 units	16.2%
10 to 19 units	6.2%
20 or more units	9.4%
Mobile home	2.5%

Source: U.S. Census Bureau, 2008-10 American Community Survey

Housing Unit by Occupancy

Owner-occupied	51.3%
Renter-occupied	48.7%

Source: U.S. Census 2010

Mean Values

<i>Type</i>	<i>Mean</i>
Commercial*	\$1,362,012
Residential**	\$324,088

Residential Stratified

Single Family	\$370,132
Condo	\$268,117
Multi-Family 2-3 Units	\$412,987
Mobile Homes	\$53,045

Median Values

<i>Median</i>	
Residential**	\$289,100
Single Family	\$319,100

As of April 1, 2014

* Includes Pease Non-Airport District and Utilities

** Included single family, condos, multi-family 2-3 units, mobile homes and vacant land.

Source: City of Portsmouth, Finance Department

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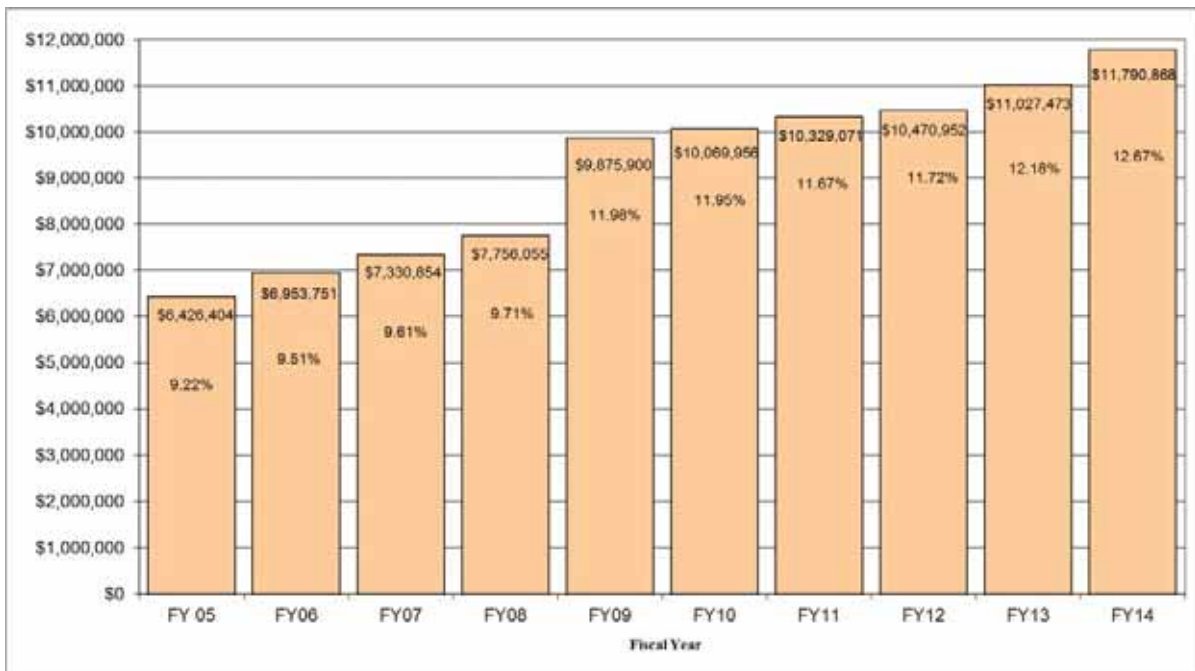


FINANCIAL POLICIES AND LONG-TERM FINANCIAL GUIDELINES

The following are financial policies and long-term financial guidelines which the City follows in managing its financial and budgetary affairs. The goal of these policies and guidelines is to ensure that financial resources are well managed and available to meet the present and future needs of the citizens of the City of Portsmouth. The City has created several approaches to maintain and improve fiscal stability.

UNASSIGNED FUND BALANCE ORDINANCE

City Council adopted in Fiscal Year 1998 a Fund Balance Ordinance which was amended in 2012 to comply with the fund balance model established by Governmental Accounting Standards Board (GASB) Statement No. 54. The operational objective of the Ordinance was further amended in 2013 to recognize that the financial management goal of the City of Portsmouth is to annually maintain an Unassigned Fund Balance of between 10% and 17% of total general fund appropriations. As of June 30, 2014, the Unassigned Fund Balance is 12.67% of appropriations. The chart below shows the history of unassigned fund balance for the last 10 years.



BOND RATING

The City's current bond rating is AAA by Standard and Poor's Rating Group which they affirmed for a June 2014 bond issue. Moody's Investors Service Ratings Group was not utilized for the June 2014 issue. Rating agencies weigh a host of financial, economic, debt and managerial information and assign a rating to the issue. Higher bond ratings indicate lower perceived risk of default. The City has taken many steps and will continue to seek improvements to maintain fiscal stability. Table 1 highlights where the City's rating is today with respect to the model and Table 2 provides the history of the City's rating.

Table 1

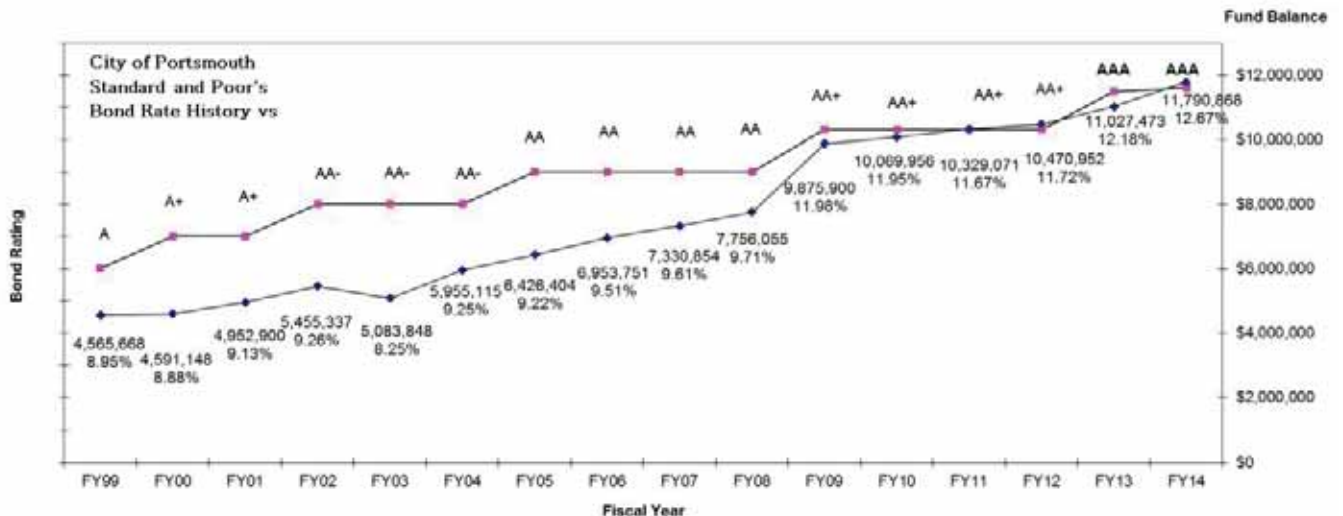
INVESTMENT GRADE RATINGS	
Standard & Poor's	Moody's
AAA	Aaa
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB	Ba

Table 2

Standard & Poor's		Moody's	
Year	City of Portsmouth	Year	City of Portsmouth
2014	AAA	2014	N/A
2013	AAA	2013	Aa1
2012	AA+	2012	Aa1
2011	AA+	2011	Aa1
2010	AA+	*2010	Aa1
2009	AA+	2009	Aa2
2008	AA	2008	Aa2
2007	AA	2007	Aa3
2006	AA	2006	Aa3
2005	AA	2005	Aa3
2004	AA-	2004	Aa3
2003	AA-	2003	Aa3
2002	AA-	2002	Aa3
2001	A+	2001	A1
2000	A+	2000	A1
1999	A	1999	A
1998	A	1998	A
1997	A	1997	A
1996	A	1996	A
1995	A	1995	Baa1
1994	A	1994	Baa1
		1993	Baa
		1992	Ba
		1991	Ba

*Moody's Investment Group changed their rating system to no longer using A as a rating

The following graph charts the path and relationship between the City's Unassigned Fund Balance and its bond rating since the inception of the Unassigned Fund Balance Ordinance.



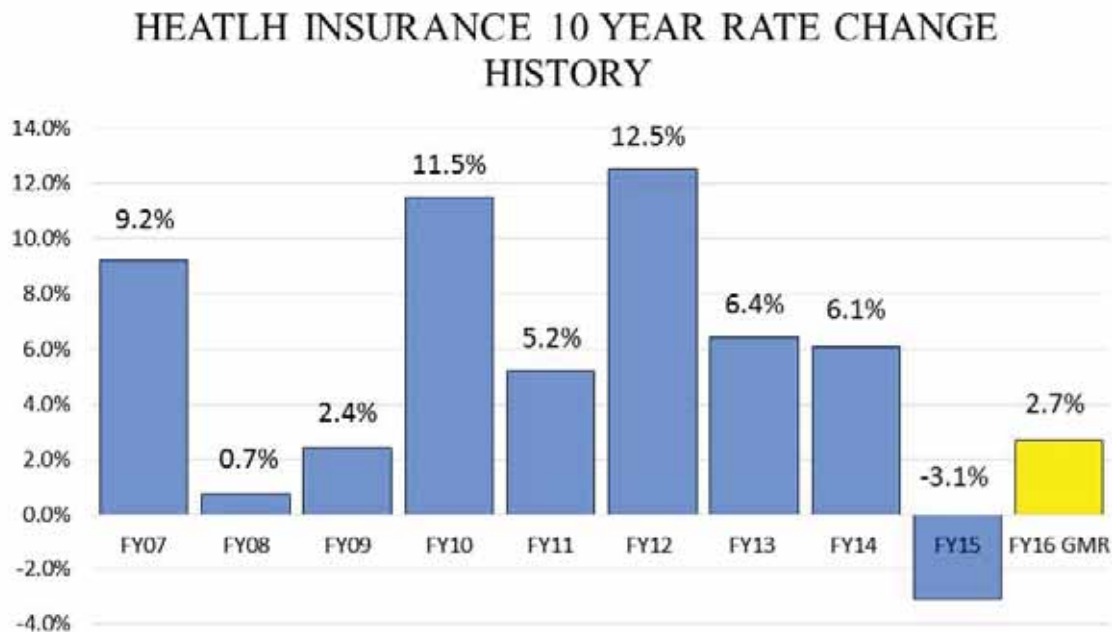
LEAVE AT TERMINATION

The City has addressed in two methods the significant liability owed to employees for accumulated sick leave pay when they leave municipal service.

1. The City eliminated future growth in this liability by negotiating in all labor agreements that new employees can no longer accumulate unlimited sick leave. Thus, the liability can be capped and it is now possible to estimate reductions of this liability through attrition.
2. The Leave at Termination Fund created in fiscal year 1999 eliminated annual budget spikes which negatively impacted the operating budget associated with sick leave pay owed to employees upon termination. General Government, Police, Fire and School Departments annually budget a fixed amount for each fiscal year determined by an actuarial study and periodic review, which is transferred into this fund where this liability is paid. These departments build a fund balance, which is carried over from year to year to fund future liabilities, thus stabilizing the annual operating budget.

HEALTH INSURANCE STABILIZATION RESERVE

The Local Government Center (LGC) HealthTrust announced the FY16 guaranteed maximum rate (GMR) health insurance premium rates which results in an overall rate increase of 2.7% over the FY15 premium rates for the majority of City employees. The increase in premium rates has spiked both up and down over the last several years causing unpredictability as shown in the graph below.



The City has addressed this issue with the following approaches.

1. The City negotiated with all labor agreements to share in the cost of health insurance premiums. Every employee contributes a percentage of their medical plan cost. This reduces the City's liability.
2. The City created the Health Insurance Stabilization Reserve to stabilize annual budgetary spikes that often negatively impact the operating budget. Generally, the appropriation amount is determined in accordance with the average increase of Health Insurance rates provided by HealthTrust over 10 years. This rate is then added to the prior fiscal year budgetary appropriation. The Health Insurance Stabilization Reserve has been established in the General Fund from operating surplus from previous years. In the event premiums spike higher than the appropriation, the reserve subsidizes this shortfall. A policy has been established that the utilization of this reserve in any given year shall not be in excess of 25% of its balance. Although the GMR for FY16 is 2.7%, the 10 year average rate change is 5.36%.
3. The City has been able to offer to the collective bargaining units a SchoolCare Product supported by Cigna. As the switch to another health care plan must be negotiated with each union, five of the fifteen unions have accepted this plan. The SchoolCare health plan saves both the City and the employee a substantial amount of money.

INVESTMENT POLICY

The City of Portsmouth recognizes an investment program as one aspect of sound public financial management. The investment program aims at matching the structure of the money market and operations of the City to achieve the best possible results for the City, considering such matters as safety, liquidity, and over-all yield. New Hampshire State Statute (RSA 48:16) authorizes the City Treasurer as custodian of City funds to invest funds not immediately needed for the purpose of expenditure and specifically identifies eligible investments instruments as defined as follows:

1. Direct obligations of the US Treasury or any agency or instrumentality of the US Government.
2. The Public Investment Pool established pursuant to RSA 383.22.
3. Savings accounts of banks incorporated under the laws of the State of New Hampshire.
4. Certificates of deposit with banks incorporated under the laws of the State of New Hampshire or in national banks located within the State of New Hampshire or the Commonwealth of Massachusetts which are insured through the FDIC /FSLIC.
5. Repurchase agreements collateralized by the above mentioned items.
6. Money Market Funds which invest only in above mentioned items and meeting collateral requirements of FDIC/FSLIC limitation.

PROPERTY VALUATION

New Hampshire State Statute RSA 75:8-a states "the assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year beginning with the first year the

Commissioner of the Department of Revenue Administration reviews the municipalities assessments pursuant to RSA 21-J:3 XXVI, the assessors and or selectman shall value all real estate within the municipality so that the assessments are valued in accordance with RSA 75:1” which states “ shall appraise all taxable property at its market value”.

The City of Portsmouth Assessor’s Office has completed the data collection phase of all properties within the City for the upcoming tax year 2015 (FY16) revaluation.

PERFORMANCE MEASURES

The FY16 Budget document includes a performance measures section in each departmental narrative. This year’s budget includes a two year history of performance measures and an “estimated FY15” column. The departments use their performance measures to better communicate departmental progress and or efficiencies achieved with in the department.

Performance Measures are statistical and analytical information about departmental performance and services. In general, performance measures can describe relationships between resources (inputs) and what is provided through a Department’s programs and services (outputs). In some cases, these measures will describe a Department’s workload (i.e. number of Police calls for service) or provide some measure of units of service (i.e. number of businesses assisted). Such measures are useful when compared across fiscal years, relaying information about trends and changes in service levels and needs, which can provide some context to budgetary requests.

Performance measures can be both quantitative and qualitative in nature. Often they can be expressed in ratios, percentages, averages, or simple quantifiable outputs, which provide information about a program or service.

ROLLING STOCK PROGRAM

The City has established a long-term rolling stock program to avoid large expenditures in any one year and to forecast certain expenditures for replacing and upgrading existing equipment in the years ahead. The Rolling Stock Program has enabled all City departments to replace vehicles and equipment on the basis of life cycle costing, which has reduced costs in the area of repairs and maintenance. The purchase of vehicles and equipment is funded through the non-operating budget. This program provides departments with vehicles and equipment that are more efficient. Detailed information on the rolling stock program can found in Appendix I of this document.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP), prepared by the Planning Board, and adopted by the City Council, identifies equipment, vehicles, building, information systems, transportation and Enterprise Fund infrastructure needs over a six-year period. The City Council reviews these projects and annually appropriates from Governmental and Enterprise Funds, capital outlay to be combined with grants, matching funds and other programs. All projects funded by long-term debt need separate authorization from City Council. The Following is a funding summary for of the FY16 Capital Improvement Plan. Detailed information for each project can found in Appendix II of this document.

Capital Improvement Plan FY 2016-2021 (FY 2016 Funding)

	GF	Enterprise Funds	Bond/Lease	Federal/State	Other/Revenues	PPP	FY '16 Total
GOVERNMENTAL FUNDS	\$1,850,000	\$0	\$12,600,000	\$698,000	\$21,971,700	\$425,000	\$37,544,700
WATER FUND	\$0	\$700,000	\$5,900,000	\$1,200,000	\$0	\$0	\$7,800,000
SEWER FUND	\$0	\$950,000	\$73,000,000	\$0	\$0	\$0	\$73,950,000
TOTAL	\$1,850,000	\$1,650,000	\$91,500,000	\$1,898,000	\$21,971,700	\$425,000	\$119,294,700

DEBT SERVICE PLANNING

The City’s Debt Service planning goals are to keep the debt burden and operational debt costs at manageable levels and that, simultaneously, capital needs will be met on an ongoing basis. With these goals in mind, the City has three main Debt Service Planning policies:

1) Pay-As-You-Go Financing

The City will pay for all capital projects on a pay-as-you-go basis using current revenues whenever possible.

2) Net Debt Service as Percent of General Fund Appropriations

One measurement to ensure debt costs are manageable is identifying a maximum net debt service as a percentage of total General Fund appropriation. The City policy is to use no more than 10% of annual appropriations toward net debt service payments. The FY16 proposed budget includes a projected net debt 8.45% of the proposed General Fund appropriation (A ten-year Projected Net Long Term Debt Service as a Percentage of the General Fund chart and graph are located in the Debt Service section of this budget document.)

3) Debt Burden

It is the policy of the City to maintain a Governmental debt burden of less than 3% of the City’s full valuation. The debt burden measures how leveraged the City is by calculating the amount of debt outstanding as compared to the City’s full valuation. The City’s governmental activities’ debt burden as of June 30, 2014, the last completed independent audit, was 2.11%.

MUNICIPAL FEE REVIEW PROCESS

In order to create a more efficient system for the City to adopt and adjust municipal fees, a process was adopted to review municipal fees annually. A City ordinance was enacted stating that all municipal fees shall be adopted and may be amended by resolution during the annual budget adoption process. Annually, all City departments review their respective fees and propose changes where they consider it necessary to keep abreast of rising administration costs. (Fees are listed in Appendix III.) A Fee Committee consisting of two City Councilors, the City Manager and a Finance Department representative then reviews the department’s requests. The Fee Committee recommendation is presented to the City Council for approval through a resolution. The approved municipal fee list becomes law on the first day of the upcoming fiscal year.

ENTERPRISE FUND POLICIES FOR RATE SETTING

The City implemented in FY14 a new rate model to review annually the water and sewer rates for current as well as future years. The rate model serves as a tool to allow for long-term planning. Prudent financial planning will result in predictable and stable rate increases which will generate revenues adequate to cover operating expenses, meet the legal requirements of bond covenants and State Revolving Fund (SRF) loans, and allow adequate capital replacement as well as reserve funding of future capital needs and Federal mandates. This policy would increase or utilize net position to create a rate structure that is stable and predictable from year to year to lessen the user rate impact due to future capital investments or unanticipated losses of revenue.

UDAG BUDGET POLICY

The City of Portsmouth Economic Development Commission (EDC) established a budget policy for the Urban Development Action Grant (UDAG) that allows expenditures based on available funding and economic development program needs.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) CERTIFICATE OF ACHIEVEMENT

The City will seek annual renewal of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The City has received 21 awards for the fiscal years ended June 30, 1988, 1989, and 1995-2013.

DISTINGUISHED BUDGET PRESENTATION AWARD

The City will seek annual renewal of the Government Finance Officers Association's Distinguished Budget Presentation Award. The City of Portsmouth received the GFOA's Distinguished Budget Presentation Award for 9 consecutive years; beginning July 1, 2006-2014. The Distinguished Budget Presentation Award is designed to encourage governments to prepare budget documents of the highest quality to meet the needs of decision makers and citizens. The City of Portsmouth is the first and remains the only community in New Hampshire to receive the award.

EMPLOYEE PAY PLAN

The City embraces a compensation philosophy that provides internal consistency, which includes paying fair and reasonable salaries based on economic conditions and the labor market. This will attract, retain, and motivate qualified personnel to meet organizational requirements, maintain a competitive pay structure for all jobs, increase productivity and efficiency, and further organizational goals and objectives. The City also believes in balancing this with an equitably based system within the organizational pay structure. This philosophy needs to be maintained, while simultaneously being fair to the taxpayers of the community.

The City of Portsmouth has a total of fifteen (15) collective bargaining units. As of April 2015, nine (9) bargaining unit contracts will expire on June 30, 2015 or before, while two (2) will expire June 30, 2016, three (3) will expire June 30, 2017, and one (1) on June 30, 2018. Employees who are in the expired contracts and are eligible for a step increase will continue to receive step increases however, other wage adjustments will not be provided until new contracts are ratified.

Table of City-wide Collective Bargaining Units

General Government	Expires	Police	Expires	Fire	Expires	School	Expires
Professional Management Association (PMA)	06/30/2016	Ranking Officers Association	06/30/2014	Fire Officers Association	06/30/2014	Principals/Directors	06/30/2015
Supervisory Management Alliance (SMA)	06/30/2016	Portsmouth Patrolman Association	06/30/2014	FireFighter Association	06/30/2014	Association of Portsmouth's Teachers	06/30/2018
AFSCME Local 1386 Public Works/Recreation/ Library/Clerical	06/30/2014	Civilians	06/30/2014			Clerical Employees	06/30/2015
						Custodial	06/30/2017
						Cafeteria	06/30/2017
						Paraprofessionals	06/30/2017
						Custodial Supervisors	06/30/2015

PERSONNEL SUMMARY

The Fiscal Year 2016 proposed budget for all funds incorporates a net increase of 7.11 full-time and 3 part-time positions as described below:

General Fund - Net increase of .21 Full-Time positions

- **Police Department-** Addition of one (1) Dispatcher.
- **Public Works-**Net decrease of 3.9 FTE is the result of the addition of (1) Sanitary Laborer and the reallocation of a portion of the Equipment Maintenance staff to the Water, Sewer, and Parking funds.
- **School Department-**Net increase of 3.11 FTE is the result of a decrease of one (1) Elementary Teacher, an increase of one (1) Career & Technical Education Teacher to full time status based on program enrollment, and the transfer of one (1) Special Education Teacher and three (3) Elementary Reading Tutors due to the reduction of federal grant funding.

Water/Sewer Funds - Net increase of 4.3 Full-Time positions

No new positions. The net increase of 4.3 FTE is the result of the reallocation of Equipment Maintenance staff and a Truck Driver from the general Fund.

Parking & Transportation - Net increase of 2.7 Full-Time & 3 Part-Time Positions

Net increase is the result of the addition of one (1) Parking Garage laborer, one (1) Parking Garage Supervisor and the reallocation of the Equipment Maintenance staff from the General Fund. New Part-Time positions include one (1) additional Meter Enforcement and one (1) additional Parking garage Attendant.

Special Revenue Funds - Net decrease of (.1) Full-Time positions

- **Community Development-**Net increase of .70 positions from reallocation of existing positions and addition of one Community Development Coordinator.
- **UDAG-**Net decrease of .80 positions from reallocation of existing positions and reduction of an Assistant Program Manager for Special Projects.

The following table is a summary of personnel counts by department and funds

PERSONNEL SUMMARY				
DEPARTMENT	FY 14 ACTUAL	FY 15 ACTUAL	FY 16 PROPOSED BUDGET	Change From FY15
FULL-TIME PERSONNEL				
CITY MANAGER	2.00	2.00	2.00	0.00
HUMAN RESOURCES	3.00	4.00	4.00	0.00
CITY CLERK	3.00	3.00	3.00	0.00
LEGAL DEPARTMENT	5.00	5.00	5.00	0.00
FINANCE DEPARTMENT	18.00	19.00	19.00	0.00
PLANNING DEPARTMENT	7.45	8.45	8.45	0.00
INSPECTION DEPARTMENT	4.05	5.05	5.05	0.00
HEALTH DEPARTMENT	1.50	1.50	1.50	0.00
PUBLIC WORKS	59.25	58.05	54.15	(3.90)
LIBRARY	15.00	15.00	15.00	0.00
RECREATION DEPARTMENT	4.00	4.00	4.00	0.00
SENIOR SERVICES	0.00	1.00	1.00	0.00
WELFARE DEPARTMENT	1.00	1.00	1.00	0.00
POLICE DEPARTMENT	80.00	81.00	82.00	1.00
FIRE DEPARTMENT	61.00	61.00	61.00	0.00
SCHOOL DEPARTMENT	354.39	356.18	359.29	3.11
GENERAL FUND - FULL TIME PERSONNEL TOTAL	618.64	625.23	625.44	0.21
% Change				0.03%
PART-TIME PERSONNEL*				
HUMAN RESOURCES	2.00	2.00	2.00	0.00
LEGAL DEPARTMENT	2.00	2.00	2.00	0.00
FINANCE DEPARTMENT	3.00	2.00	2.00	0.00
INSPECTION DEPARTMENT	1.00	0.00	0.00	0.00
PUBLIC WORKS	1.00	0.00	0.00	0.00
LIBRARY	12.00	12.00	12.00	0.00
RECREATION (number of positions vary seasonally)	1.00	1.00	1.00	0.00
SENIOR SERVICES	1.00	2.00	2.00	0.00
WELFARE DEPARTMENT	1.00	1.00	1.00	0.00
POLICE DEPARTMENT	35.00	32.00	32.00	0.00
FIRE DEPARTMENT	3.00	3.00	3.00	0.00
SCHOOL DEPARTMENT	198.00	198.00	198.00	0.00
GENERAL FUND TOTAL - PART TIME PERSONNEL TOTAL	260.00	255.00	255.00	0.00
% Change				0.0%
FULL-TIME PERSONNEL				
WATER AND SEWER FUND	50.00	50.30	54.60	4.30
ENTERPRISE FUNDS - WATER & SEWER FULL TIME PERSONNEL TOTAL	50.00	50.30	54.60	4.30
% Change				8.5%
PART-TIME PERSONNEL*				
WATER AND SEWER FUND	4.00	4.00	4.00	0.00
ENTERPRISE FUNDS - WATER & SEWER PART TIME PERSONNEL TOTAL	4.00	4.00	4.00	0.00
% Change				0.0%
FULL-TIME PERSONNEL				
PARKING	11.25	10.70	13.40	2.70
COMMUNITY DEVELOPMENT	1.25	1.60	2.30	0.70
UDAG	2.15	2.15	1.35	(0.80)
SPECIAL FUNDS - FULL TIME PERSONNEL TOTAL	14.65	14.45	17.05	2.60
% Change				18.0%
PART-TIME PERSONNEL*				
PARKING	27.00	27.00	30.00	3.00
SPECIAL FUNDS - PART TIME PERSONNEL TOTAL	27.00	27.00	30.00	3.00
% Change				11.1%
TOTAL FULL-TIME PERSONNEL	683.29	689.98	697.09	7.11
TOTAL PART-TIME PERSONNEL	291.00	286.00	289.00	3.00
TOTAL FULL-TIME PERSONNEL % Change				1.0%
TOTAL PART-TIME PERSONNEL % Change				1.0%

NOTE:

Part-time personnel numbers may fluctuate due to the seasonality of positions.
Part-time positions are totaled in this chart by the number of personnel and not FTE.

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BUDGET DOCUMENT

A GUIDE TO THE BUDGET DOCUMENT

The City of Portsmouth is a municipal corporation governed by a City Council, including a mayor and eight members, and an appointed City Manager. The City's financial operations are budgeted and accounted for in a number of funds. Each fund is a separate accounting entity with self-balancing accounts.

The budget process is key to the development of the City of Portsmouth's strategic fiscal plan. The budget is the single most important document the City has for establishing policies, guidelines, and control over the direction of change and for determining the future.

This budget serves six vital functions:

1. It is a *policy document*, which establishes the City's priorities for expending funds for services to be provided for the coming fiscal year.
2. It is a *financial plan* for the City for the coming fiscal year.
3. It is an *operations guide*, which establishes the activities, services and functions to be carried out by the City's departments.
4. It is an important means of *communication*, which conveys to Portsmouth residents, local businesses, as well as other parties (such as bond rating agencies and the news media) how the City is being managed.
5. It is a *historical document*, which reflects the past level of services provided by the City.
6. It is a *legal document*, which establishes the legal guidelines for spending each year.

BUDGET DOCUMENT CONTENTS

The budget document contains the following funds and activities to assist in the understanding of the City's operations.

GENERAL FUND- This fund accounts for all general operating expenditures and revenues. This is the City's largest fund. Revenues in the general fund primarily are from property taxes.

ENTERPRISE FUNDS- Enterprise funds are supported by user fees and are used to account for ongoing organizations and activities which are similar to those often found in the private sector. The City of Portsmouth maintains two enterprise funds: Water and Sewer.

SPECIAL REVENUE FUNDS- These funds account for the proceeds of specific revenue sources, such as Federal, State, and Local grants; private donations, and transfer from other funds that are restricted to expenditure for specified purposes. There are three special revenue funds detailed in this document, which require a budget and are a part of the budget adoption process: Parking and Transportation, Community Development Block Grant (CDBG), and Urban Development Action Grant Fund (UDAG).

DEBT SERVICE- This document includes an analysis of debt service for the General, Parking & Transportation, Water, and Sewer Funds. The analysis includes: computation of legal debt margin, long-term debt forecast model, projected long-term debt service as a percentage of the general fund budget, and long-term debt outstanding balance.

CAPITAL IMPROVEMENT PLAN (CIP)- The long-term planning for major capital projects as set forth in the six-year Capital Improvement Plan and adopted by the City Council. The capital projects are funded through capital outlays, state and federal aid, revenues, public private partnerships and bond issues. This documents provides a summary of the capital improvement plan in Appendix II; however, the City also publishes a more detailed long-term CIP under separate cover.

ROLLING STOCK PROGRAM- The Rolling Stock Program is intended to provide an overall schedule for the expenditure of City funds on replacement of vehicles and equipment necessary to carry out daily City activities. City departments with rolling stock requirements that participate in the program include the Public Works, Police, Fire, School, Water, Sewer Departments and Trust Funds. Such a program serves to inform the City Council and the community that certain expenditures for upgrading the existing equipment are to be expected in the years ahead. The Rolling Stock Program detail is located in Appendix I of this document.

FEE SCHEDULE- A City ordinance was enacted stating that all municipal fees shall be adopted and may be amended by resolution during the annual budget adoption process. Appendix III provides a detailed list of all City fees which are reviewed every year.

BUDGETARY FUND STRUCTURE

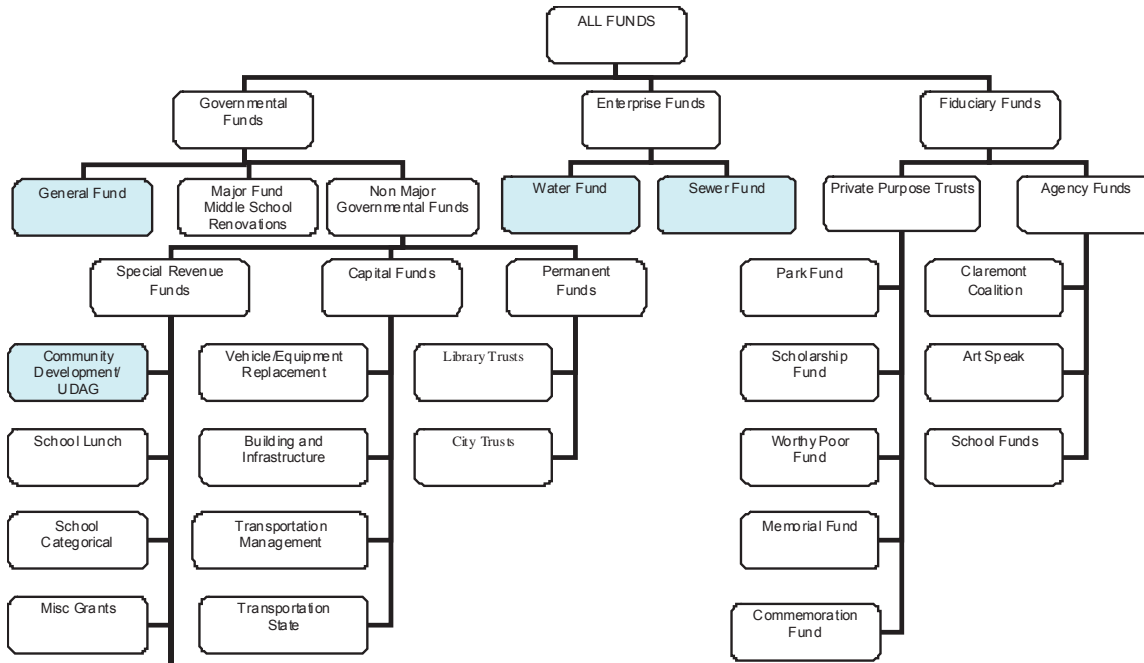
The City's budgetary fund structure (appropriated funds) which are included in this document are: the General Fund; Community Development and Parking/Transportation funds (Special Revenue Funds); and the Water and Sewer funds (Enterprise Funds).

The fund structure in the audited financial statements include all Governmental Funds (General, Special Revenue, Capital Projects and Permanent funds), Enterprise Funds (Water and Sewer) and Fiduciary Funds (Private Purpose Trusts and Agency Funds).

The following chart shows the City's audited fund structure and highlights the appropriated funds in this document and Department/Fund relationships.

FLOW OF AUDITED FUNDS

(Highlighted Funds Represented In Budget Document)



DEPARTMENT/FUND RELATIONSHIP						
Department Expenditures Within Funds						
Department	Governmental Funds				Enterprise Funds	Fiduciary Funds
	General Fund	Special Revenue Funds	Capital Funds	Permanent Funds		
City Council	√					√
City Manager	√					√
Human Resources	√	√				
City Clerk	√					
Elections	√					
Legal	√	√				
Finance	√	√	√			
Planning	√	√				
Inspection	√					
Public Health	√					
Public Works	√	√	√		√	
Public Library	√	√		√		
Recreation	√	√		√		√
Senior Services	√					
Community Development		√		√		√
Economic Development		√				√
Public Welfare	√					
Outside Social Services	√					
Emergency Management	√					
Police Department	√	√	√			
Fire Department	√	√	√			
School Department	√	√	√			√

MAJOR FUND DESCRIPTIONS:

Major funds for budgetary purposes are those funds whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget.

GENERAL FUND

The General Fund is a Governmental Fund. It is established to account for all resources obtained and used for those services commonly provided by cities which are not accounted for in any other fund. These services include among other items: General Government, Public Safety, Education, Public Works, Health and Human Services, and Culture and Recreation. The primary sources of revenue of the General Fund are: property taxes, unrestricted state revenue sharing grants, certain restricted grants and fees for services rendered.

NON-MAJOR FUND DESCRIPTIONS:

COMMUNITY DEVELOPMENT

The Community Development Fund is a Special Revenue Fund. It accounts for the use of Community Development Block Grant Funds as received from the federal government through the New Hampshire Office of State Planning. Current grants are mainly designed for City of Portsmouth economic development, housing rehabilitation, public service, and public facilities.

URBAN DEVELOPMENT ACTION GRANT (UDAG)

The UDAG Fund is a Special Revenue Fund. The City's economic development efforts are funded through funds previously repaid to the City from a federal UDAG loan.

PARKING AND TRANSPORTATION

The Parking and Transportation Fund is a Special Revenue Fund. It accounts for operations of the City's parking facility, parking enforcement, parking meter operations and parking administration funded by funds generated from these parking activities.

WATER FUND

The Water Fund is an Enterprise Fund. It accounts for the operation of a water treatment plant, City wells and water system. The activity of the fund is self-supporting based on user charges.

SEWER FUND

The Sewer Fund is an Enterprise Fund. It accounts for the operation of two sewer treatment plants, pumping stations and sewer lines. The activity of the fund is self-supporting based on user charges.

BASIS OF ACCOUNTING – BUDGETARY BASIS OF ACCOUNTING

When considering any report of financial activity, the question of which basis of accounting to use must be addressed. Basis of accounting refers to when revenues, expenditures, expenses, transfers and related assets and liabilities are recognized in the accounts and reported in the financial statement.

GASB (Government Accounting Standards Board) states that methods of local government budgetary practices are outside the scope of financial reporting standards and therefore, do not prescribe a basis of accounting for use in budgetary reporting. The City of Portsmouth, in most cases, uses the same basis of accounting when preparing both the financial statements and annual budgets.

For Governmental Funds, the City of Portsmouth prepares its budgets using a modified accrual basis, which means the accrual basis with modifications; it emphasizes on sources and uses of current financial resources. Governmental Funds generally account only for current expendable available resources, so only those transactions classified as “current” (that is, affecting the current flow of revenues and expenditures) are recorded.

For Enterprise Funds, the City of Portsmouth prepares its budgets using the accrual basis, which results in an accounting measure that records the substances of transactions or events, not merely cash inflows or outflows. It recognizes non-cash transactions at the time they occur, taking into account not only accruals, but also deferrals, allocations and amortizations.

The Comprehensive Annual Financial Report (CAFR) displays the status of the City’s finances on the basis of “generally accepted accounting principles” (GAAP). The City, in most cases conforms to GAAP, in references to the fund based financial statements, when preparing its budget. Exceptions are as follow:

1. In the General Fund, a full accrual of the amount anticipated to be billed is recorded rather than adjusted for the 60-day rule, receipt of prior fiscal year tax payments and adjustments for abatements.
2. Compensated absences are accrued as earned by employees using GAAP and recorded as expenditures as used in the budget.
3. Use of unassigned fund balance, committed fund balance and unrestricted net position are recorded as revenue in the budget with the exception of the Combined Statement of Revenues and Expenditures and Changes in Unassigned Fund Balance and Unrestricted Net Position.
4. Transfers in and out are recorded as revenue and expenditures in the budget.

THE BUDGET PROCESS

The City annually initiates a lengthy and extensive budget-setting process following the requirements of the City Charter beginning in the fall and continuing with the final review and adoption by the City Council by June 30th. The City will adopt a balanced budget, by fund, for all funds maintained by the City, in which total anticipated revenues will equal budgeted expenditures for each fund.

There are two components to the annual budget process: Capital Improvement Program and the Operating/Non-Operating budget process.

CAPITAL IMPROVEMENT PROGRAM PROCESS

The Capital Improvement Plan (CIP) is prepared by the Planning Board according to State statute. The intent of the CIP is to classify capital projects according to their priority and need, and schedule those improvements over a six-year time horizon. The Capital Improvement Plan process begins in the fall when each department is required to evaluate its six-year capital needs and submit proposed capital projects to the Planning Board. These requests are reviewed and adopted by the Planning Board prior to submission to the City Manager. The City Manager prepares and submits the six-year CIP to the City Council three months prior to the final budget submission. The City Council holds a public hearing on the CIP and adopts the plan. The capital costs shown in year one of the CIP is the only impact to the proposed budget and may be revised by the City Council during the budget approval process.

OPERATING/NON-OPERATING BUDGET PROCESS

The City Manager initiates the budget process with City departments and provides guidelines for budget preparation. Each department submits its estimates of revenues and expenditures to the City Manager for review by mid-February. Prior to this date, the Police Commission, Fire Commission and School Board each hold public hearings.

The City Manager meets with every department and reviews the budget requests in detail and makes final decisions regarding the proposed budget. The City Manager, per the City Charter, recommends a proposed budget to the City Council. This must occur at least 45 days before the start of the fiscal year.

The City Council then holds a series of work sessions and a public hearing so the public may comment on the budget.

The City Council must adopt the submitted budget by June 30th. If the City Council takes no action on or prior to June 30th, the budget submitted by the City Manager is deemed to have been adopted by the City Council per the City Charter.

Once the budget is adopted, no appropriations shall be made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the City Council after a public hearing is held to discuss said appropriation.

FY 2016 BUDGET SCHEDULE

December 2014

18 Thursday 6:30 PM **Planning Board Meeting-Adoption of the CIP**

January 2015

5 Monday 7:00 PM **City Council - Establish Budget Guidelines**

26 Monday 6:30 PM **City Council Work Session** on CIP -*No presentation*
-see presentation recorded from the Dec. 18th, Planning Board Meeting.

February 2015

2 Monday 7:00 PM **City Council Public Hearing** on CIP

4 Wednesday 7:00 PM *Fire Department Public Hearing on the proposed FY16 budget

10 Tuesday 7:00 PM School Board Public Hearing #1 on the proposed FY16 budget

17 Tuesday 7:00 PM **City Council Meeting-Adoption of CIP**

18 Wednesday 6:00 PM Police Commission Public Hearing on the proposed FY16 budget

TBA General Government, Police, Fire budget reviews with City Manager

March 2015

3 Tuesday 7:00 PM **School Board Public Hearing #2 on the proposed FY16 budget**

TBA School budget review with City Manager

April 2015

27 Monday Proposed Budget document to be submitted to the City Council

May 2015

6 Wednesday 6:30 PM **City Council Work Session- Water and Sewer work session**

9 Saturday 8:00 AM-2:30 PM ****City Council Work Session (All Day)**
 General Government, Police, Fire and School Presentations

11 Monday 7:00 PM **City Council Meeting-Public Hearing on FY16 Budget**

20 Wednesday 6:30 PM **City Council Work Session-Budget Review FY16**

26 Tuesday 6:30 PM **City Council Budget Review if necessary**

June 2015

8 Monday **6:30 PM City Council Meeting-Adoption of FY16 Budget**

Meeting Location Information:

All Work Sessions and Public Hearings will be held in the Eileen Dondero Foley Council Chambers and will be televised with the exception of the following:

*Fire Commission Public Hearing will be held at Fire Station 2.

**City Council Work Session on Saturday May 9, 2015 will be held in the Levenson Room/Public Library.

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GENERAL FUND PROPOSED BUDGET SUMMARY-FY 2016

	FY14 BUDGET	FY15 Budget	FY16 Department Request	% Change	\$\$ Change	FY16 City Manager Recommended	% Change	\$\$ Change
OPERATING BUDGET								
General Government	16,686,628	17,126,460	17,635,940	2.97%	509,480	17,635,940	2.97%	509,480
Police	9,174,659	9,354,354	9,592,688	2.55%	238,334	9,592,688	2.55%	238,334
Fire	7,531,078	7,762,440	7,995,247	3.00%	232,807	7,995,247	3.00%	232,807
School	39,820,958	41,806,896	43,236,310	3.42%	1,429,414	43,236,310	3.42%	1,429,414
Collective Bargaining	0	92,790	490,000	428.07%	397,210	490,000	428.07%	397,210
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
Total Operating Budget	73,363,323	76,292,940	79,100,185	3.68%	2,807,245	79,100,185	3.68%	2,807,245
NON-OPERATING EXPENSE								
Debt Related Costs/TANS	350,000	275,000	275,000	0.00%	0	275,000	0.00%	0
Debt Service Payments	10,483,686	11,231,523	11,939,125	6.30%	707,602	11,939,125	6.30%	707,602
Overlay	950,000	1,000,000	1,000,000	0.00%	0	1,000,000	0.00%	0
Property & Liability Ins	414,000	318,000	321,000	0.94%	3,000	321,000	0.94%	3,000
County	4,540,274	4,764,174	5,002,383	5.00%	238,209	5,002,383	5.00%	238,209
Contingency	250,000	250,000	250,000	0.00%	0	250,000	0.00%	0
Rolling Stock	766,892	786,300	904,860	15.08%	118,560	904,860	15.08%	118,560
IT Equipment Replacement	312,250	329,450	414,700	25.88%	85,250	414,700	25.88%	85,250
Capital Outlay	1,365,000	1,600,000	1,850,000	15.63%	250,000	1,850,000	15.63%	250,000
Municipal Complex Improvements	0	1,417,897	0	-100.00%	(1,417,897)	0	-100.00%	(1,417,897)
Other General Non-Operating	289,712	349,875	376,449	7.60%	26,574	376,449	7.60%	26,574
Total Non-Operating Budget	19,721,814	22,322,219	22,333,517	0.05%	11,298	22,333,517	0.05%	11,298
Total Gross Budget	93,085,137	98,615,159	101,433,702	2.86%	2,818,543	101,433,702	2.86%	2,818,543
REVENUES								
Municipal	10,278,418	11,851,986	12,280,240	3.61%	428,254	12,280,240	3.61%	428,254
School	5,523,700	5,623,900	5,790,750	2.97%	166,850	5,790,750	2.97%	166,850
State Revenues	1,357,975	1,355,333	1,433,427	5.76%	78,094	1,433,427	5.76%	78,094
State Revenues-School Building Aid	1,770,305	1,770,305	1,836,305	3.73%	66,000	1,836,305	3.73%	66,000
<i>Use of Fund Balance: Unassigned</i>								
Planning Department Supplemental Approp	150,000	0	0	0.00%	0	0	0.00%	0
Fire Department Supplemental Approp	97,000	0	0	0.00%	0	0	0.00%	0
Employee Contracts Supplemental Approp	0	555,500	0	-100.00%	(555,500)	0	-100.00%	(555,500)
Budget Process	0	200,000	0	-100.00%	(200,000)	0	-100.00%	(200,000)
<i>Use of Fund Balance: Committed</i>								
Property Appraisal	73,500	73,500	73,500	0.00%	0	73,500	0.00%	0
Debt/ Bond Proceeds	100,000	0	0	0.00%	0	0	0.00%	0
Debt Service Reserve	1,500,000	1,500,000	1,500,000	0.00%	0	1,500,000	0.00%	0
Use of Bond Premium	0	1,417,897	0	-100.00%	(1,417,897)	0	-100.00%	(1,417,897)
Total	20,850,898	24,348,421	22,914,222	-5.89%	(1,434,199)	22,914,222	-5.89%	(1,434,199)
BUDGETED PROPERTY TAX LEVY	72,234,239	74,266,738	78,519,480	5.73%	4,252,742	78,519,480	5.73%	4,252,742
Total Property Tax Commitment	72,373,853	75,266,717	78,519,480	4.32%	3,252,763	78,519,480	4.32%	3,252,763
War Service Credits	549,500	531,500	531,500	0.00%	0	531,500	0.00%	0
Adequate Education Formula	(9,744,008)	(10,129,725)	(10,484,350)	3.50%	(354,625)	(10,484,350)	3.50%	(354,625)
State Education Tax	9,744,008	10,129,725	10,484,350	3.50%	354,625	10,484,350	3.50%	354,625
Total Property Taxes Assessed	72,923,353	75,798,217	79,050,980	4.29%	3,252,763	79,050,980	4.29%	3,252,763
ASSESSED VALUATION WITH UTILITIES	4,096,603,575	4,182,368,805	4,277,368,805	2.27%	95,000,000	4,277,368,805	2.27%	95,000,000
ASSESSED VALUATION NO UTILITIES	3,917,159,080	4,010,764,710	4,105,764,710	2.37%	95,000,000	4,105,764,710	2.37%	95,000,000
MUNICIPAL TAX RATE	14.28	14.41	14.86	3.13%	0.45	14.86	3.13%	0.45
COUNTY TAX RATE	1.14	1.16	1.17	0.82%	0.01	1.17	0.82%	0.01
STATE EDUCATION TAX RATE	2.49	2.53	2.55	0.75%	0.02	2.55	0.75%	0.02
COMBINED TAX RATE	17.91	18.10	18.58	2.65%	0.48	18.58	2.65%	0.48

EXPENDITURES BY FUNDS AND DEPARTMENTS

Title	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	\$\$\$ CHANGE	% CHANGE	FY16 CITY/MANAGER RECOMMENDED	CITY MANAGER \$\$\$ CHANGE	CITY MANAGER % CHANGE
GENERAL FUND									
GENERAL FUND OPERATING BUDGET									
GENERAL GOVERNMENT									
GENERAL ADMINISTRATION									
CITY COUNCIL	32,136	23,587	32,136	32,136	0	0.00%	32,136	0	0.00%
CITY MANAGER	304,232	302,823	311,842	317,660	5,818	1.87%	317,660	5,818	1.87%
HUMAN RESOURCES	2,463,200	2,460,411	2,518,863	2,576,447	57,584	2.29%	2,576,447	57,584	2.29%
CITY CLERK	225,977	223,215	236,033	242,455	6,422	2.72%	242,455	6,422	2.72%
ELECTIONS	39,348	26,934	52,880	67,013	14,133	26.73%	67,013	14,133	26.73%
LEGAL DEPT	510,701	499,214	536,075	552,737	16,662	3.11%	552,737	16,662	3.11%
FINANCE	1,862,995	1,826,685	1,944,456	2,029,369	84,913	4.37%	2,029,369	84,913	4.37%
OTHER GENERAL GOVERNMENT									
GENERAL ADMINISTRATION	985,303	985,114	1,004,585	1,058,453	53,868	5.36%	1,058,453	53,868	5.36%
REGULATORY SERVICES									
PLANNING DEPT	746,418	746,418	727,383	755,485	28,102	3.86%	755,485	28,102	3.86%
INSPECTIONS	396,521	396,521	415,401	433,395	17,994	4.33%	433,395	17,994	4.33%
HEALTH	142,658	141,941	145,575	153,404	7,829	5.38%	153,404	7,829	5.38%
PUBLIC WORKS									
	6,040,782	5,956,156	6,124,370	6,237,275	112,905	1.84%	6,237,275	112,905	1.84%
COMMUNITY SERVICES									
PUBLIC LIBRARY	1,621,443	1,580,938	1,647,214	1,698,208	50,994	3.10%	1,698,208	50,994	3.10%
RECREATION	767,942	755,156	799,299	824,892	25,593	3.20%	824,892	25,593	3.20%
SENIOR SERVICE	45,519	48,201	94,233	141,701	47,468	50.37%	141,701	47,468	50.37%
PUBLIC WELFARE	343,225	383,534	376,136	353,579	(22,557)	-6.00%	353,579	(22,557)	-6.00%
OUTSIDE SOCIAL SERV	148,228	148,228	148,228	149,894	1,666	1.12%	149,894	1,666	1.12%
EMERGENCY MANAGEMENT									
	10,000	1,981	11,751	11,837	86	0.73%	11,837	86	0.73%
TOTAL GENERAL GOVERNMENT	16,686,628	16,507,057	17,126,460	17,635,940	509,480	2.97%	17,635,940	509,480	2.97%
POLICE DEPT	9,174,659	9,154,461	9,354,354	9,592,688	238,334	2.55%	9,592,688	238,334	2.55%
FIRE DEPT	7,531,078	7,531,078	7,762,440	7,995,247	232,807	3.00%	7,995,247	232,807	3.00%
SCHOOL DEPT	39,820,958	39,819,685	41,806,896	43,236,310	1,429,414	3.42%	43,236,310	1,429,414	3.42%
TOTAL POLICE/FIRE/SCHOOL	56,526,695	56,505,225	58,923,690	60,824,245	1,900,555	3.23%	60,824,245	1,900,555	3.23%
COLLECTIVE BARGAINING CONTINGENCY	0	0	92,790	490,000	397,210		490,000	397,210	
TRANSFER TO INDOOR POOL	150,000	150,000	150,000	150,000	0		150,000	0	
TOTAL OPERATING	73,363,323	73,162,282	76,292,940	79,100,185	2,807,245	3.68%	79,100,185	2,807,245	3.68%
GENERAL FUND NON-OPERATING BUDGET									
DEBT RELATED EXPENSES	350,000	77,275	275,000	275,000	0	0.00%	275,000	0	0.00%
DEBT SERVICE	10,483,686	10,362,843	11,231,523	11,939,125	707,602	6.30%	11,939,125	707,602	6.30%
OVERLAY	950,000	214,274	1,000,000	1,000,000	0	0.00%	1,000,000	0	0.00%
PROPERTY & LIABILITY	414,000	407,881	318,000	321,000	3,000	0.94%	321,000	3,000	0.94%
COUNTY TAX	4,540,274	4,667,200	4,764,174	5,002,383	238,209	5.00%	5,002,383	238,209	5.00%
CONTINGENCY	250,000	250,000	250,000	250,000	0	0.00%	250,000	0	0.00%
ROLLING STOCK	766,892	766,892	786,300	904,860	118,560	15.08%	904,860	118,560	15.08%
IT EQUIPMENT REPLACEMENT	312,250	312,250	329,450	352,880	23,430	7.28%	352,880	23,430	7.28%
CAPITAL OUTLAY	1,365,000	1,365,000	1,600,000	1,850,000	250,000	15.63%	1,850,000	250,000	15.63%
USE OF BOND PREMIUM - CITY HALL	0	0	1,417,897	0	(1,417,897)		0	(1,417,897)	
OTHER GENERAL NON-OPERATING	289,712	288,484	349,875	376,449	26,574	7.60%	376,449	26,574	7.60%
TOTAL NON-OPERATING	19,721,814	18,712,098	22,322,219	22,333,517	11,298	0.05%	22,333,517	11,298	0.05%
TOTAL GENERAL FUND	93,085,137	91,874,380	98,615,159	101,433,702	2,818,543	2.86%	101,433,702	2,818,543	2.86%

Title	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	\$\$ CHANGE	% CHANGE	FY16 CITY MANAGER RECOMMENDED	CITY MANAGER \$\$ CHANGE	CITY MANAGER % CHANGE
ENTERPRISE FUNDS									
WATER DIVISION									
Administration	1,606,777	1,455,062	1,697,441	1,902,346	204,905	12.07%	1,902,346	204,905	12.07%
Engineering	312,505	224,103	295,123	315,859	20,736	7.03%	315,859	20,736	7.03%
Collective Bargaining Contingency	0	0	28,000	25,000	(3,000)	-10.71%	25,000	(3,000)	-10.71%
Depreciation	1,582,924	1,419,960	1,530,901	1,676,000	145,099	9.48%	1,676,000	145,099	9.48%
Interest on Debt	793,427	866,290	992,560	1,096,925	104,365	10.51%	1,096,925	104,365	10.51%
sub-total	4,295,633	3,965,414	4,544,025	5,016,130	472,105	10.39%	5,016,130	472,105	10.39%
Water Supply and Treatment									
Treatment Plant	1,481,123	1,441,763	1,544,823	1,522,335	(22,488)	-1.46%	1,522,335	(22,488)	-1.46%
Laboratory	143,067	127,049	118,312	122,531	4,219	3.57%	122,531	4,219	3.57%
Wells	214,581	84,879	201,299	160,358	(40,941)	-20.34%	160,358	(40,941)	-20.34%
Storage Tanks	29,008	12,319	21,304	20,308	(996)	-4.68%	20,308	(996)	-4.68%
Booster Stations	106,000	83,632	105,629	101,310	(4,319)	-4.09%	101,310	(4,319)	-4.09%
sub-total	1,973,779	1,749,643	1,991,367	1,926,842	(64,525)	-3.24%	1,926,842	(64,525)	-3.24%
Water Distribution									
Administration	328,619	351,367	315,914	307,833	(8,081)	-2.56%	307,833	(8,081)	-2.56%
Cross Connection	31,487	6,016	29,770	31,154	1,384	4.65%	31,154	1,384	4.65%
Mains	211,504	307,416	224,088	248,908	24,820	11.08%	248,908	24,820	11.08%
Services	101,922	324,694	91,852	106,795	14,943	16.27%	106,795	14,943	16.27%
Hydrants	102,504	83,789	103,187	104,215	1,028	1.00%	104,215	1,028	1.00%
Meters	131,897	176,051	121,099	189,395	68,296	56.40%	189,395	68,296	56.40%
sub-total	907,933	1,249,334	885,910	988,300	102,390	11.56%	988,300	102,390	11.56%
Total Water Division	7,177,345	6,964,391	7,421,302	7,931,272	509,970	6.87%	7,931,272	509,970	6.87%
SEWER DIVISION									
Administration	1,847,640	1,677,475	1,806,243	2,118,772	312,529	17.30%	2,118,772	312,529	17.30%
Engineering	524,245	525,697	464,833	385,014	(79,819)	-17.17%	385,014	(79,819)	-17.17%
Collective Bargaining Contingency	0	0	33,100	28,000	(5,100)	-15.41%	28,000	(5,100)	-15.41%
Depreciation	1,542,718	1,712,271	1,908,325	2,100,000	191,675	10.04%	2,100,000	191,675	10.04%
Interest on Debt	1,558,281	1,376,660	1,265,583	2,017,555	751,972	59.42%	2,017,555	751,972	59.42%
sub-total	5,472,884	5,292,103	5,478,084	6,649,341	1,171,257	21.38%	6,649,341	1,171,257	21.38%
Wastewater Treatment									
Treatment Plant	2,679,195	2,448,258	2,714,234	2,505,508	(208,726)	-7.69%	2,505,508	(208,726)	-7.69%
Laboratory	259,169	177,228	250,003	239,719	(10,284)	-4.11%	239,719	(10,284)	-4.11%
Lift Stations	806,948	565,160	784,292	632,953	(151,339)	-19.30%	632,953	(151,339)	-19.30%
sub-total	3,745,212	3,190,646	3,748,529	3,378,180	(370,349)	-9.88%	3,378,180	(370,349)	-9.88%
Wastewater Collection									
Administration	337,157	435,467	333,867	345,917	12,050	3.61%	345,917	12,050	3.61%
Force Main	208,101	180,629	211,377	239,157	27,780	13.14%	239,157	27,780	13.14%
Interceptor	37,484	1,686	34,071	34,111	40	0.12%	34,111	40	0.12%
Laterals	157,074	46,413	154,691	217,362	62,671	40.51%	217,362	62,671	40.51%
Meters	0	0	0	0	0	0.00%	0	0	0.00%
sub-total	739,816	664,196	734,006	836,547	102,541	13.97%	836,547	102,541	13.97%
Total Sewer Division	9,957,912	9,146,945	9,960,619	10,864,068	903,449	9.07%	10,864,068	903,449	9.07%
TOTAL ENTERPRISE FUNDS	17,135,257	16,111,335	17,381,921	18,795,340	1,413,419	8.13%	18,795,340	1,413,419	8.13%

Title	FY14 BUDGET	FY14 ACTUAL	FY15 BUDGET	FY16 DEPARTMENT REQUEST	\$\$ CHANGE	% CHANGE	FY16 CITY MANAGER RECOMMENDED	CITY MANAGER \$\$ CHANGE	CITY MANAGER % CHANGE
SPECIAL REVENUE FUNDS									
PARKING AND TRANSPORTATION									
Parking Administration	501,958	504,948	615,920	712,756	96,836	15.72%	712,756	96,836	15.72%
Parking Garage	494,970	461,279	434,226	505,570	71,344	16.43%	505,570	71,344	16.43%
Parking Enforcement	251,118	217,033	296,002	372,904	76,902	25.98%	372,904	76,902	25.98%
Parking Meter Operations	130,635	119,872	123,135	180,512	57,377	46.60%	180,512	57,377	46.60%
Parking Collection	199,677	196,857	199,112	198,121	(991)	-0.50%	198,121	(991)	-0.50%
Public Transportation	365,000	328,096	543,800	503,800	(40,000)	-7.36%	503,800	(40,000)	-7.36%
Snow Removal	100,000	100,000	250,000	250,000	0	0.00%	250,000	0	0.00%
Debt Service	150,000	0	150,000	150,000	0	0.00%	150,000	0	0.00%
Capital	466,500	581,773	435,000	1,122,000	687,000	157.93%	1,122,000	687,000	157.93%
Total Parking & Transportation	2,659,858	2,509,858	3,047,195	3,995,663	948,468	31.13%	3,995,663	948,468	31.13%
COMMUNITY DEVELOPMENT									
Administration	91,445	90,243	98,836	110,463	11,627	11.76%	110,463	11,627	11.76%
Housing Rehab	42,588	38,410	51,402	82,778	31,376	61.04%	82,778	31,376	61.04%
PEDLP	1,600	1,600	1,600	1,600	0	0.00%	1,600	0	0.00%
Total CDBG	135,633	130,253	151,838	194,841	43,003	28.32%	194,841	43,003	28.32%
ECONOMIC DEVELOPMENT-UDAG									
	577,811	562,672	360,755	294,758	(65,997)	-18.29%	294,758	(65,997)	-18.29%
TOTAL SPECIAL REVENUE FUNDS	3,373,302	3,202,783	3,559,788	4,485,262	925,474	26.00%	4,485,262	925,474	26.00%
TOTAL APPROPRIATED FUNDS									
	113,593,696	111,188,498	119,556,868	124,714,304	5,157,436	4.31%	124,714,304	5,157,436	4.31%

City of Portsmouth
 Combined Statement of Revenues and Expenditures and Changes in
 Unassigned Fund Balance and Unrestricted Net Position
 Governmental Funds and Enterprise Funds as Presented in the Budget Document
 Fiscal Year 2016 (Note: Beginning Unassigned Fund Balances/Net Position are estimated)
 (For Budgetary Purposes Only)

	Governmental Funds			Enterprise Funds		Total
	General Fund	Special Revenue Funds*	Water Fund**	Sewer Fund**		
Revenues						
Local Fees, Licenses, Permits	1,055,750					1,055,750
Other Local Sources	8,512,185					8,512,185
Parking Revenues	2,412,305	3,047,195				5,459,500
Interest & Penalties	300,000	34,000				334,000
School Revenues	5,790,750					5,790,750
State/Federal Revenues	3,269,732	194,841				3,464,573
Fund Transfers						-
Use of Reserves	1,573,500	1,209,226				2,782,726
Property Tax	78,519,480		9,421,207		15,740,500	78,519,480
Enterprise Fund Revenues						25,161,707
Total Revenues	101,433,702	4,485,262	9,421,207		15,740,500	131,080,671
Expenditures						
City Council	32,136					32,136
City Manager	317,660					317,660
Human Resources	2,576,447					2,576,447
City Clerk	242,455					242,455
Elections	67,013					67,013
Legal	552,737					552,737
Finance	2,029,369					2,029,369
General Administrative/Coll Bargaining	1,548,453					1,548,453
Planning	755,485					755,485
Inspection	433,395					433,395
Public Health	153,404					153,404
Public Works	6,237,275		9,046,207		13,340,500	32,619,645
Public Library	1,698,208					1,698,208
Recreation	824,892					824,892
Senior Services	141,701					141,701
Community Development						194,841
Economic Development						294,758
Public Welfare	353,579					353,579
Outside Social Services	149,894					149,894
Emergency Management	11,837					11,837
Police Department	9,592,688					9,592,688
Fire Department	7,995,247					7,995,247
School Department	43,236,310					43,236,310
Indoor Pool	150,000					150,000
Non-Operating	22,333,517					22,333,517
Total Expenditures	101,433,702	4,485,262	9,046,207		13,340,500	128,305,671
FY 16 Net Increase (Decrease) in Unassigned Fund Balance/ Unrestricted Net Position	-	-	375,000		2,400,000	2,775,000
Estimated: Unassigned/Unrestricted Net Position Fund Balance - Beginning FY 16	11,790,868	3,850,633	8,830,397		18,869,336	43,341,235
Fund Balance - Ending FY 16	11,790,868	3,850,633	9,205,397		21,269,336	46,116,235

*Note: Special Revenue Fund Balances are Restricted not Unassigned
 **For this presentation Water and Sewer are displayed on a cash basis for Revenues and Expenditures

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**CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2014-2016**

	ESTIMATED REVENUES FY 14	ACTUAL REVENUES FY 14	ESTIMATED REVENUES FY 15	ESTIMATED REVENUES FY 16	% CHANGE	\$\$ CHANGE
Local Fees, Licenses, Permits						
Other Fees	11,000	12,613	11,000	11,000	0.0%	-
Other Licenses	36,000	41,070	36,000	36,000	0.0%	-
Planning Board	38,000	57,280	65,000	65,000	0.0%	-
Board of Adjustments	27,000	33,719	42,000	42,000	0.0%	-
Site Review	31,000	31,879	40,000	40,000	0.0%	-
Building Permits-Portsmouth	240,000	365,476	240,000	250,000	4.2%	10,000
Building Permits-Pease	40,000	61,575	40,000	40,000	0.0%	-
Electrical Permits-Portsmouth	55,000	101,911	60,000	70,000	16.7%	10,000
Electrical Permits-Pease	15,000	17,625	15,000	15,000	0.0%	-
Plumbing Permits-Portsmouth	60,000	174,474	70,000	80,000	14.3%	10,000
Plumbing Permits-Pease	15,000	11,580	20,000	20,000	0.0%	-
Sign Permits	5,000	9,240	5,000	6,000	20.0%	1,000
Police Alarms	25,000	29,725	25,000	25,000	0.0%	-
Burning Permits	500	1,809	750	750	0.0%	-
Excavation Permit	13,000	20,275	30,000	30,000	0.0%	-
Flagging Permit	1,000	5,725	3,000	10,000	233.3%	7,000
Solid Waste	21,000	40,548	30,000	30,000	0.0%	-
Outdoor Pool	25,000	28,728	25,000	25,000	0.0%	-
Recreation Department	150,000	207,629	160,000	190,000	18.8%	30,000
Boat Ramp Fees	13,000	9,570	13,000	10,000	-23.1%	(3,000)
Food Permits	60,000	75,238	60,000	60,000	0.0%	-
Total Local Fees, Licenses and Permits	881,500	1,337,689	990,750	1,055,750	6.6%	65,000
Other Local Sources						
Timber Tax	500	38	500	500	0.0%	-
Payments in Lieu of Taxes	80,000	143,413	88,500	88,500	0.0%	-
Municipal Agent Fees	63,000	70,404	63,000	63,000	0.0%	-
Motor Vehicle Permits	3,100,000	3,695,866	3,400,000	3,600,000	5.9%	200,000
Title Applications	10,000	8,347	9,000	9,000	0.0%	-
Boat Registrations	1,500	6,522	2,500	2,500	0.0%	-
PDA Airport District	2,200,000	2,314,841	2,200,000	2,200,000	0.0%	-
Water/Sewer Overhead	1,021,068	1,021,068	1,040,482	1,104,652	6.2%	64,170
Sale of Municipal Property	5,000	-	5,000	5,000	0.0%	-
Misc Revenue	90,000	60,422	90,000	90,000	0.0%	-
Bond Premium	-	1,233,245	-	-	0.0%	-
Transfers from Other Funds	-	-	-	-	0.0%	-
Dog Licenses	8,500	16,581	10,000	11,000	10.0%	1,000
Marriage Licenses	2,500	2,604	2,200	2,200	0.0%	-
Certificates-Birth and Death-Marriage	18,000	28,054	17,000	17,000	0.0%	-
Rental of City Property	26,581	48,143	26,581	26,581	0.0%	-
Rental City Hall Complex	58,952	53,669	53,668	56,752	5.7%	3,084
Cable Franchise Fee	360,000	360,000	360,000	360,000	0.0%	-
Hand Gun Permits	500	1,260	500	500	0.0%	-
Police Outside Detail	90,000	223,206	100,000	120,000	20.0%	20,000
Fire Alarms	60,000	63,247	60,000	60,000	0.0%	-
Ambulance Fees-Portsmouth	600,000	766,026	640,000	680,000	6.3%	40,000
Welfare Dept Reimbursements	20,000	24,764	15,000	15,000	0.0%	-
Total Other Local Sources	7,816,101	10,141,718	8,183,931	8,512,185	4.0%	328,254
Parking Revenues						
Parking Meter Fees	1,561,800	1,790,038	1,650,000	1,765,500	7.0%	115,500
Parking Metered Space Rental	35,000	133,004	40,000	50,000	25.0%	10,000
Parking Meter-In Dash	30,000	65,953	40,000	50,000	25.0%	10,000
Parking Garage Revenue	876,250	1,464,658	1,950,000	1,850,000	-5.1%	(100,000)
Garage Space Passes	540,000	778,645	960,000	1,000,000	4.2%	40,000
Vaughan St Parking Lot	-	12,500	15,000	15,000	-	-
Parking Validation	5,000	9,800	6,000	10,000	66.7%	4,000
Pass Reinstatement	1,500	3,905	1,500	2,000	33.3%	500
Parking Violations	907,125	718,166	780,000	700,000	-10.3%	(80,000)
Boot Removal Fee	9,000	9,225	12,000	12,000	0.0%	-
Summons Admin Fee	5,000	1,200	5,000	5,000	0.0%	-
Total Parking Revenues	3,970,675	4,987,095	5,459,500	5,459,500	0.0%	-
Transfer to Parking and Transportation	(2,659,858)	(2,659,858)	(3,047,195)	(3,047,195)	0.0%	-
General Fund Parking Revenues	1,310,817	2,327,237	2,412,305	2,412,305	0.00%	-
Interest & Penalties						
Interest on Taxes	240,000	279,531	230,000	250,000	8.7%	20,000
Interest on Investments	30,000	64,485	35,000	50,000	42.9%	15,000
Total Interest & Penalties	270,000	344,016	265,000	300,000	13.2%	35,000

CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2014-2016

	ESTIMATED REVENUES FY 14	ACTUAL REVENUES FY 14	ESTIMATED REVENUES FY 15	ESTIMATED REVENUES FY 16	% CHANGE	\$\$ CHANGE
School Revenues						
Tuition	5,512,650	5,483,301	5,612,650	5,779,500	3.0%	166,850
Other Sources	11,050	15,422	11,250	11,250	0.0%	-
Total School Revenues	5,523,700	5,498,724	5,623,900	5,790,750	3.0%	166,850
State Revenues						
Shared Rev Block Grant	-	-	-	-	0.0%	-
Rooms and Meals Tax	948,455	946,823	946,823	1,025,926	8.4%	79,103
Highway Block Grant	367,405	369,622	367,405	367,405	0.0%	-
State Aid-Land Fill	42,115	42,115	41,105	40,096	-2.5%	(1,009)
Impact Aid	-	-	-	-	0.0%	-
Bonded Debt-High School	1,016,222	1,016,222	1,016,222	1,016,222	0.0%	-
Bonded Debt-Middle School	754,083	754,083	754,083	820,083	8.8%	66,000
Total State Revenues	3,128,280	3,128,866	3,125,638	3,269,732	4.6%	144,094
Use of Unassigned Fund Balance-Fire Dept Supplemental Appropriation	97,000	97,000	-	-	0.0%	-
Use of Unassigned Fund Balance-Planning Dept Supplemental Appropriation	150,000	150,000	-	-	0.0%	-
Use of Unassigned Fund Balance-Budgetary Process	-	-	200,000	-	-100.0%	(200,000)
Use of Unassigned Fund Balance-Employee Contracts Supplemental Appropriation	-	-	555,500	-	-	(555,500)
Use of Bond Premium - City Hall Improvements	-	-	1,417,897	-	-	(1,417,897)
Use of Reserve for Property Appraisal	73,500	73,500	73,500	73,500	0.0%	-
Use of Unused Bond Proceeds	100,000	100,000	-	-	-	-
Use of Reserve for Debt	1,500,000	1,500,000	1,500,000	1,500,000	0.0%	-
Budgeted Property Tax Levy	72,234,239	72,771,653	74,266,738	78,519,480	5.7%	4,252,742
Total General Fund Revenues	93,085,137	97,470,402	98,615,159	101,433,702	2.9%	2,818,543

GENERAL FUND REVENUE SUMMARY

Municipal	10,278,418	14,150,659	11,851,986	12,280,240	3.6%	428,254
School Revenues	5,523,700	5,498,724	5,623,900	5,790,750	3.0%	166,850
State Revenues	3,128,280	3,128,866	3,125,638	3,269,732	4.6%	144,094
Use of Unassigned Fund Balance-Fire Dept Supplemental Appropriation	97,000	97,000	-	-	0	-
Use of Unassigned Fund Balance-Planning Dept Supplemental Appropriation	150,000	150,000	-	-	0	-
Use of Unassigned Fund Balance-Budgetary Process	-	-	200,000	-	-	(200,000)
Use of Unassigned Fund Balance-Employee Contracts Supplemental Appropriation	-	-	555,500	-	-	(555,500)
Use of Bond Premium - City Hall Improvements	-	-	1,417,897	-	-	(1,417,897)
Use of Reserve for Property Appraisal	73,500	73,500	73,500	73,500	0.0%	-
Use of Unused Bond Proceeds	100,000	100,000	-	-	0.0%	-
Use of Reserve for Debt	1,500,000	1,500,000	1,500,000	1,500,000	0.0%	-
Budgeted Property Tax Levy	72,234,239	72,771,653	74,266,738	78,519,480	5.7%	4,252,742
Total General Fund Revenues	93,085,137	97,470,402	98,615,159	101,433,702	2.9%	2,818,543

General Fund Revenue Descriptions and Trends

The City of Portsmouth divides general fund revenue sources into eight categories:

- 1) Local Fees, Licenses, Permits
- 2) Other Local Sources
- 3) Parking Revenues
- 4) Interest & Penalties
- 5) School Revenues
- 6) State Revenues
- 7) Use of Reserves and Fund Balance
- 8) Property Taxes

The following are descriptions of general fund revenues, budget to actual trends (graphed) for major revenue sources along with the methodology used to forecast the major revenues.

Local Fees, Licenses, Permits:

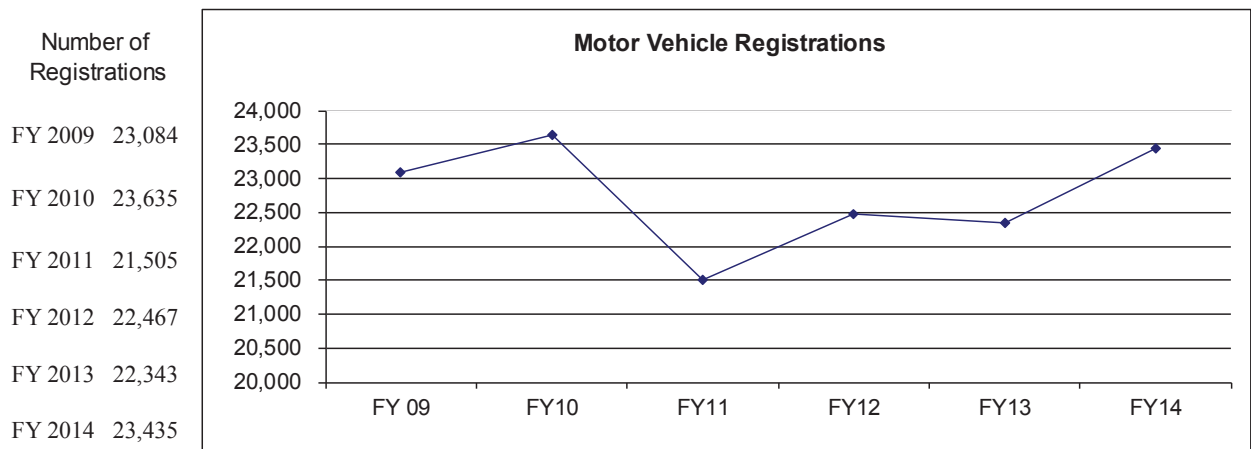
Revenue raised from locally administered fees, licenses and permits are collected by a variety of departments. Fees charged as well as statistics for each fee are listed in the back of this budget document (Appendix III). Local fees are administered to recoup administrative costs associated with producing a specific service.

Other Local Sources:

-Payment In Lieu of Taxes (PILOT)- Payments made to the city by otherwise nontaxable entities; these payments help alleviate financial impact created by the entity.

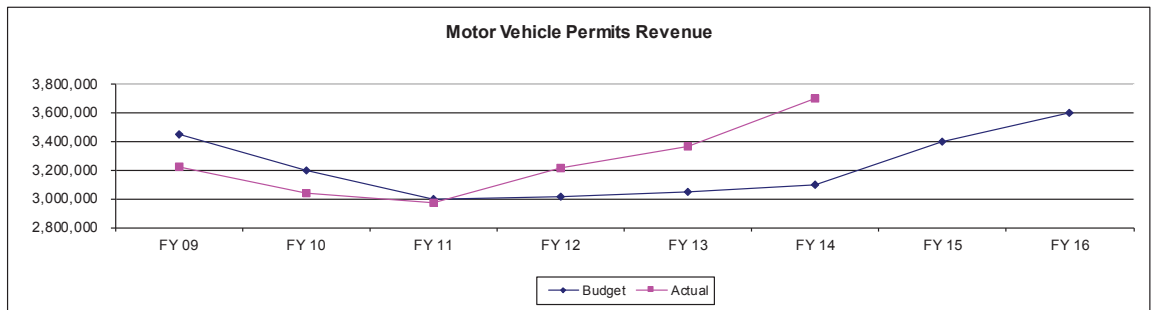
-Motor Vehicle Permit Preparation Fees – RSA 261:152 \$1.00 fee charged for each motor vehicle registration. RSA 261:74-d \$3.00 fee charged for each motor vehicle registration where the state portion is completed.

-Motor Vehicle Permits – RSA 261:153 Registration permits for motor vehicles are based on the year and list price of the vehicle. Revenue produced is a direct product of how many vehicles are registered. Following are registered vehicle numbers for previous fiscal years:



The state statute sets the Motor Vehicle fee as follows:

- 18 mills on each dollar of the maker's list price for current model year vehicles.
- 15 mills on each dollar of the maker's list price for the first preceding model year vehicle.
- 12 mills on each dollar of the maker's list price for the second preceding model year vehicle.
- 9 mills on each dollar of the maker's list price for the third preceding model year vehicle
- 6 mills on each dollar of the maker's list price for the fourth preceding model year vehicle
- 3 mills on each dollar of the maker's list price for the fifth preceding model year vehicle and any model year prior thereto.

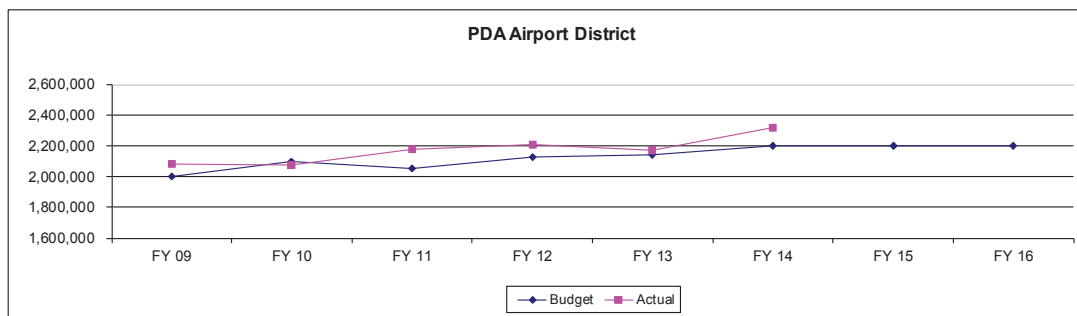


	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	3,450,000	3,200,000	3,000,000	3,010,000	3,050,000	3,100,000	3,400,000	3,600,000
Actual	3,218,434	3,034,075	2,972,901	3,214,455	3,366,472	3,695,866		

-Title Applications – RSA 261:4 For preparation, examination, record keeping and filing of application for certificate of title the city collects \$2 for each application.

-Boat Agent and Collection Fees – RSA 270-E:5 II-c, RSA 72-A:4 III and RSA 72-A:3 set the rates for each boat registration.

-PDA Airport District - RSA 12-G - A Municipal Service Agreement (MSA) effective July 1, 1998 allows for a service cost to be collected by the City on property within the Airport District of the Pease Development Authority (PDA). The Service Cost is an amount equal to the amount that would have been paid annually as Property Tax but excluding any school tax component in respect to such property. Quarterly, the PDA reports leased property to the City. These quarterly reports are used to determine the expected revenue for the following fiscal year. Assessed value of the buildings along with the tax rate applied being the driver of the revenue; the Finance Department projects the estimated revenue to be produced by the MSA.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	2,000,000	2,100,000	2,050,000	2,125,000	2,140,000	2,200,000	2,200,000	2,200,000
Actual	2,081,549	2,072,657	2,173,887	2,208,316	2,173,505	2,314,841		

-Water/Sewer Overhead – A calculation of Water/Sewer Departments usage of General Government employees and office space to which is reimbursed to the General Fund from the Enterprise Funds.

-Dog Licenses – RSA 466 – An annual License Fee. Portions of the amount collected go to the State.

-Marriage Licenses – RSA 457:29 - \$45 is collected for issuing a Marriage License with \$38 going to the State and \$7 remaining with the City.

-Certificates-Birth, Death and Marriage – RSA 5-C:10 – The City collects a fee in advance from individuals requesting any copy or verification of vital records.

-Rental of City Hall Complex – Rent received from nonprofit organizations who lease office space in the Seybolt portion of City Hall. Rent is based on square footage used and actual cost to maintain the Seybolt portion of City Hall.

-Cable Franchise Fee – A Portsmouth Cable Franchise Agreement between the City and local cable television provider stipulates that a 5% franchise fee will be charged to local cable television subscribers. The City Council voted August 3, 2009 to allow any franchise fee collected over \$360,000 to be directed to the Cable Television Public Access Charitable Trust. The amount directed to the trust in FY 14 was \$101,167.

-Hand Gun Permits – RSA 159:6 Revenues received when the Chief of Police issues a Hand Gun Permit, if the applicant is a suitable person to be licensed.

-Police Outside Detail – The overhead portion received from the rate charged to vendors when a police detail is used.

-Fire Alarms – City Ordinance Chapter 5: Article VIII Section 804 – Any person, firm, or corporation maintaining an alarm system located wholly or in part on City premises shall be subject to a service charge.

-Ambulance Fees – City Ordinance Chapter 5: Article VI Section 601 – Establishes the rate for which emergency medical services shall be charged by the Fire Department.

-Welfare Dept Reimbursements – RSA 165 – Reimbursements come from federal or state agencies if a welfare recipient becomes eligible for retroactive Social Security or Medicaid; from liens on legal settlements and on real property; from other New Hampshire towns which may be financially responsible for the recipient; or directly from recipients if they become able to reimburse.

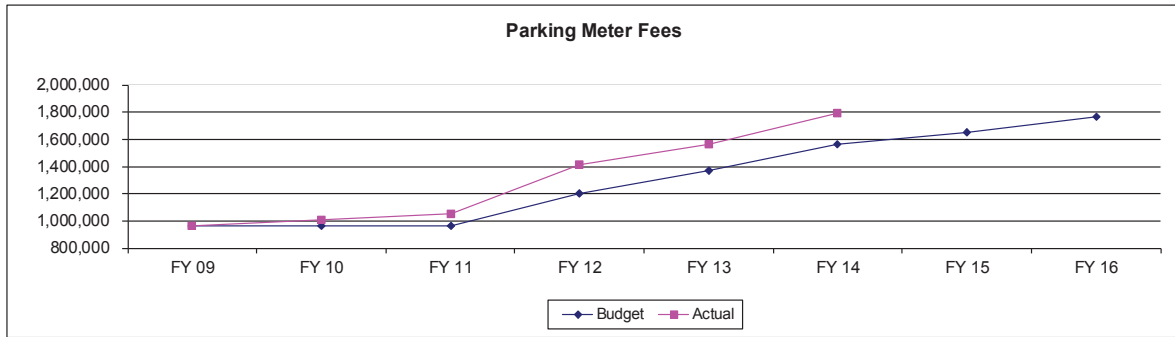
Parking Revenue:

Parking Metered Space Rental - City Ordinance Chapter 7. The Department of Public Works may issue to a contractor or person actually engaged in construction and repair work, a temporary permit for exclusive use of a metered parking space for the parking of a vehicle or other equipment being used in construction or repair work (\$30 per day per space).

Parking Meter-In Dash - City Ordinance Chapter 7. The In-Dash meter affords the parker the convenience of paying for parking while sitting in their vehicle. The parker needs to first purchase the meter and then contact the City's third party vendor via either the internet or telephone and purchase time in advance.

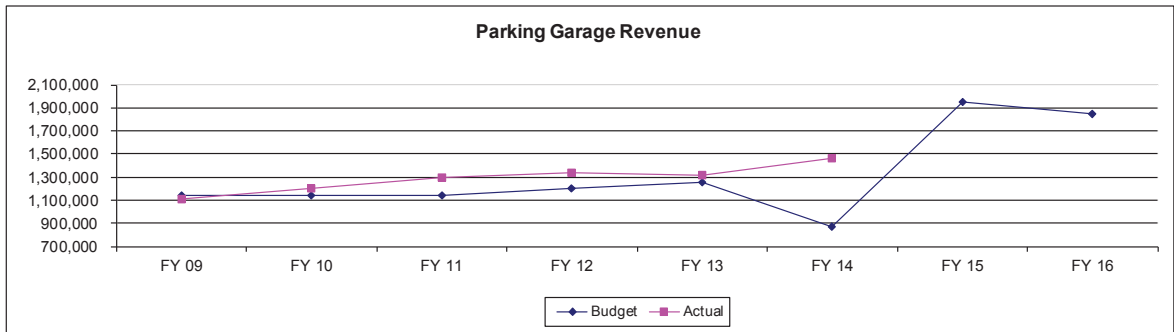
Parking Meter Fees – City Ordinance Chapter 7 – There are approximately 200 single space parking meters and 60 multi-space parking pay stations throughout the City charging either \$1.00 (as of April 2011) per hour or \$1.50 (as of Jan 2013) per hour in high occupancy spaces. One pay station can take the place of 10 on street parking meters or 30 surface parking spaces. Times and days of enforcement for the meters are as follows: Sunday noon-7pm and Monday

through Saturday 9am to 7pm. A majority of all meters allow for payment by credit card. Parking Meter Fees revenue is determined using quantitative forecasting trend analysis.



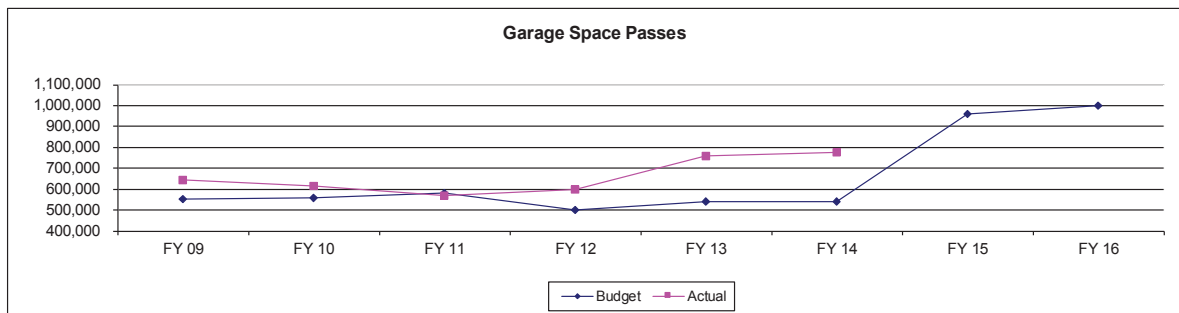
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	960,000	960,000	960,000	1,200,922	1,370,000	1,561,800	1,650,000	1,765,500
Actual	962,454	1,007,637	1,047,931	1,414,886	1,561,217	1,790,038		

-Parking Garage Revenue – City Ordinance Chapter 7 - Revenue from non-pass customers in the High-Hanover Parking Facility. Rates per hour are \$1.00, up from \$0.75 per hour per City Council vote February 3, 2014, in the 903 space facility. Residents can park for free on Sundays. As with Parking Meters, Parking Garage revenue is determined using quantitative forecasting trend analysis.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	1,140,000	1,140,000	1,140,000	1,200,000	1,250,000	876,250	1,950,000	1,850,000
Actual	1,112,516	1,199,995	1,295,818	1,338,959	1,318,963	1,464,658		

-Garage Space Passes – City Ordinance Chapter 7 - Monthly pass holder payments in the High-Hanover Parking Facility. A 24-hour pass costs \$135 per month while a 12-hour pass costs \$110 per month both were increased to start FY 15. As of December 2014 there were 369- 24 hour passes and 381- 12-hour passes issued.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	550,000	560,000	580,000	500,000	540,000	540,000	960,000	1,000,000
Actual	644,480	614,260	571,648	595,950	756,815	778,000		

-Parking Validation - City Ordinance Chapter 7 – The validation program is whereby stamps, tokens or the like may be purchased by business owners within a designated geographical area at a discount rate for use by clients or customers.

-Pass Reinstatement - City Ordinance Chapter 7 – An administration fee to reissue passes to leaseholders that have misplaced their original.

-Parking Violations - City Ordinance Chapter 7 – Payments received from violations of parking ordinances.

-Boot Removal Fee - City Ordinance Chapter 7 – Reimbursement received from City expenses incurred to boot a vehicle.

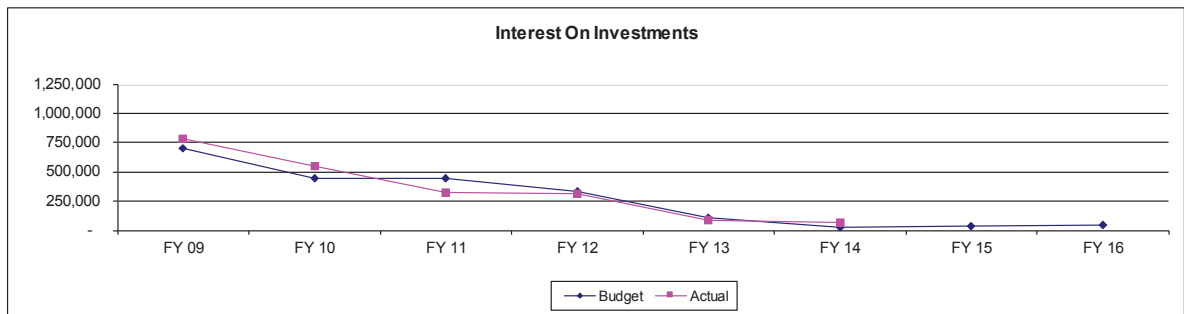
-Summons Administration Fee - City Ordinance Chapter 7 – Any person or entity for which the City serves a summons for any traffic or parking offense is also liable to the City for a summons administration fee.

-Transfer to Parking and Transportation Fund – Amount transferred to parking and transportation fund for operations and capital needs of parking and transportation.

Interest and Penalties:

-Interest on Taxes – RSA 76:13 & RSA 80:69 – Property taxes are received semiannually. A 12% per annum interest rate is charged upon all property taxes not received by the due date. The interest rate increases to 18% per annum, upon the execution of a real estate tax lien, to the time of payment in full.

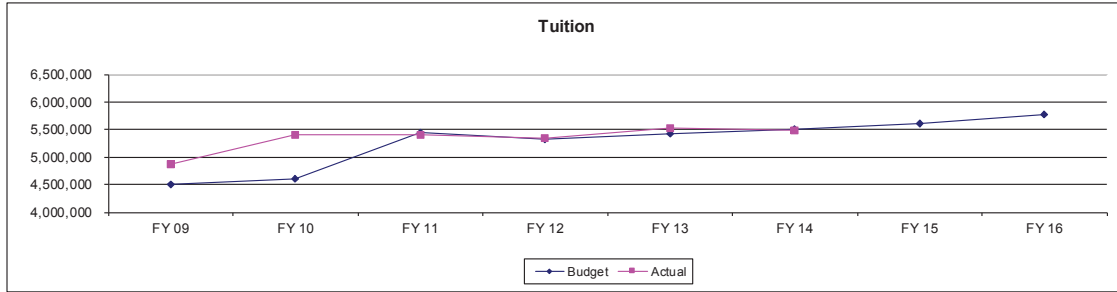
-Interest on Investments – The amount of interest earned from deposits.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	700,000	450,000	450,000	330,000	105,000	30,000	35,000	50,000
Actual	784,355	543,298	326,649	315,529	92,119	64,485		

School Revenues:

-Tuition - Tuition received from the communities of Greenland, New Castle, Newington and Rye. This is the City’s second largest General Fund Revenue source, Property Taxes being the largest. Tuition is estimated for the number of students scheduled to attend from neighboring communities. Both the amount per student to be charged to neighboring communities and how many students will actually be sent to the Portsmouth schools are estimated for budgetary purposes. Forecasting models are used for the estimates.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	4,500,000	4,600,000	5,450,000	5,312,000	5,427,000	5,512,650	5,612,650	5,779,500
Actual	4,861,391	5,412,759	5,394,068	5,341,836	5,520,731	5,483,301		

-Other Sources – Majority of revenue produced in Other Sources is received from rent charged to organizations for utilizing school buildings for special functions.

State Revenues:

-Highway Block Grant – RSA 235:23 – Each fiscal year, the State Department of Transportation Commissioner allocates an amount not less than 12% of the total toll revenue and motor vehicle fees collected in the preceding fiscal year to a local highway aid fund. The fund is distributed to each community where ½ of the amount is based on the proportion which the mileage of regularly maintained class IV and V highways in each municipality bears to the total of such mileage in the state, and ½ of the amount is based on local community’s population as a percentage of the states population.

-State Aid Landfill – RSA 149-M-43 The state pays annually 20% of the annual amortization charges, meaning the principal and interest, on costs resulting from the closure of the Coakley Landfill.

-School Building Aid – RSA 198-15 – The City receives aid in the amount of 55% on High School, 40% on Middle School and 30% on Elementary school portions of principal payments made during the fiscal year on debt attributed to those schools.

-Rooms and Meals Tax – RSA 78 –A – Disposition of revenue from the State is based on local community’s population as a percentage of the state population. The goal of the RSA is for the State to distribute 40% of the tax collected to communities while keeping 60%. Currently the State keeps approximately 77% while distributing 23%.

State of NH
Rooms and Meals Tax Distribution History

	FY 2010(2)	FY 2011(2)	FY 2012(2)	FY 2013(2)	FY 2014(2)	FY 2015(3)
Rooms & Meals Tax Revenue	\$203,484,091	\$228,291,000	\$233,964,220	\$253,979,816	\$262,825,456	\$274,600,560
Cost of Administration by DRA (1)						
% change in DRA administration						
Net Rooms & Meals Tax Revenue	203,484,091	228,291,000	233,964,220	253,979,816	262,825,456	274,600,560
(Increase from previous FY)	-1.69%	12.19%	2.49%	8.55%	3.48%	4.48%
Previous FY Rooms & Meals Tax Revenue	\$206,984,382	\$203,484,091	\$228,291,000	\$233,964,220	\$253,979,816	\$262,825,456
Increase/Decrease	(3,500,291)	24,806,909	5,673,220	20,015,596	8,845,640	11,775,104
75 % of Increase In Revenues						8,831,328
Lesser of above or \$5,000,000						5,000,000
Previous Year Distribution	58,805,057	58,805,057	58,805,057	58,805,057	58,805,057	58,805,057
Total Amount to be Distributed	FY 2010(2)	FY 2011(2)	FY 2012(2)	FY 2013(2)	FY 2014(2)	FY 2015(3)
(Increase from previous FY)	58,805,057	58,805,057	58,805,057	58,805,057	58,805,057	63,805,057
	0.00%	0.00%	0.00%	0.00%	0.00%	8.50%
<u>Distributed by Population</u>						
Total Population	1,315,215	1,324,795	1,317,208	1,318,211	1,321,218	1,323,459
Portsmouth	20,520	20,668	21,245	21,206	21,273	21,280
Portsmouth %	1.56%	1.56%	1.61%	1.61%	1.61%	1.61%
Portsmouth \$ Share	917,477	917,412	948,456	945,994	946,823	1,025,926
<u>Distribution % (Goal 60% State 40% Local)</u>						
(Per RSA 78-A:26)						
State of NH	71.10%	74.24%	74.87%	76.85%	77.63%	76.76%
NH Communities	28.90%	25.76%	25.13%	23.15%	22.37%	23.24%

(1) In FY 2009, the State Treasurer interpreted the RSA as the DRA cost of administration could not be deducted from Gross Meals and Rooms Tax.

(2) Per the New Hampshire Operating Budget adopted for FY 2010 and 2011(HB 2) The State Treasurer shall fund the distribution of Meals and Rooms Tax at no more than the Fiscal Year 2009 levels. 2012 was not to be more than 2011

(3) FY 2015 return to ditribution method of FY 2009

Use of Reserves and Fund Balance:

-Use of Reserve for Property Appraisal – The use of Reserve for Property Appraisal is used to offset revaluation expenditures incurred in the budget year.

-Use of Reserve for Debt – The use of city Reserves for Debt to offset the fiscal year debt service payments.

Property Taxes:

-Property Taxes – Property Taxes are Portsmouth’s largest revenue source. The City levies and collects taxes according to state law. Property Taxes are an ad valorem tax (Latin for according to value). There are approximately 8,500 residential and commercial properties assessed taxes within the city. The amount of property tax levied is directly related to the amount of appropriation less all other revenues estimated. Budgeted property tax revenue is estimated to be \$78,519,480 in the FY16 proposed budget.

The Tax Assessor is mandated to assess all property at its market value as of April 1 of each year making a tax year April 1 to March 31 while the Fiscal Year is July 1 to June 30. The City issues tax bills twice a year which are due December 1st and June 1st.



Assessed Value	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
With Utilities	3,807,536,521	3,903,031,800	3,971,444,698	4,043,767,047	4,096,603,575	4,182,368,805
% change from previous FY	0.7%	2.5%	1.8%	1.8%	1.3%	2.1%
Without Utilities	3,634,413,852	3,721,242,300	3,803,608,220	3,870,081,052	3,917,159,080	4,010,764,710
% change from previous FY	0.7%	2.4%	2.2%	1.7%	1.2%	2.4%
State Equalized for Debt Limits	4,161,741,642	4,088,268,814	4,129,016,814	4,238,460,159	4,481,154,370	
% change from previous FY	-2.1%	-1.8%	1.0%	2.7%	5.7%	
% of County Value	9.45%	9.95%	9.96%	10.26%	10.64%	10.78%
Tax rate						
Town Rate	8.01	8.50	8.42	8.55	8.72	8.80
Local School	5.72	5.40	5.34	5.49	5.56	5.61
State School	2.32	2.43	2.46	2.42	2.49	2.53
County	1.04	1.08	1.05	1.09	1.14	1.16
Total Rate	17.09	17.41	17.27	17.55	17.91	18.10
% change from previous FY	0.6%	1.9%	-0.8%	1.6%	2.1%	1.1%

PROPERTY TAXES

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	62,748,088	63,771,385	66,885,133	67,087,653	69,495,135	72,234,239	74,266,738	78,519,480
Actual	62,778,244	64,276,918	66,845,944	67,713,896	70,138,494	72,771,653		

CITY OF PORTSMOUTH
WATER FUND
ESTIMATED AND ACTUAL REVENUES
FOR FISCAL YEARS 2014-2016

	ESTIMATED REVENUES FY 14	ACTUAL REVENUES FY 14	ESTIMATED REVENUES FY 15	ESTIMATED REVENUES FY 16	% CHANGE	\$\$ CHANGE
WATER CONSUMPTION						
<i>(includes minimum charges)</i>						
MUNICIPAL	208,459	179,717	175,172	194,862	11.2%	19,690
COMMERCIAL TYPE 1	2,586,895	2,846,614	2,717,772	3,249,467	19.6%	531,695
INDUSTRIAL TYPE 1	1,691,832	1,766,742	1,686,092	1,613,058	-4.3%	(73,034)
RESIDENTIAL TYPE 1	2,808,345	2,621,196	2,854,947	2,748,600	-3.7%	(106,347)
TOTAL WATER CONSUMPTION	7,295,531	7,414,269	7,433,983	7,805,987	5.0%	372,004
OTHER FEES						
HYDRANT RENTAL INCOME	107,500	189,300	156,000	182,000	16.7%	26,000
METER FEES	705,000	718,518	733,000	698,000	0.0%	(35,000)
UTILITY REVENUE	49,272	60,677	49,272	53,830	0.0%	4,558
FIRE SERVICES	185,000	206,418	226,118	217,000	-4.0%	(9,118)
JOB WORKED SERVICES	80,000	106,557	100,000	185,000	85.0%	85,000
BACKFLOW TESTING	95,000	116,950	85,000	88,000	3.5%	3,000
SERVICE CHARGES-SPECIAL	28,000	31,609	28,000	31,000	10.7%	3,000
PENALTY INCOME	-	-	-	-	0.0%	-
CAPACITY USE SURCHARGE	40,000	196,002	80,000	80,000	0.0%	-
MISCELLANEOUS BILLING	10,000	19,198	10,000	10,000	0.0%	-
COST OF SALES	-	-	-	-	0.0%	-
TOTAL OTHER FEES	1,299,772	1,645,229	1,467,390	1,544,830	5.3%	77,440
STATE REVENUES						
STATE GRANT PROGRAMS	-	-	-	-	0.0%	-
HOUSEHOLD HAZARDOUS WASTE	-	4,885	9,000	6,000	0.0%	(3,000)
TOTAL STATE REVENUES	-	4,885	9,000	6,000	0.0%	(3,000)
SPECIAL AGREEMENTS						
STATE FORCE - 13455 MIDDLE	-	42,362	-	-	0.0%	-
STATE FORCE - 13455C MAPLE	-	12,493	-	-	0.0%	-
STATE FORCE - 13455D WOODBURY	-	50,790	-	-	0.0%	-
STRAWBERRY BANKE AGMT INTEREST	-	390	350	309	0.0%	(41)
TOTAL SPECIAL AGREEMENTS	-	106,035	350	309	0.0%	(41)
OTHER FINANCING SOURCES						
INTEREST ON INVESTMENTS	3,000	62	3,000	20,000	566.7%	17,000
BOND PREMIUM AMORTIZATION	31,400	31,399	31,400	52,008	65.6%	20,608
ASSISTANCE PROGRAM-USE OF NET POSITION	-	-	50,000	-	0.0%	(50,000)
SALE OF MUNICIPAL PROPERTY	-	-	-	-	0.0%	-
OTHER MISCELLANEOUS REVENUE	-	55,079	-	-	0.0%	-
USE OF UNRESTRICTED NET POSITION	909,850	-	-	-	0.0%	-
TOTAL OTHER FINANCING SOURCES	944,250	86,540	84,400	72,008	-14.7%	(12,392)
TOTAL: FULL ACCRUAL REVENUES	9,539,553	9,256,958	8,995,123	9,429,134	4.8%	434,011
CASH REQUIREMENT ADJUSTMENTS						
BOND PREMIUM AMORTIZATION	(31,400)	(31,399)	(31,400)	(52,008)	65.6%	(20,608)
SPECIAL AGREEMENT - CON EDISON	42,000	42,000	42,000	42,000	0.0%	-
SPECIAL AGREEMENT - STRAWBERRY BANKE	-	-	2,040	2,081	0.0%	41
TOTAL CASH REQUIREMENT ADJUSTMENTS	10,600	10,601	12,640	(7,927)	-162.7%	(20,567)
TOTAL WATER FUND	9,550,153	9,267,559	9,007,763	9,421,207	4.6%	413,444

Water Fund Revenue Descriptions and Trends

The City of Portsmouth Water Fund operates as a financially self-supporting enterprise fund. It is expected that revenues generated from rates, fees and retained earnings will sustain the cost of all operations and any debt service; no General Fund (tax) support is expected. Revenue sources for the City of Portsmouth Water Fund are classified into five categories:

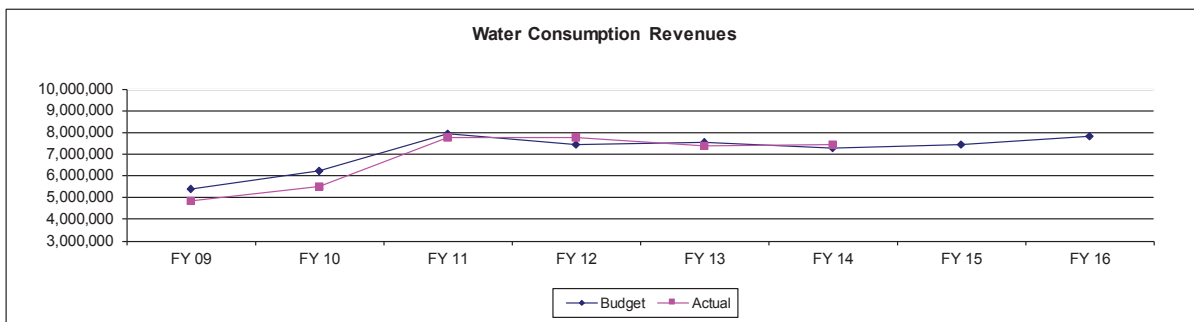
- 1) Water Consumption Revenues
- 2) Other Fees
- 3) State Revenues
- 4) Special Agreements
- 5) Other Financing Sources

Following are descriptions of all water fund revenues with budget to actual trends (graphed) for major revenue sources.

Water Consumption Revenues:

-Water Consumption Revenues- City Ordinance Chapter 16- Revenue generated from water consumption by customers. Revenue generated from this source is the primary cash flow for the division. The water rates for FY16 will remain the same as FY15. Fluctuations in this revenue source while expected are unpredictable and difficult to budget. The Water Fund will recognize a surplus in revenues when demand is higher and a deficit when demand drops.

Water consumption revenues are subcategorized into four customer classes: municipal, residential, commercial, and industrial. The City Council approves through a budget resolution changes in the water rate. The following table is a history of water consumption revenues not including minimum charges.



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Budget	5,408,581	6,222,731	7,914,865	7,415,123	7,549,916	7,295,531	7,433,983	7,805,987
Actual	4,859,701	5,512,205	7,744,936	7,783,483	7,377,435	7,414,269		

Other Fees:

-Public Hydrant Fees - Revenues generated for providing water for public fire service to all municipalities served by the Water Division. The \$150 per public hydrant is collected from the following towns: Greenland, Newington, Madbury, New Castle, Rye and the City of Portsmouth General Fund. Recommended increase in fee for FY16 to \$175.

Projections of this revenue is predictable, the only events that effect a change is the removal or installation of fire hydrants.

-Meter Fees – Revenues generated by monthly charges for the ongoing maintenance and service of meters. Fees are applied based on the size of the meter located on the property as stated below.

Monthly Meter Charge Fee

5/8” Meter	\$ 4.95
3/4” Meter	\$ 4.95
1” Meter	\$ 8.27
1 ½” Meter	\$ 14.25
2” Meter	\$ 22.91
3” Meter	\$ 36.26
4” Meter	\$ 68.74
6” Meter	\$ 120.27
8” Meter	\$ 168.01
10” Meter	\$ 252.02

-Utility Revenue – Revenue generated through wholesale utility agreements with the Rye and New Castle Water Districts.

-Private Fire Service – City Ordinance Chapter 16 - Many commercial and residential properties have a water service connection for their fire sprinkler system. The fee is based on the size of the fire service pipe entering the property. The revenue generated from this source has been level for several years. Based on minor changes and additions to commercial properties, the Water Fund has slightly changed the anticipated revenue generation from this revenue source.

-Job Worked Services – City Ordinance Chapter 16- Services rendered by the Water division maintenance department for the repair or construction of services in which an identified customer will be responsible for the costs. Services billed to individual customers include: repair of vehicular damage to City property, repair of water service on private property, upgrade to existing service at property. Services are rendered on demand, thus making the revenue unpredictable from year to year. The fund has had revenues of \$70,000-\$180,000 over the past five years.

-Backflow Testing Fees – City Ordinance Chapter 16- It shall be the duty of the customer-user at any premise where backflow prevention devices are installed to have certified inspections and

operational tests made at least twice per year. The Water Division will assess a fee for the inspection and testing of these devices.

-Service Charges Fees – City Ordinance – Revenues from charges assessed to customers for special requests. Charges include: final bill request, turn-on/off water service to a property, meter testing, frozen meter charges and returned check fee.

-Penalty Income – Water bills are due and payable upon presentation. Implementation of monthly billing effective FY11; combined with other collection processes has eliminated the assessment of penalty charges. The City is forecasting no income from this source.

-Capacity Use Surcharges – Revenues imposed on new customers who are joining the City’s water and sewer system in order to recover capital investments made by the City.

-Miscellaneous Income – Revenue from unexpected events, considered to be unique and unlikely to occur again in the future. Events include: photocopying, sale of maps, water testing for a customer, new connection fees.

State Revenues:

-State Grant Program – RSA 486-A:3. Revenue received from the State of New Hampshire for funding water works projects to meet the surface water treatment rules of the EPA. The Water Fund continues to monitor opportunities to apply for grants as they become available. The City expects no revenue in FY16 from this program.

-Household State Aid Grant Program – The State of New Hampshire administers a Household Hazardous Waste grant program. HHW Collection Grants are awarded to eligible sponsors at a designated per capita rate for the communities served, up to half of the collection costs.

Other Financing Sources:

-Interest on Investments – The amount of interest earned from deposits.

-Bond Premium Amortization – The City received bond premiums from the issuance of debt service, the premium is recognized and recorded as revenue over the life of the bond. Following the bond issue dates and premium received.

Date of Issue	Reason for Bond	Premium Received
06/15/2009	Madbury Treatment Plant	\$659,394.51
06/25/2014	Hobbs Hill Water Tank	\$412,161.92

-Budgetary Use of Unrestricted Net Position – The budgeted use of fund balance is typically used to stabilize rate increases from year to year. The Water District will not be utilizing use of unrestricted net position in FY16.

CITY OF PORTSMOUTH
SEWER FUND
ESTIMATED AND ACTUAL REVENUES
FOR FISCAL YEARS 2014-2016

	ESTIMATED REVENUES FY 14	ACTUAL REVENUES FY 14	ESTIMATED REVENUES FY 15	ESTIMATED REVENUES FY 16	% CHANGE	\$\$ CHANGE
SEWER CONSUMPTION						
MUNICIPAL	168,440	190,743	203,955	183,281	-10.1%	(20,674)
OTHER UTILITIES WATER	470,208	372,693	394,078	427,736	8.5%	33,658
COMMERCIAL TYPE 1	4,470,207	4,271,814	4,740,111	4,996,444	5.4%	256,333
INDUSTRIAL TYPE 1	2,939,648	2,908,973	3,076,476	3,120,623	1.4%	44,147
RESIDENTIAL TYPE 1	5,052,011	5,017,793	5,484,988	5,398,506	-1.6%	(86,482)
TOTAL SEWER CONSUMPTION	13,100,514	12,762,016	13,899,608	14,126,590	1.6%	226,982
MISCELLANEOUS FEES						
JOB WORKED SERVICES	5,000	1,500	5,000	7,000	40.0%	2,000
SEPTAGE	145,000	170,583	145,000	150,000	3.4%	5,000
PENALTY INCOME	-	(14)	-	-	0.0%	-
PERMITS	2,500	2,525	2,500	2,500	0.0%	-
CAPACITY USE SURCHARGE	35,000	198,953	120,000	90,000	-25.0%	(30,000)
MISCELLANEOUS	15,000	75,404	10,000	10,000	0.0%	-
TOTAL MISCELLANEOUS FEES	202,500	448,951	282,500	259,500	-8.1%	(23,000)
STATE REVENUES						
HOUSEHOLD HAZARDOUS WASTE	-	4,331	-	-	0.0%	-
STATE AID GRANT PROGRAM	365,519	386,106	310,359	315,125	-15.1%	4,766
TOTAL STATE REVENUES	365,519	390,437	310,359	315,125	1.5%	4,766
SPECIAL AGREEMENTS						
REV FROM SPECIAL AGREEMENTS	25,497	181,453	27,375	47,005	7.4%	19,630
PEASE REIMBURSE SEWER LOAN	36,338	36,338	9,075	25,955	-75.0%	16,880
FORCE AGREEMENT	-	-	-	-	0.0%	-
ARRA DEBT FORGIVENESS	-	-	-	-	0.0%	-
TOTAL SPECIAL AGREEMENTS	61,835	217,791	36,450	72,960	100.2%	36,510
OTHER FINANCING SOURCES						
INTEREST ON INVESTMENTS	5,000	177	3,000	50,000	-40.0%	47,000
SALE OF MUNICIPAL PROPERTY	-	-	-	-	0.0%	-
ASSISTANCE PROGRAM-USE OF NET POSITION	-	-	50,000	-	0.0%	(50,000)
BOND PREMIUM AMORTIZATION	-	45,453	28,546	124,942	0.0%	96,396
USE OF UNRESTRICTED NET POSITION	-	-	-	-	0.0%	-
TOTAL OTHER FINANCING SOURCES	5,000	45,630	81,546	174,942	114.5%	93,396
TOTAL: FULL ACCRUAL REVENUES	13,735,368	13,864,825	14,610,463	14,949,117	2.3%	338,654
CASH REQUIREMENT ADJUSTMENTS						
BOND PREMIUM AMORTIZATION	0	(45,453)	(28,546)	(124,942)	0.0%	(96,396)
USE OF BOND PREMIUM FOR DEBT PAYMENT	-	-	-	560,250	-	560,250
PEASE AID GRANT, PEASE PRINCIPAL	46,258	-	46,258	46,258	0.0%	-
PEASE PAYBACK TOWARDS DEBT	116,289	-	116,289	116,290	0.0%	1
SPECIAL AGREEMENT- L/T ACCTS REC	174,979	-	189,252	193,527	8.2%	4,275
TOTAL CASH REQUIREMENT ADJUSTMENTS	337,526	(45,453)	323,253	791,383	144.8%	468,130
TOTAL SEWER FUND	14,072,894	13,819,372	14,933,716	15,740,500	5.4%	806,784

Sewer Fund Revenue Descriptions and Trends

The City of Portsmouth Sewer Fund operates as a financially self-supporting enterprise fund. It is expected that revenues generated from rates, fees and retained earnings will sustain the cost of all operations and any debt service; no General Fund (tax) support is expected. Revenue sources for the City of Portsmouth Sewer Fund are classified into five categories:

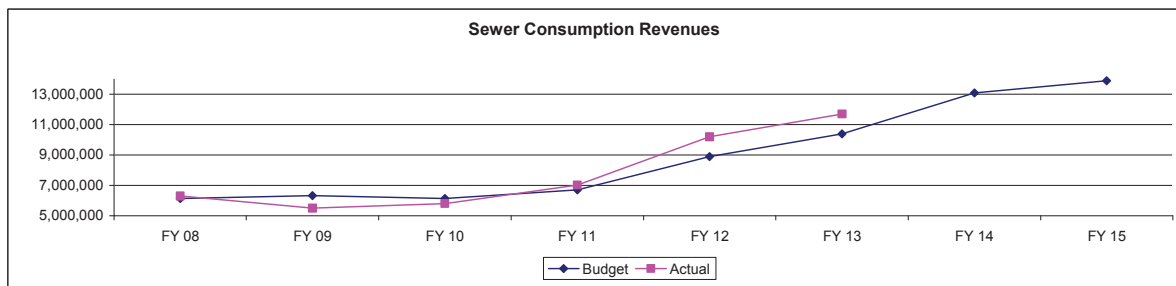
- 1) Sewer Consumption Revenues
- 2) Miscellaneous Fees
- 3) State Revenues
- 4) Special Agreements
- 5) Other Financing Sources

Following are descriptions of all Sewer fund revenues with budget to actual trends (graphed) for major revenue sources.

Sewer Consumption Revenues:

-Sewer Consumption Revenues- Ordinance - Revenue generated from sewer consumption by customers. The revenue generated from this source is the primary revenue for the division. Fluctuations in this revenue source are similar to Water in that while expected they are unpredictable and difficult to budget. The Sewer Fund will recognize a surplus in revenues when demand is higher and a deficit when demand drops.

Sewer consumption revenues are subcategorized into four customer classes: municipal, residential, commercial, and industrial. The City Council approves through a budget resolution changes in the sewer rate.



	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Budget	6,119,175	6,313,698	6,116,404	6,702,250	8,907,408	10,389,358	13,100,514	\$13,899,608
Actual	6,294,287	5,497,279	5,800,047	7,021,789	10,192,483	11,706,016		

Miscellaneous Fees:

-Job Worked Services – Sewer Ordinance - Services rendered by the Sewer division maintenance department for the repair or construction of services in which an identified customer will be responsible for the costs. Services billed to individual customers include: repair of vehicular damage to City property, repair of Sewer service on private property, upgrade to existing service at property. Services are rendered on demand, thus making the revenue unpredictable from year to year.

-Septage Charges – Sewer Ordinance – Revenues generated from accepting sewage from non-sewer customers, such as septage haulers, and recreational vehicles. The sewage requires additional handling and treatment processing costs.

-Penalty Income – Sewer bills are due and payable upon presentation. Implementation of monthly billing effective FY11; combined with other collection processes has eliminated the assessment of penalty charges. The City is forecasting no income from this source.

-Permits – Sewer Ordinance – Revenues from charges assessed to customers for the on-going monitoring by City staff of private sewage disposal facilities and compliance to discharge limits approved by the City.

-Capacity Use Surcharges – Revenues imposed on new customers who are joining the City's water and sewer system in order to recover capital investments made by the City.

-Miscellaneous Income – Revenue from unexpected events, considered to be unique and unlikely to occur again in the future. Events include: photocopying, sale of maps, sewer testing for a customer, and new connection fees.

State Revenues:

-State Aid Grant Program – RSA 486:3. Revenue received from the State of New Hampshire as a contribution for eligible sewage construction projects. The annual contribution is based on the project's amortization schedule and the impact on user fees. The City of Portsmouth is currently eligible for 30 percent contribution from the State on its existing projects. The State did not fund this program for any new debt since the 2010 fiscal year. This program continues to be targeted for elimination therefore the City anticipates no additional revenue from this program.

Special Agreements:

-Great Bay Estuary – The City is participating in a regional coalition called the Great Bay Estuary Coalition. The City has agreed to sponsor expert firms for the benefit of all parties. This revenue source is the contribution made by other members of the coalition towards the cost associated with the efforts.

-Special Agreements – The Sewer Fund has entered into agreements with customers whose Sewer requirement necessitates Sewer system improvements. The terms of each agreement is based on system improvements and financing needs of the customer. The annual revenue budget amount equals the annual payment due from all customers for the fiscal year.

-Pease Payback Towards Debt – Per the Municipal Service Agreement (MSA) effective July 1, 1998, the Pease Development Authority (PDA) is to reimburse the City for the cost of upgrades to the sewer treatment plant located on premises.

Other Financing Sources:

-Interest on Investments – The amount of interest earned from deposits.

-Bond Premium Amortization – The City received a premium in the amount of \$570,917 in May 2012 on the sale of a bond for the Waste Water Treatment Plant. The premium is recognized and recorded as revenue over the life of the bond.

-Budgetary Use of Unrestricted Net Position – The budgeted use of fund balance is typically used to stabilize rate increases from year to year. In FY15, the City will not be utilizing unrestricted net position.

CITY OF PORTSMOUTH
SPECIAL REVENUE FUNDS
ESTIMATED AND ACTUAL REVENUES
FOR FISCAL YEARS 2014-2016

	BUDGETED REVENUES FY 14	ACTUAL REVENUES FY 14	ESTIMATED REVENUES FY 15	ESTIMATED REVENUES FY 16	%% CHANGE	\$\$ CHANGE
Community Development						
CDBG Entitlement	91,445	90,243	98,836	110,463	11.8%	11,627
Housing Rehab Program	42,588	38,699	51,402	82,778	61.0%	31,376
PEDLP	1,600	1,525	1,600	1,600	0.0%	-
Total Community Development	135,633	130,467	151,838	194,841	28.3%	43,003
Urban Development Action Grant						
UDAG Interest	42,000	40,703	36,000	34,000	-5.6%	(2,000)
Use of Fund Balance-UDAG	535,811	521,969	324,755	260,758	-19.7%	(63,997)
Total Economic Development-UDAG	577,811	562,672	360,755	294,758	-18.3%	(65,997)
Parking and Transportation						
Portion of Total Parking Revenue	2,659,858	2,659,858	3,047,195	3,047,195	0.0%	-
Use of Fund Balance	-	-	-	948,468		948,468
Total Parking and Transportation	2,659,858	2,659,858	3,047,195	3,995,663	31.1%	948,468
Total Special Revenue Funds	3,373,302	3,352,997	3,559,788	4,485,262	26.0%	925,474

Special Revenue Fund Revenue Descriptions and Trends

Community Development:

-CDBG Entitlement - The City's Community Development Department administers Community Development Block Grant (CDBG) funds, which are provided to Portsmouth annually by the U.S. Department of Housing and Urban Development (HUD) for projects that benefit people who earn low or moderate incomes. The amount of federal funding is determined by a national formula based on income, age of housing and population growth/decline.

The Community Development Department's General Administration line item covers the administrative costs associated with CDBG-funded programs and projects; this includes salaries and benefits for some of the City's Community Development Department staff, as well as other operational costs such as legal notices, office supplies, postage and staff training. HUD does not allow general administration costs to exceed 20% of the City's annual CDBG grant.

- Housing Rehab Program – The CDBG-funded Housing Rehabilitation Program provides low-interest and deferred loans to Portsmouth homeowners who earn low or moderate incomes and are in need of code repairs to their homes (plumbing, heating, electrical and other systems). Specifically, the Housing Rehabilitation Program is funded through the annual CDBG entitlement grant to the City from HUD, as well as from repayments from past borrowers. The City's Community Development Department staff administers this program.

-Portsmouth Economic Development Loan Program - The Portsmouth Economic Development Loan Program (PEDLP), which was funded through federal CDBG dollars, is not currently accepting new loan applications. Community Development staff do, however, manage the existing loan portfolio; the only cost associated with this program is the small annual outside audit fee.

-UDAG Interest – This revenue source consists of interest earned from investment of lump sum prepayment of Urban Development Action Grant loans. The City of Portsmouth Economic Development Commission established a budget policy for the UDAG Program, which guides expenditures, based on available funding and economic development program needs.

Parking and Transportation:

-Parking Revenues - A portion of total parking related revenues are budgeted to cover expenditure for the Parking and Transportation Division of Public Works. In FY 16, in addition to parking revenues, \$948,468 will be allocated from the Parking & Transportation Fund-Fund Balance primarily for a one time increase in Capital Outlay.

DEBT SERVICE

The following pages analyze Debt Service for the General, Water, and Sewer Funds.

COMPUTATION OF LEGAL DEBT MARGIN (GENERAL, SCHOOL, AND WATER)

Legal debt margins are established by the State of New Hampshire and are based on an equalized assessed valuation calculated by the State. There are three bonded debt limit margins established by the state: the General Fund, School related debt, and Water Fund debt limit margins. The General Fund debt limit is limited to 3% of equalized assessed valuation with landfills being exempt from the calculation. School related debt is limited to 7% of equalized assessed valuation. While the Water Fund is limited to 10% of equalized assessed valuation, it should be noted that the Sewer Fund has no legal debt margin.

LONG-TERM DEBT SERVICE FORECAST MODEL (GENERAL, WATER, AND SEWER)

The long-term debt service forecast model displays issued long-term debt and projected future long-term debt for the General Fund, followed by the Water and Sewer Funds. Also listed are debt-related revenues. These revenues would not exist if certain debt issuance did not exist. The attached graph displays the pertinent funds' annual projected debt service payments for the next 10 years.

PROJECTED LONG-TERM DEBT SERVICE AS A PERCENTAGE OF THE GENERAL FUND BUDGET

This page estimates future General Fund Budget totals and uses the projected net debt service from the Long Term Debt Service Forecast Model previously displayed, to calculate the percentage that debt service will be of the general fund budget. These projections go outward 10 years and a graph displays the result.

LONG TERM DEBT OUTSTANDING BALANCES (GENERAL, WATER, AND SEWER)

These pages display the outstanding debt balance of the General, Water and Sewer Funds for the next 10 years. They also show the scheduled payments against these balances for the next 10 years. A graph displays these numbers in a bar chart. In addition, the City's General Fund debt burden (including School Debt) is calculated. Debt burden measures how leveraged a community is by calculating the amount of debt outstanding as compared to the city's full valuation.

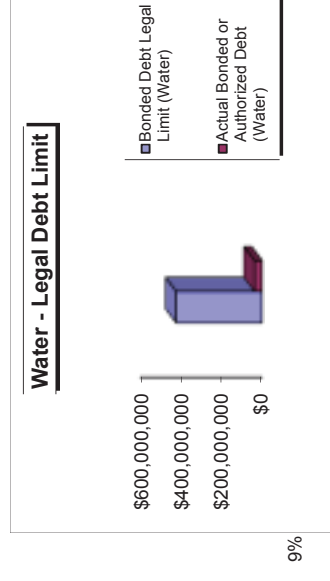
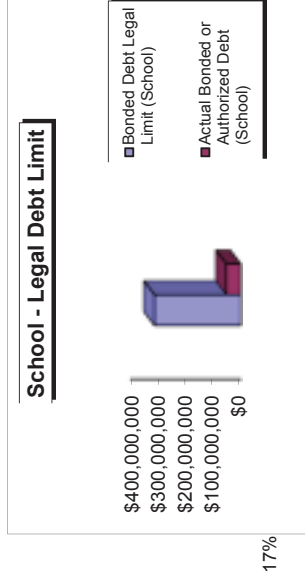
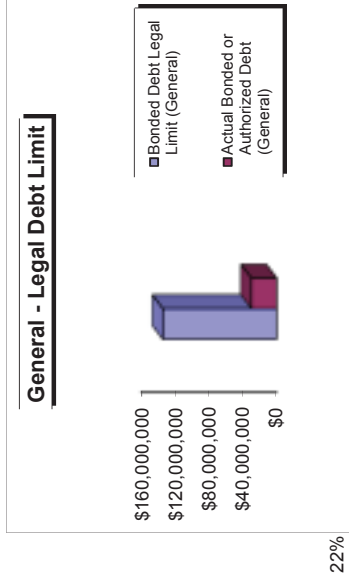
CITY OF PORTSMOUTH, NEW HAMPSHIRE
 Computation of Legal Debt Margin
 As of June 30, 2014

Modified local assessed valuation Department of Revenue Administration inventory adjustment	\$ 4,119,413,775
Equalized assessed valuation Adjustment: RSA 31-A	<u>361,740,595</u> 4,481,154,370
Base valuation for debt limit (1)	<u>\$ 4,481,154,370</u>

Bonded debt limit - 3.0% of base (General Debt)	\$ 134,434,631
Gross bonded debt June 30	\$29,252,144
Less:	
Landfill (4)	1,097,144
Authorized but unissued Commerce Way	1,600,000
	1,600,000
Total debt applicable to 3% limitation Legal Debt Margin	<u>29,755,000</u> <u>104,679,631</u>

Bonded debt limit - 7.0% of base (School Debt) (5)	\$ 313,680,806
Gross bonded debt June 30,	51,915,000
Authorized but unissued	51,915,000
Total debt applicable to 7% limitation Legal Debt Margin	<u>51,915,000</u> <u>261,765,806</u>

Bonded debt limit - 10% of base (Water Fund) (2) (3)	448,115,437
Gross bonded debt June 30, Water bonds	24,971,873
Authorized but unissued Water System Improvements Capital Projects Madbury Water Treatment Plant	24,971,873 1,320,000 7,842,303 4,000,000
Total debt applicable to 10% limitation Legal Debt Margin	<u>13,162,303</u> <u>38,134,176</u> <u>409,981,261</u>



- (1) The equalization of all taxable property in the State of New Hampshire is conducted annually by the New Hampshire Department of Revenue Administration under the provisions of RSA 21-J: 3(XIII).
- (2) Enterprise funds.
- (3) Subject to a separate debt limit of 10% of the City's base valuation per RSA 33:5-a.
- (4) Exempt per RSA 33:5-b.
- (5) Subject to a separate debt limit of 7% of the City's base valuation per RSA 33:4-a

CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL

FY 15 FY 16 FY 17 FY 18 FY 19 FY 20 FY 21 FY 22 FY 23 FY 24 FY 25

ISSUED DEBT

GENERAL FUND-Issued Debt

General Government

08/01/05 05 Improvements	3.95%	2,945,000																		
Principal-Last Pmt FY 16		290,000																		
Interest		17,500																		
06/15/07 New Castle Ave/Seawall	4.00%	60,000	60,000																	
Principal-Last Pmt FY 17		7,425	5,025	2,475																
Interest																				
06/15/07 06 Improvements	4.00%	95,000	95,000																	
Principal-Last Pmt FY 17		11,756	7,956	3,919																
Interest																				
06/15/07 07 Improvements	4.00%	445,000	445,000																	
Principal-Last Pmt FY 17		55,069	37,269	18,356																
Interest																				
12/14/11 Fire Apparatus	2.86%	500,000																		
Principal-Last Pmt FY 17		100,000	100,000																	
Interest		12,000	7,500	2,500																
06/15/08 08 Improvements	3.79%	2,500,000	250,000	250,000	250,000															
Principal-Last Pmt FY 18		38,125	28,750	19,375	10,000															
Interest																				
11/18/98 Coakley OU-1 20 yr		180,289	180,289	180,289	180,289															
Principal-Last Pmt FY 19		25,391	6,130	4,597	3,065															
Interest																				
Interest-State recalculated interest starting in FY 15 saving \$62,049																				
06/15/09 09 Improvements	3.76%	3,500,000	350,000	350,000	350,000															
Principal-Last Pmt FY 19		87,500	70,000	52,500	35,000															
Interest																				
05/15/10 10 Improvements	3.27%	1,800,000	180,000	180,000	180,000															
Principal-Last Pmt FY 20		43,200	38,700	31,500	24,300															
Interest																				
07/01/00 Coakley OU-2 20 yr		32,617	32,617	32,617	32,617															
Principal-Last Pmt FY 20		6,076	1,663	1,331	998															
Interest																				
Interest-State recalculated interest starting in FY 15 saving \$14,961																				
12/14/11 11 Improvements	2.86%	6,400,000	640,000	640,000	640,000															
Principal-Last Pmt FY 22		198,400	169,600	137,600	112,000															
Interest																				
06/27/13 13 Improvements	2.38%	2,267,000	230,000	225,000	225,000															
Principal-Last Pmt FY 23		61,050	54,150	47,250	40,500															
Interest																				
06/25/14 14 Improvements	2.71%	5,750,000	575,000	575,000	575,000															
Principal-Last Pmt FY 24		236,133	241,500	212,750	184,000															
Interest																				

GENERAL FUND

CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
08/01/05 Library											
Principal-Last Pmt FY 26	350,000	350,000	350,000	350,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000
Interest	164,575	150,575	136,575	122,575	108,675	94,875	80,644	65,981	51,319	36,656	21,994
06/15/08 Fire Station 2 Replacement											
Principal-Last Pmt FY 28	185,000	185,000	185,000	185,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Interest	101,113	94,175	87,238	80,300	72,900	66,150	58,950	51,750	44,550	37,350	30,060
06/15/08 Fire Station 2 Land											
Principal-Last Pmt FY 28	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Interest	36,238	33,800	31,363	28,925	26,325	23,888	21,288	18,688	16,088	13,488	10,855
06/15/09 Fire Station 2 Replacement											
Principal-Last Pmt FY 29	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Interest	48,281	44,531	40,781	37,031	33,281	29,531	26,906	24,281	21,469	18,656	15,656
Total General Fund-Gen Gov Issued Debt Principal Due	4,107,905	4,102,905	3,807,905	3,107,905	2,847,905	2,317,617	2,105,000	2,105,000	1,465,000	1,240,000	665,000
Total General Fund-Gen Gov Issued Debt Interest Due	1,149,832	997,125	830,109	678,694	562,079	470,426	371,038	276,450	197,675	134,900	78,565
Total General Fund-Gen Gov Issued Debt	5,257,737	5,100,030	4,638,015	3,786,599	3,409,984	2,788,043	2,476,038	2,381,450	1,662,675	1,374,900	743,565
Schools											
10/21/14 15 School Building Improvement											
Principal-Last Pmt FY 18	122,502	122,502	125,062	127,436							
Interest	7,838	7,838	5,277	2,904							
06/15/08 08 School Building Improvement											
Principal-Last Pmt FY 18	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest	7,625	5,750	3,875	2,000	4,500	2,250					
05/15/10 10 School Building Improvement											
Principal-Last Pmt FY 20	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest	12,000	10,750	8,750	6,750	4,500	2,250					
06/27/13 13 School Building Improvement											
Principal-Last Pmt FY 23	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest	13,500	12,000	10,500	9,000	7,500	6,000	4,500	3,000	1,500		
05/17/12 High School Renovations-Refunding											
Principal-Last Pmt FY 23	1,795,000	1,770,000	1,745,000	1,720,000	1,700,000	1,690,000	1,680,000	1,665,000	1,650,000	1,650,000	1,650,000
Interest	580,700	509,400	439,100	369,800	301,400	233,600	166,200	99,300	33,000		
05/15/10 Middle School Renovation											
Principal-Last Pmt FY 30	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Interest	446,250	427,500	397,500	367,500	333,750	300,000	266,250	243,750	219,375	195,000	168,750
12/14/11 Middle School Renovation											
Principal-Last Pmt FY 32	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Interest	738,281	687,656	631,406	586,406	558,281	524,531	473,906	417,656	372,656	338,906	305,156
06/25/14 Middle School Renovation											
Principal-Last Pmt FY 34	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Interest	130,900	136,950	128,700	120,450	112,200	108,900	100,650	92,400	84,150	75,900	67,650
Total General Fund-School Issued Debt Principal Due	3,985,000	4,082,502	4,060,062	4,037,436	3,840,000	3,830,000	3,770,000	3,755,000	3,740,000	2,040,000	2,040,000
Total General Fund-School Issued Debt Interest Due	1,929,256	1,797,844	1,625,108	1,464,810	1,317,631	1,175,281	1,011,506	856,106	710,681	609,806	541,556
Total General Fund-School Issued Debt	5,914,256	5,880,346	5,685,171	5,502,246	5,157,631	5,005,281	4,781,506	4,611,106	4,450,681	2,649,806	2,581,556

GENERAL FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL**

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Total General Fund- Issued Debt Principal Due	8,092,905	8,185,407	7,867,967	7,145,341	6,687,905	6,147,617	5,875,000	5,860,000	5,205,000	3,280,000	2,705,000
Total General Fund-Issued Debt Interest Due	3,079,088	2,794,968	2,455,218	2,143,504	1,879,710	1,645,708	1,382,544	1,132,556	908,356	744,706	620,121
Total General Fund-Issued Debt	11,171,993	10,980,375	10,323,185	9,288,845	8,567,616	7,793,324	7,257,544	6,992,556	6,113,356	4,024,706	3,325,121
GF Use of Unused Bond Proceeds											
GF Coakley Landfill State Aid	(41,106)	(40,096)	(39,087)	(38,077)	(37,067)						
GF Use of Debt Reserve	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
GF School Building Aid (High School)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)	(1,016,222)
GF School Building Aid on \$15m (Middle School 40%)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)	(302,873)
GF School Building Aid on \$22.5m (Middle School 40%)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)
GF School Building Aid on \$3.3m (Middle School Estimate 35%)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)	(57,750)
Total Issued Debt Related Revenues-General Fund	(3,311,411)	(3,368,151)	(3,367,142)	(3,366,132)	(3,365,122)	(3,328,055)	(3,328,055)	(3,328,055)	(3,328,055)	(2,311,833)	(2,311,833)
Total Net Issued Debt-General Fund	7,860,582	7,612,224	6,956,044	5,922,713	5,202,493	4,465,269	3,929,489	3,664,501	2,785,301	1,712,873	1,013,288

GENERAL FUND-Projected Future Debt

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Allocation to Debt reserve	59,530										
10 yr 3.75% HIGH SCHOOL FIELDS LIGHTING		103,125	100,313	97,500	94,688	91,875	89,063	86,250	83,438	80,625	77,813
10 yr 3.75% PEASE-ROADWAY REHABILITATIONS		67,813	65,938	64,063	62,188	60,313	58,438	56,563	54,688	52,813	50,938
10 yr 3.75% SEAWALL REPAIRS		175,313	170,531	165,750	160,969	156,188	151,406	146,625	141,844	137,063	132,281
10 yr 3.75% McDONOUGH STREET AREA IMPROVEMENTS		55,000	53,500	52,000	50,500	49,000	47,500	46,000	44,500	43,000	41,500
10 yr 3.75% MAPLEWOOD AVENUE REHABILITATION		178,750	173,875	169,000	164,125	159,250	154,375	149,500	144,625	139,750	134,875
Authorized 9/22/14											
5 yr 3.75% HEAVY RESCUE UNIT 1		142,500	138,000	133,500	129,000	124,500					
Total FY 15 New Bonding		4,825,000									
5 yr 3.75% FIRE ENGINE #4		11,250	140,250	135,750	131,250	126,750	122,250				
10 yr 3.75% SCHOOL FACILITIES CAPITAL IMPROVEMENTS		9,375	67,813	65,938	64,063	62,188	60,313	58,438	56,563	54,688	52,813
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES		93,750	432,813	423,438	414,063	404,688	395,313	385,938	376,563	367,188	357,813
10 yr 3.75% MULTI-PURPOSE RECREATION FIELD (FMR STUMP DUMP)		7,500	54,250	52,750	51,250	49,750	48,250	46,750	45,250	43,750	42,250
10 yr 3.75% BICYCLE/PEDESTRIAN PLAN IMPLEMENTATION		18,750	135,625	131,875	128,125	124,375	120,625	116,875	113,125	109,375	105,625

GENERAL FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
10 yr 3.75% CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM		800,000									
10 yr 3.75% ISLINGTON STREET NEW SIDEWALK	15,000	108,500	105,500	102,500	99,500	96,500	93,500	90,500	87,500	84,500	
10 yr 3.75% MARKET STREET GATEWAY IMPROVEMENTS	4,688	33,906	32,969	32,031	31,094	30,156	29,219	28,281	27,344	26,406	
10 yr 3.75% STREET PAVING, MANAGEMENT AND REHABILITATION	10,313	74,594	72,531	70,469	68,406	66,344	64,281	62,219	60,156	58,094	
10 yr 3.75% ISLINGTON STREET-STREETSCAPE IMPROVEMENTS	56,250	406,875	395,625	384,375	373,125	361,875	350,625	339,375	328,125	316,875	
10 yr 3.75% PEASE ROADWAY IMPROVEMENTS	9,375	67,813	65,938	64,063	62,188	60,313	58,438	56,563	54,688	52,813	
Total FY 16 New Bonding	12,600,000										
20 yr 3.75% FIRE STATION THREE REPLACEMENT	46,875	216,406	211,719	207,031	202,344	197,656	192,969	188,281	183,594		
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	93,750	432,813	423,438	414,063	404,688	395,313	385,938	376,563	367,188		
10 yr 3.75% CHESTNUT ST AREA IMPROVEMENTS	6,863	49,639	48,266	46,894	45,521	44,149	42,776	41,404	40,031		
10 yr 3.75% OUTDOOR POOL UPGRADES	8,906	64,422	62,641	60,859	59,078	57,297	55,516	53,734	51,953		
10 yr 3.75% CITYWIDE FACILITIES CAPITAL IMPROVEMENTS	18,750	135,625	131,875	128,125	124,375	120,625	116,875	113,125	109,375		
10 yr 3.75% MARKET SQUARE UPGRADES	9,375	67,813	65,938	64,063	62,188	60,313	58,438	56,563	54,688		
10 yr 3.75% PEASE ROADWAY IMPROVEMENTS	14,063	101,719	98,906	96,094	93,281	90,469	87,656	84,844	82,031		
Total FY 17 New Bonding	10,591,000										
5 yr 3.75% FIRE ENGINE #6	600,000	11,250	140,250	135,750	131,250	126,750	122,250	117,750	113,250	108,750	
20 yr 3.75% POLICE STATION	11,000,000	206,250	952,188	931,563	910,938	890,313	869,688	849,063	828,438		
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	5,000,000	93,750	432,813	423,438	414,063	404,688	395,313	385,938	376,563		
10 yr 3.75% RECREATION STUDY: NEW FIELD CONSTRUCTION	1,000,000	18,750	135,625	131,875	128,125	124,375	120,625	116,875	113,125		
10 yr 3.75% CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM	800,000	15,000	108,500	105,500	102,500	99,500	96,500	93,500	90,500		
10 yr 3.75% CATE STREET CONECTOR	500,000	9,375	67,813	65,938	64,063	62,188	60,313	58,438	56,563		
10 yr 3.75% MARKET STREET GATEWAY IMPROVEMENTS	550,000	10,313	74,594	72,531	70,469	68,406	66,344	64,281	62,219		
10 yr 3.75% STREET PAVING, MANAGEMENT AND REHABILITATION	3,000,000	56,250	406,875	395,625	384,375	373,125	361,875	350,625	339,375		
10 yr 3.75% ISLINGTON STREET-STREETSCAPE IMPROVEMENTS	500,000	9,375	67,813	65,938	64,063	62,188	60,313	58,438	56,563		
Total FY 18 New Bonding	22,950,000										
10 yr 3.75% SCHOOL FACILITIES CAPITAL IMPROVEMENTS	500,000		9,375	67,813	65,938	64,063	62,188	60,313	58,438		
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	5,000,000	93,750	432,813	423,438	414,063	404,688	395,313	385,938	376,563		
10 yr 3.75% RECREATION STUDY: NEW FIELD CONSTRUCTION	1,000,000	18,750	135,625	131,875	128,125	124,375	120,625	116,875	113,125		
10 yr 3.75% PEASE-ROADWAY REHABILITATIONS	750,000	14,063	101,719	98,906	96,094	93,281	90,469	87,656	84,844		

GENERAL FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
10 yr 3.75% BANFIELD ROAD IMPROVEMENTS		81,375	79,125	76,875	74,625	72,375	70,125				
Total FY 19 New Bonding		7,850,000									
10 yr 3.75% FIRE LADDER #2		1,000,000									
10 yr 3.75% CITYWIDE FACILITIES CAPITAL IMPROVEMENTS		1,000,000									
10 yr 3.75% CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM		800,000									
10 yr 3.75% STREET PAVING, MANAGEMENT AND REHABILITATION		3,000,000									
Total FY 20 New Bonding		5,800,000									
10 yr 3.75% MAPLEWOOD AVE CULVERT REPLACEMENT		3,800,000									
10 yr 3.75% PEVERLY HILL ROAD IMPROVEMENTS		2,000,000									
10 yr 3.75% JUNKINS AVENUE		750,000									
10 yr 3.75% PEASE-ROADWAY REHABILITATIONS		750,000									
Total FY 21 New Bonding		7,300,000									
Total Projected Future Debt (FY15-FY21)		71,916,000									
Total General Fund-Projected Future Debt	59,530	958,750	2,423,176	3,662,873	5,680,094	6,316,566	6,846,818	7,400,508	7,195,886	6,873,513	6,673,391
Future Debt Related Revenues	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Total Future Debt Related Revenues-General Fund	-	-	-	-	-	-	-	-	-	-	-
Total Net Projected Future Debt-General Fund	59,530	958,750	2,423,176	3,662,873	5,680,094	6,316,566	6,846,818	7,400,508	7,195,886	6,873,513	6,673,391
Total Gross Issued and Projected Debt-General Fund	11,231,523	11,939,125	12,746,361	12,951,718	14,247,710	14,109,890	14,104,362	14,393,064	13,309,242	10,898,219	9,998,512
Total Debt Related Revenues Actual and Projected	(3,311,411)	(3,368,151)	(3,367,142)	(3,366,132)	(3,365,122)	(3,328,055)	(3,328,055)	(3,328,055)	(3,328,055)	(2,311,833)	(2,311,833)
Total Net Issued and Projected Debt-General Fund	7,920,112	8,570,974	9,379,219	9,585,586	10,882,588	10,781,835	10,776,307	11,065,009	9,981,187	8,586,386	7,686,679

GENERAL FUND

GENERAL FUND

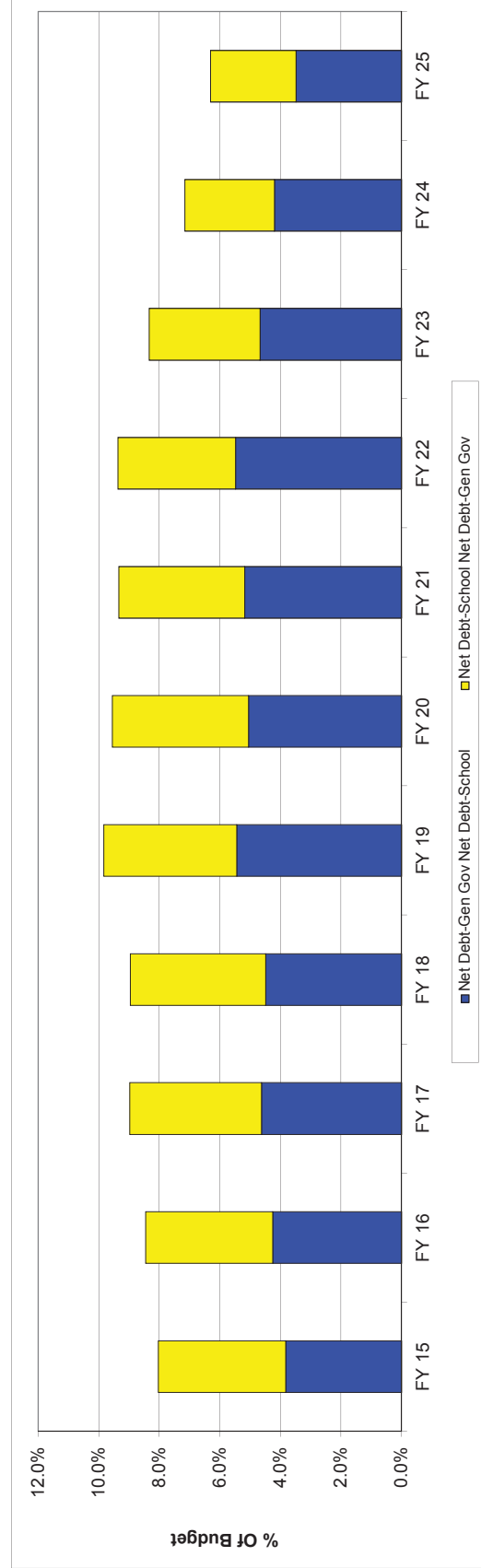
CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG TERM DEBT SERVICE FORECAST MODEL

City of Portsmouth

Net Debt Service as a Percentage of the General Fund Budget

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Total Gen Fund Without Debt Service (increase 2.50% in FY 16 and beyond)	87,383,636	89,494,577	91,731,941	94,025,240	96,375,871	98,785,267	101,254,899	103,786,271	106,380,928	109,040,451	111,766,463
Existing Debt Service-Gen Gov	5,257,737	5,100,030	4,638,015	3,786,599	3,409,984	2,788,043	2,476,038	2,381,450	1,662,675	1,374,900	743,565
Existing Debt Service-School	5,914,256	5,880,346	5,685,171	5,502,246	5,157,631	5,005,281	4,781,506	4,611,106	4,450,681	2,649,806	2,581,556
Projected Debt Service-Gen Gov	59,530	752,500	1,728,488	2,549,436	4,147,907	4,419,691	4,994,006	5,591,758	5,431,198	5,152,888	4,996,828
Projected Debt Service-School	-	206,250	694,688	1,113,438	1,532,188	1,896,875	1,852,813	1,808,750	1,764,688	1,720,625	1,676,563
Total Gross Debt Service	11,231,523	11,939,125	12,746,361	12,951,718	14,247,710	14,109,890	14,104,362	14,393,064	13,309,242	10,898,219	9,998,512
Debt Service Related Revenues-Gen Gov	(1,541,106)	(1,540,096)	(1,539,087)	(1,538,077)	(1,537,067)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Debt Service Related Revenues-Schools	(1,770,305)	(1,828,055)	(1,828,055)	(1,828,055)	(1,828,055)	(1,828,055)	(1,828,055)	(1,828,055)	(1,828,055)	(811,833)	(811,833)
Net Debt-Gen Gov	3,776,161	4,312,434	4,827,416	4,797,958	6,020,824	5,707,734	5,970,043	6,473,208	5,593,873	5,027,788	4,240,393
Net Debt-School	4,143,951	4,258,541	4,551,803	4,787,628	4,861,764	5,074,101	4,806,264	4,591,801	4,387,314	3,558,598	3,446,286
Total Net Debt	7,920,112	8,570,974	9,379,219	9,585,586	10,882,588	10,781,835	10,776,307	11,065,009	9,981,187	8,586,386	7,686,679
Total General Fund Budget	98,615,159	101,433,702	104,478,302	106,976,958	110,623,580	112,895,157	115,359,261	118,179,336	119,690,170	119,938,671	121,764,975

Percentage Debt Service of Budget:	8.03%	8.45%	8.98%	8.96%	9.84%	9.55%	9.34%	9.36%	8.34%	7.16%	6.31%
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Legend: ■ Net Debt-Gen Gov Net Debt-School ■ Net Debt-School Net Debt-Gen Gov

GENERAL FUND

PARKING and TRANSPORTATION FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
<u>ISSUED DEBT</u>											
<u>PARKING/TRANSPORTATION FUND-Issued Debt</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Total Parking/Trans Fund Issued Debt Principal Due	-	-	-	-	-	-	-	-	-	-	-
Total Parking/Trans Fund Issued Debt Interest Due	-	-	-	-	-	-	-	-	-	-	-
Total Parking/TransFund-Issued Debt	-	-	-	-	-	-	-	-	-	-	-
<u>PROJECTED FUTURE DEBT:</u>											
<u>PARKING/TRANSPORTATION FUND- Projected Future Debt</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
20 yr 3.50% PARKING FACILITY - DOWNTOWN LOCATION 23,200,000	-	-	1,972,000	1,931,400	1,890,800	1,850,200	1,809,600	1,769,000	1,728,400	1,687,800	1,647,200
Total Parking/Transportation Fund-Projected Future Debt	-	-	1,972,000	1,931,400	1,890,800	1,850,200	1,809,600	1,769,000	1,728,400	1,687,800	1,647,200
<u>Future Debt Related Revenues</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Total Future Debt Related Revenues-Parking/Transportation Fund	-	-	-	-	-	-	-	-	-	-	-
Total Net Projected Future Debt-Parking/Transportation Fund	-	-	1,972,000	1,931,400	1,890,800	1,850,200	1,809,600	1,769,000	1,728,400	1,687,800	1,647,200
Total Net Issued and Projected Debt-Parking/Transportation Fund	-	-	1,972,000	1,931,400	1,890,800	1,850,200	1,809,600	1,769,000	1,728,400	1,687,800	1,647,200

PARKING and TRANSPORTATION FUND

WATER FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL
CASH BASIS**

ISSUED DEBT

WATER FUND-Issued Debt

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
10/01/10 Bellamy Reservoir, Raw Water											
Principal-Last Pmt FY 15	33,521										
Interest	300										
05/15/02 Upgrade Motor Control Center											
Principal-Last Pmt FY 22	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
Interest	4,772	4,175	3,579	2,982	2,386	1,790	1,193	597			
05/15/02 Corrosion Control Program											
Principal-Last Pmt FY 22	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400			
Interest	4,378	3,831	3,284	2,736	2,189	1,642	1,095	548			
11/01/02 Constitution Avenue											
Principal-Last Pmt FY 23	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000		
Interest	80,007	71,117	62,228	53,338	44,448	35,559	26,669	17,780	8,890		
12/01/02 Spinney Tank											
Principal-Last Pmt FY 23	58,128	58,128	58,128	58,128	58,128	58,128	58,128	58,128	58,128		
Interest	19,504	17,337	15,170	13,003	10,836	8,669	6,502	4,335	2,168		
06/01/08 Madbury Treatment Plant-Desil											
Principal-Last Pmt FY 28	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Interest	48,832	45,344	41,856	38,368	34,880	31,392	27,904	24,416	20,928	17,440	13,952
01/15/09 Madbury Treatment Plant											
Principal-Last Pmt FY 29	845,000	845,000	845,000	845,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000
Interest	541,750	499,500	457,250	415,000	372,750	330,750	301,350	271,950	240,450	208,950	175,350
02/01/12 Madbury Treatment Plant											
Principal-Last Pmt FY 32	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest	122,400	115,600	108,800	102,000	95,200	88,400	81,600	74,800	68,000	61,200	54,400
06/25/14 Hobbs Hill Water Tank											
Principal-Last Pmt FY 34	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Interest	138,833	145,250	136,500	127,750	119,000	115,500	106,750	98,000	89,250	80,500	71,750
Total Water Fund Issued Debt Principal Due	1,731,049	1,697,528	1,697,528	1,697,528	1,692,528	1,692,528	1,692,528	1,692,528	1,663,128	1,365,000	1,365,000
Total Water Fund Issued Debt Interest Due	960,776	902,154	828,667	755,177	681,689	613,702	553,063	492,426	429,686	368,090	315,452
Total Water Fund-Issued Debt	2,691,825	2,599,682	2,526,195	2,452,705	2,374,217	2,306,230	2,245,591	2,184,954	2,092,814	1,733,090	1,680,452

WATER FUND

WATER FUND

CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL
CASH BASIS

PROJECTED FUTURE DEBT:

WATER FUND-Projected Future Debt

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
20 yr FY15-Greenland Well Authorized 09/22/14		87,500	85,625	83,750	81,875	80,000	78,125	76,250	74,375	72,500	70,625
20 yr FY15-Maplewood Ave Waterline Reple Authorized 09/22/14		288,750	282,563	276,375	270,188	264,000	257,813	251,625	245,438	239,250	233,063
20 yr FY15-Water System Pressure and Sto Authorized 09/22/14		43,750	42,813	41,875	40,938	40,000	39,063	38,125	37,188	36,250	35,313
20 yr FY16-Stage Two Disinfection By-Prodi			210,000	205,500	201,000	196,500	192,000	187,500	183,000	178,500	174,000
20 yr FY16-New Castle Water Lines Improv			262,500	256,875	251,250	245,625	240,000	234,375	228,750	223,125	217,500
20 yr FY16-Water System Pressure and Sto			43,750	42,813	41,875	40,938	40,000	39,063	38,125	37,188	36,250
20 yr FY17-Annual Waterline Replacement			14,063	64,922	63,516	62,109	60,703	59,297	57,891	56,484	55,078
20 yr FY17-Water System Pressure and Sto			9,375	43,281	42,344	41,406	40,469	39,531	38,594	37,656	36,719
20 yr FY18-Water System Pressure and Sto				9,375	43,281	42,344	41,406	40,469	39,531	38,594	37,656
20 yr FY19-Annual Waterline Replacement					14,063	64,922	63,516	62,109	60,703	59,297	57,891
20 yr FY20-Reservoir Management						9,375	43,281	42,344	41,406	40,469	39,531
Total Projected						1,087,219	1,096,375	1,070,688	1,045,000	1,019,313	993,625
Total Water Fund-Projected Future Debt	-	420,000	950,688	1,024,766	1,050,328	1,087,219	1,096,375	1,070,688	1,045,000	1,019,313	993,625
Total Issued and Projected Debt Water Fund	2,691,825	3,019,682	3,476,883	3,477,471	3,424,545	3,393,449	3,341,966	3,255,642	3,137,814	2,752,403	2,674,077

WATER FUND

SEWER FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL
CASH BASIS**

ISSUED DEBT

SEWER FUND-Issued Debt

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
12/21/00 Pease WWTP											
Principal-Last Pmt FY 20	321,450	321,450	321,450	321,450	321,450	321,450	321,450	321,450	321,450	321,450	321,450
Interest-State recalculated interest starting in FY 15 total saving \$226,950	25,208	13,115	9,836	6,568	3,279	3,279					
06/11/02 Sewer Projects Phase 1											
Principal-Last Pmt FY 22	246,568	246,568	246,568	246,568	246,568	246,568	246,568	246,568	246,568	246,568	246,568
Interest-State recalculated interest starting in FY 15 total saving \$197,808	61,228	20,120	16,767	13,413	10,060	6,707	3,353				
09/12/12 SSES - State Street											
Principal-Last Pmt FY 23	150,043	150,043	150,043	150,043	150,043	150,043	150,043	150,043	150,043	150,043	150,043
Interest-State recalculated interest starting in FY 15 total saving \$27,268	20,386	12,244	10,203	8,162	6,122	4,081	2,041				
05/04/05 Sewer Projects Phase 2											
Principal-Last Pmt FY 25	444,905	444,905	444,905	444,905	444,905	444,905	444,905	444,905	444,905	444,905	444,905
Interest-State recalculated interest starting in FY 15 total saving \$504,176	121,174	74,878	66,558	58,238	49,918	41,599	33,279	24,959	16,639	8,320	
12/01/08 Sewer Projects Phase 3											
Principal-Last Pmt FY 28	275,407	275,407	275,407	275,407	275,407	275,407	275,407	275,407	275,407	275,407	275,407
Interest-State recalculated interest starting in FY 15 total saving \$306,168	106,006	85,211	78,656	72,102	65,547	58,992	52,437	45,883	39,328	32,773	26,219
12/01/08 Lower Court Street Loan											
Principal-Last Pmt FY 28	34,428	34,428	34,428	34,428	34,428	34,428	34,428	34,428	34,428	34,428	34,428
Interest-State recalculated interest starting in FY 15 total saving \$36,048	15,477	10,652	9,833	9,013	8,194	7,375	6,555	5,736	4,916	4,097	3,278
01/01/11 Rye Line Pump Station Upgrades											
Principal-Last Pmt FY 30	53,486	53,486	53,486	53,486	53,486	53,486	53,486	53,486	53,486	53,486	53,486
Interest-State recalculated interest starting in FY 15 total saving \$25,456	23,425	20,731	19,349	17,967	16,585	15,203	13,821	12,439	11,057	9,674	8,292
01/01/11 201 Facilities Plan Updates											
Principal-Last Pmt FY 30	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest-State recalculated interest starting in FY 15 total saving \$24,288	21,408	19,380	18,088	16,796	15,504	14,212	12,920	11,628	10,336	9,044	7,752
12/16/11 LTCP Bartlett St. Area Sewer Ext											
Principal-Last Pmt FY 31	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512
Interest-State recalculated interest starting in FY 15 total saving \$191,222	123,187	110,799	103,874	96,949	90,024	83,099	76,174	69,249	62,324	55,399	48,474
12/14/11 P.I.W.W.T.P. Prel. Eng and LTCP Imp											
Principal-Last Pmt FY 32	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest	98,438	91,688	84,188	78,188	74,438	69,938	63,188	55,688	49,688	45,188	40,688
03/19/12 LTCP Contract#3B and Cass St. Area											
Principal-Last Pmt FY 32	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest	234,500	218,500	202,500	186,500	170,500	154,500	138,500	122,500	106,500	94,500	86,000
06/27/13 LTCP Contract#3C Lincoln Area											
Principal-Last Pmt FY 33	200,000	200,000	200,000	200,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Interest	113,310	107,310	101,310	95,310	89,310	83,460	77,610	71,760	65,910	60,060	54,210
06/01/14 LTCP Contract#3C											
Principal-Last Pmt FY 33	279,794	279,794	279,794	279,794	279,794	279,794	279,794	279,794	279,794	279,794	279,794
Interest	178,195	168,816	159,438	150,059	140,680	131,302	121,923	112,544	103,166	93,787	84,408
06/25/14 Peirce Island WWTP											
Principal-Last Pmt FY 34	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Interest	396,667	415,000	390,000	365,000	340,000	330,000	305,000	280,000	255,000	230,000	205,000
06/25/14 Pease WWTP											
Principal-Last Pmt FY 34	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Interest	138,833	145,250	136,500	127,750	119,000	115,500	106,750	98,000	89,250	80,500	71,750
Interest Savings FY 15 \$190,556											
Total Interest savings from State recalculation FY 15 - FY 31 \$1,539,384											
Total Sewer Fund Issued Debt Principal Due	3,545,593	3,545,593	3,545,593	3,545,593	3,540,593	3,540,593	3,219,142	2,822,531	2,822,531	2,822,531	2,822,531
Total Sewer Fund Issued Debt Interest Due	1,677,442	1,530,685	1,424,091	1,318,997	1,216,153	1,132,958	1,027,264	924,099	822,433	731,662	644,391
Total Sewer Fund-Issued Debt	5,223,035	5,076,278	4,969,684	4,864,590	4,756,745	4,673,551	4,246,407	4,143,241	3,644,965	3,554,193	3,466,922

SEWER FUND

SEWER FUND

**CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL
CASH BASIS**

Issued Debt Related Revenues		FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
SEWER Pease WWTP-State Aid		(115,981)	(111,897)	(107,814)	(103,730)	(99,646)	(95,563)					
SEWER Pease Development Authority		(147,436)	(142,246)	(137,054)	(131,863)	(126,672)	(121,481)					
SEWER Phase I-State Aid		(96,267)	(93,363)	(90,459)	(87,556)	(84,652)	(81,748)	(78,844)	(75,940)			
SEWER Phase 2-State Aid		(187,619)	(182,696)	(177,774)	(172,851)	(167,928)	(163,006)	(158,093)	(153,161)	(148,238)	(143,316)	(138,393)
Total Issued Debt Related Revenues-Sewer Fund		(547,303)	(530,202)	(513,101)	(495,000)	(478,898)	(461,798)	(236,937)	(229,101)	(148,238)	(143,316)	(138,393)
Total Net Issued Debt-Sewer Fund		4,675,732	4,546,076	4,456,583	4,368,590	4,277,847	4,211,753	4,009,470	3,914,140	3,496,727	3,410,877	3,328,529

SEWER FUND-Projected Future Debt

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
20 yr FY15-Fleet Street Utilities Upgrade			42,813	41,875	40,938	40,000	39,063	38,125	37,188	36,250	35,313
20 yr FY15-Lafayette Rd Pumping Station			42,813	41,875	40,938	40,000	39,063	38,125	37,188	36,250	35,313
20 yr FY16-Lafayette Rd Pumping Station			259,688	254,063	248,438	242,813	237,188	231,563	225,938	220,313	214,688
20 yr FY17-Annual Sewer Line Replacem			14,063	64,922	63,516	62,109	60,703	59,297	57,891	56,484	55,078
20 yr FY19- Annual Sewer Line Replacem					14,063	64,922	63,516	62,109	60,703	59,297	57,891
20 yr FY15-Pease WWTP Upgrades		87,500	85,625	83,750	81,875	80,000	78,125	76,250	74,375	72,500	70,625
Authorized 09/22/14											
20 yr FY18-Pease WWTP Upgrades				69,375	320,281	313,344	306,406	299,469	292,531	285,594	278,656
Total											
20 yr FY16-P.I.W.W.T.P. Upgrades			2,625,000	2,568,750	2,512,500	2,456,250	2,400,000	2,343,750	2,287,500	2,231,250	2,175,000
30 yr FY16-P.I.W.W.T.P. Upgrades				3,133,333	3,073,333	3,013,333	2,953,333	2,893,333	2,833,333	2,773,333	2,713,333
Total											
20 yr FY18-Long Term Control Plan				56,250	259,688	254,063	248,438	242,813	237,188	231,563	225,938
20 yr FY18-Mechanic St. Pumping Station				9,375	43,281	42,344	41,406	40,469	39,531	38,594	37,656
20 yr FY19-Mechanic St. Pumping Station					93,750	432,813	423,438	414,063	404,688	395,313	385,938
Total Projected											
Total Sewer Fund-Projected Future Debt		87,500	3,070,000	6,257,943	6,395,880	6,312,771	6,177,396	6,042,021	5,906,646	5,771,271	5,635,896

Future Debt Related Revenues

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
No Anticipated Revenues for New Debt	-	-	-	-	-	-	-	-	-	-	-
Total Future Debt Related Revenues-Sewer Fund	-	-	-	-	-	-	-	-	-	-	-
Total Net Projected Future Debt-Sewer Fund	-	87,500	3,070,000	6,257,943	6,395,880	6,312,771	6,177,396	6,042,021	5,906,646	5,771,271	5,635,896
Total Gross Issued and Projected Debt-Sewer	5,223,035	5,163,778	8,039,684	11,122,532	11,152,626	10,986,322	10,423,803	10,185,262	9,551,611	9,325,464	9,102,818
Total Net Issued and Projected Debt-Sewer Fund	4,675,732	4,633,576	7,526,583	10,626,532	10,673,728	10,524,524	10,186,866	9,956,161	9,403,373	9,182,148	8,964,425

SEWER FUND

CITY OF PORTSMOUTH, NEW HAMPSHIRE
LONG-TERM DEBT SERVICE FORECAST MODEL

City of Portsmouth
Outstanding Debt Service by Fiscal Year

Fiscal Year	General Fund-Gen Gov		General Fund-School		Total General Fund		Parking/Trans Fund		Water Fund		Sewer Fund		Total City of Portsmouth		Total Principal/Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
FY16	4,102,905	997,125	4,082,502	1,797,844	8,185,407	2,794,968	-	-	1,697,528	-	902,154	3,545,593	13,428,528	5,227,807	18,656,335
FY17	3,807,905	830,109	4,060,062	1,625,108	7,867,967	2,455,218	-	-	1,697,528	-	828,667	3,545,593	13,111,088	4,707,976	17,819,064
FY18	3,107,905	678,694	4,037,436	1,464,810	7,145,341	2,143,504	-	-	1,697,528	-	755,177	3,545,593	12,388,462	4,217,678	16,606,140
FY19	2,847,905	562,079	3,840,000	1,317,631	6,687,905	1,879,710	-	-	1,692,528	-	681,689	3,540,593	11,921,026	3,777,552	15,698,578
FY20	2,317,617	470,426	3,830,000	1,175,281	6,147,617	1,645,708	-	-	1,692,528	-	613,702	3,540,593	11,380,737	3,392,368	14,773,105
FY21	2,105,000	371,038	3,770,000	1,011,506	5,875,000	1,382,544	-	-	1,692,528	-	553,063	3,219,142	10,786,670	2,962,871	13,749,542
FY22	2,105,000	276,450	3,755,000	856,106	5,860,000	1,132,556	-	-	1,692,528	-	492,426	3,219,142	10,771,670	2,549,081	13,320,752
FY23	1,465,000	197,675	3,740,000	710,681	5,205,000	908,356	-	-	1,663,128	-	429,686	2,822,531	9,690,659	2,160,476	11,851,135
FY24	1,240,000	134,900	2,040,000	609,806	3,280,000	744,706	-	-	1,365,000	-	368,090	2,822,531	7,467,531	1,844,458	9,311,990
FY25	665,000	78,565	2,040,000	541,556	2,705,000	620,121	-	-	1,365,000	-	315,452	2,822,531	6,892,531	1,579,964	8,472,495
FY26	665,000	50,858	2,040,000	467,681	2,705,000	518,539	-	-	1,365,000	-	263,414	2,377,626	6,447,626	1,337,572	7,785,198
FY27	320,000	30,265	2,040,000	392,400	2,360,000	422,665	-	-	1,365,000	-	209,126	2,377,626	6,102,626	1,105,271	7,207,897
FY28	320,000	16,788	2,040,000	322,059	2,360,000	338,847	-	-	1,365,000	-	157,888	2,377,626	6,102,626	900,794	7,003,420
FY29	75,000	3,188	2,040,000	248,663	2,115,000	251,850	-	-	1,265,000	-	104,900	2,067,791	5,447,791	684,451	6,132,242
FY30			2,040,000	172,688	2,040,000	172,688	-	-	425,000	-	55,400	2,067,791	4,532,791	486,711	5,019,502
FY31			1,290,000	93,900	1,290,000	93,900	-	-	425,000	-	41,600	1,964,305	3,679,305	324,281	4,003,586
FY32			1,290,000	42,300	1,290,000	42,300	-	-	425,000	-	27,800	1,698,794	3,414,794	191,337	3,606,131
FY33			165,000	13,200	165,000	13,200	-	-	175,000	-	14,000	1,149,794	1,489,794	96,819	1,586,612
FY34			165,000	6,600	165,000	6,600	-	-	175,000	-	7,000	675,000	1,015,000	40,600	1,055,600
Totals	25,144,237	4,698,159	48,305,000	12,869,822	73,449,237	17,567,980	-	-	23,240,824	-	6,821,234	49,381,197	146,071,258	37,588,067	183,659,325
less Anticipated Debt Related Revenues (Does not include projected use of Committed Fund Balance)															
	(154,327)		(21,954,187)		(22,108,514)							(3,375,984)			(25,484,498)
Net Outstanding Debt	24,989,910	4,698,159	26,350,813	12,869,822	51,340,723	17,567,980	-	-	23,240,824	-	6,821,234	46,005,213	120,586,760	37,588,067	158,174,827