



## CITY OF PORTSMOUTH

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

John P. Bohenko  
City Manager

**To:** Honorable Mayor Jack Blalock and City Council Members  
**From:** John P. Bohenko, City Manager  
**Date:** April 29, 2016  
**Re:** Fiscal Year 2017 Budget Message

In accordance with Article VII of the City Charter, I hereby submit to you the Fiscal Year 2017 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 FY17 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 Trustees of Trust Funds. This document includes citywide 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 meet our community needs.

Entering FY17, the goal will be to continue to strengthen the City's core initiatives to ensure a better quality of life for our citizens. As we present a proposed budget for this fiscal year, it is important to acknowledge the City's annual maintenance of steady and predictable tax rates, as well as the financial planning that allows for realistic implementations of numerous City projects and the retention of valuable staff to uphold and expand City services that residents enjoy.

### **FISCAL YEAR 2017 GENERAL FUND BUDGET AND TAX RATE**

The City Council began the FY17 budget process by reinstating the Joint Budget Committee (JBC) which was charged with recommending to the City Manager and the City Council guidelines for the preparation of the proposed FY17 Operating Budget. The voting members of the committee were made up of the Mayor, two members of the City Council, two members of the School Board, and one member from each the Police and Fire Commission. By the end of calendar year 2015, the JBC was provided a preliminary FY17 proposed budget which was prepared with continuing consistent services and upholding the City's infrastructure goals and needs.

The JBC recommendation 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. With increases in costs such as cost-of-living adjustments (COLA), retirement, and health insurance premiums, the preliminary operating budget was presented with an overall increase of approximately 3.16%. The JBC voted in favor of a recommendation to the City Council to set a goal for the overall Operating Budget of ***no more than a 3% increase*** inclusive of budgeting for collective bargaining contingency for unsettled contract agreements. The consensus of the City Council was in favor of the JBC recommendation.

Therefore, I am presenting to you the Fiscal Year 2017 proposed budget that has been carefully prepared meeting the guidelines set forth by the City Council while addressing on-going fiscal challenges and continuing the practice of producing a predictable and stable tax rate for Portsmouth taxpayers. The following sections will identify specific factors which have an impact to both the Operating and Non-Operating Budget for FY17. Additional detail to these factors and other specific budget information is presented in the “Budget Highlights” section of this document immediately following my introduction letter.

**The recommended General Fund budget for FY17 is \$104,967,043 representing an operating budget increase of 3% and a non-operating budget of 3.96% for a total increase of \$3,270,841 or 3.22% over FY16.**

<i>FY17 Proposed Budget</i>	FY16 BUDGET	\$\$\$ INCREASE	FY17 PROPOSED BUDGET	% Change
OPERATING	79,125,185	2,377,089	81,502,274	3.00%
NON-OPERATING	22,571,017	893,752	23,464,769	3.96%
<b>TOTAL PROPOSED BUDGET</b>	<b>\$101,696,202</b>	<b>\$3,270,841</b>	<b>\$104,967,043</b>	<b>3.22%</b>

While keeping up with fiscal challenges imposed upon taxpayers as a result of downshifting by the State of New Hampshire, increased County Tax obligations, and an increase demand for services, a stable and predictable tax rate would not be possible without the financial policies that the City Council put in place several years ago. These policies have been instrumental in addressing long-term liabilities, lost revenues, and increased costs.

These policies include, but 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.

Although we have experienced improvements in non-tax revenue sources such as Motor Vehicle Registration, School Tuition and Building Permit fees since the recession, we are still out-

weighed by financial impacts imposed by the State of New Hampshire that affects the tax burden.

A culmination of State activity over several years – the elimination of shared revenues, state aid grants and retirement contributions, along with limited return from the Meals and Rooms Tax – has led to the City to propose creating alternative funding sources.

Due to the efforts of the City’s Legislative Subcommittee, City officials continue to work with delegates in an attempt to create enabling legislation to allow for added local revenue resources. In meeting regularly with various House members and our State Senator, our staff can better explore the intentions behind proposed and emerging bills – most recently those concerning meals and rooms taxes and hotel occupancy – and the consequences or benefits they could have for Portsmouth citizens. The work of this group and our staff continues in discussing new alternatives to help offset the overreliance on our City’s property tax and defer infrastructure costs. Meanwhile, the City has been able to plan accordingly to allow for a predictable property tax rate.

**If the proposed budget is adopted as presented, it will result in an estimated tax rate of \$17.10 which represents a 31¢ increase or 1.83%. This is an annual increase of \$107.20 for the median single family residential home in Portsmouth**

Median Single Family Residential Home

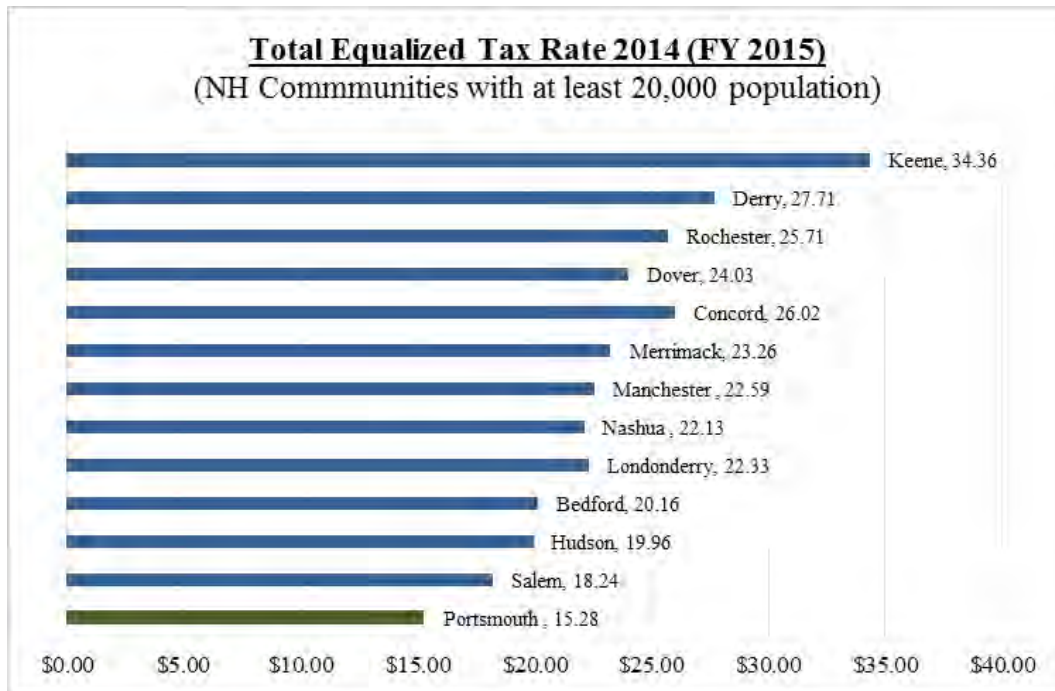
**\$345,800**

	Tax Rate Increase	Annual Increase	Monthly Increase
Property Tax Increase	<b>0.31</b>	<b>\$107.20</b>	<b>\$8.93</b>

If the City Council chooses to reduce this proposed tax rate, it would require a reduction in expenditures, increase in revenue or a combination of both keeping in mind that every 1¢ change in the tax rate equates to \$47,000.

The final 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.

The equalized valuation of Cities and Towns for Tax Year 2014 (*Fiscal Year 2015*) has been finalized by the State of New Hampshire. Portsmouth ranks the lowest for the equalized tax rate as compared to other NH communities with at least 20,000 in population as depicted in the following chart and ranks #42 as having the lowest equalized tax rate out of all 234 taxable communities.



***PROGRESS ON GOALS AND PUBLIC OUTREACH***

Our budget is built to maintain and expand programs and services that our citizens want and are supported by the City Council. 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):

- Wayfinding Plan
- Bike and Pedestrian Plan
- Character-based Zoning
- Master Plan
- Sarah Mildred Long Bridge
- Peirce Island Wastewater Treatment Facility
- Senior Programming and Services
- Parking Availability and Efficiency
- Recycling and Sustainability
- Islington Street Gateway
- Market Street Gateway
- Prescott Park Master Plan

With various plans, the City works to maintain Portsmouth’s character while stabilizing tax rates and welcoming new opportunities that encourage innovation, creativity and economic stability. As a large tourist destination, it is necessary to plan accordingly in order to accommodate the influx of visitors while maintaining optimal services for residents. We are fortunate to have a viable economy, and must continue to develop plans, such as increased parking and public transportation initiatives, to sustain revenue that supports the many cultural benefits that Portsmouth residents and visitors enjoy.

Due to responsible financial planning and extensive research, the City is able to implement larger, multi-million dollar initiatives that use resources efficiently while limiting financial burdens for current or future taxpayers.

A leading example of this, approved by the City Council, is the development of a second parking garage for the City. In addition to offering new parking and community spaces, a new garage will increase job opportunities as well as property tax revenues.

The City is also equipped to manage projects not necessarily foreseen or prioritized due to particular emergencies or changes in State or Federal regulations. For example, changes in EPA regulations regarding wastewater treatment processes has led to the City evaluating potential options for wastewater facility upgrades for several years. Recently, the City Council approved for the City to move forward in upgrading the Peirce Island Wastewater Treatment Facility, the most expensive project in City history. While this is a large undertaking in both financial and staff resources, strategic planning will prevent our customers from experiencing sharp spike in annual user rates.

Given ongoing announcements and large projects that affect City development and at times day-to-day experiences, the City continues to emphasize its public outreach 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. Additionally, Public Works introduced their Click N' Fix mobile application, allowing our residents to easily report incidents or areas of concern through an online interface or user-friendly mobile application. There is a plan to redesign the City website will also be initiated to improve information delivery.

### ***PROGRAM ENHANCEMENTS***

The City has implemented a succession and recruitment plan to meet long-term staffing needs in each department while not significantly increasing the budget. I believe the City has successfully both retained and enlisted talented staff that has enhanced residents' experiences and will continue to introduce forward-thinking initiatives this upcoming fiscal year.

Communication efforts spanning Public Works, City Hall and the Library have increased to offer more connectivity and stronger relationships between the community and City staff. With the expertise of the City's Planning staff, their invaluable input is crucial in the Master Plan process, which ensures projects under development in the City comply with all conditions set by the City's Land Use Boards. Our Transportation Planner works with local, state and federal agencies to expand biking and pedestrian accessibility throughout the City; this has led the City to be named a Bronze Level Bicycle Friendly Community by the League of American Bicyclists. Actions to increase this accreditation include a future project along Middle Street and Lafayette Road, linking neighborhoods to downtown and providing a safe path for students seeking a connection to Portsmouth High School, Portsmouth Middle School, the Library, and Leary Field. The City is also waiting to begin construction that would turn the abandoned Hampton Rail Trail into a dedicated bike and pedestrian path that would eventually run from Portsmouth to Hampton and potentially down to Massachusetts.

Public Works’ focus on sustainability efforts within wastewater, stormwater and recycling operations has increased significantly. City Engineers’ expertise in water resources and efficiency has led to being awarded the New Hampshire Department of Environmental Services’ Water Sustainability Award. Public Works’ solid waste and recycling program has been reassessed, with staff currently working to implement LED street lights citywide, increase education on recycling practices as well as add receptacles and branding efforts to improve ease of recycling in public spaces. Public Works’ parking program has also been modernized with a Parking Manager position to allow for the implementation of a credit card payment system at the parking garage and development of various payment options for on-street parking, use of mobile applications and more. And lastly, more resources have been dedicated to overall aesthetics and the beautification of parks and other public spaces throughout the City.

## BUDGET ENVIRONMENT

### *Operating Budget*

For FY17, each department is faced with increases that challenge the department when preparing their budgets in order to maintain services and keep budgetary increases at a minimum. The primary increases are related to salary obligations including retirement and health insurance costs as well as other operating increases facing each department as Portsmouth continues to be identified as an attractive, vibrant place by developers and visitors.

I present to you the total Operating Budget as requested by each department which does not exceed the City Council cap of 3%. The proposed Operating Budget of \$81,502,274 reflects an increase of \$2,377,089 or 3% over FY16. The following table depicts the increase by Department.

<b>PROPOSED FY17 OPERATING BUDGET</b>	<b>FY16 BUDGET</b>	<b>\$\$\$ INCREASE</b>	<b>FY17 PROPOSED BUDGET</b>	<b>% Change</b>
GENERAL GOVERNMENT	17,667,069	401,601	18,068,670	2.27%
POLICE	9,617,688	319,230	9,936,918	3.32%
FIRE	7,995,603	234,497	8,230,100	2.93%
SCHOOL	43,382,210	1,301,874	44,684,084	3.00%
	78,662,570	2,257,202	80,919,772	2.87%
COLLECTIVE BARGINING	312,615	119,887	432,502	38.35%
TRANSER TO INDOOR POOL	150,000	-	150,000	0.00%
<b>TOTAL</b>	\$79,125,185	\$2,377,089	\$81,502,274	3.00%

In addition to department budgets presented, the Operating Budget includes the transfer to the Indoor Pool Special Revenue fund – approved by the City Council in FY12 – and an appropriation for collective bargaining contingency, described later in this budget message.

*As municipal services are labor intensive, the primary factors affecting the Operating Budget are Salaries, Retirement, Health Insurance premiums, and Worker’s Compensation:*

**Salaries**

Full-time and part-time salaries increased by \$965,840 or 2.4% over FY16. The City of Portsmouth has sixteen (16) collective bargaining units of which six expired on June 30, 2014 and two will expire June, 30, 2016. The School Department makes up 62% of the total salary increase as all seven school collective bargaining units have settled contracts through FY17. The submitted budgets from Police, Fire and General Government are prepared *without* cost-of-living (COLA) adjustments (with the exception of 1386B) for the following eight (8) contracts that currently do not have settled agreements for fiscal year 2017.

- AFSCME Local 1386 servicing Public Works.
- Police Ranking Officers Association
- Police Patrolman Association
- Police Civilians
- Fire Officers Association
- Fire Fighters Association
- Professional Management Association
- Supervisory Management Alliance

Although these eight (8) contracts will expired prior to FY17, departments included step increases for employees who have not reached top step in the job classifications in accordance with current contracts.

At this time, we can only anticipate negotiated salaries and benefits associated with the eight (8) collective bargaining units that will expire prior to FY17. In keeping with the cap of 3% increase in Operating Budget inclusive of collective bargaining, I am recommending an appropriation of \$432,502 in a separate line item that would reserve funds until such time these contracts are approved.

**Retirement**

The retirement rates for the FY17 budget remains unchanged as we are in the second year of the certified rate provided by the New Hampshire Retirement System (NHRS). However, retirement costs are affected by any increase in salaries, such as COLA and step adjustments. The following table depicts the impact to each department and does not include retirement costs associated with salary adjustments that have not yet been negotiated.

<b>RETIREMENT</b>	<b>FY16 BUDGET</b>	<b>\$\$\$ INCREASE</b>	<b>FY17 PROPOSED BUDGET</b>	<b>% Change</b>
GENERAL GOVERNMENT	839,725	12,228	851,953	1.46%
POLICE	1,301,852	22,988	1,324,840	1.77%
FIRE	1,306,762	45,754	1,352,516	3.50%
SCHOOL	3,446,013	149,778	3,595,791	4.35%
	6,894,352	230,748	7,125,100	3.35%

It is important to remember that the State of New Hampshire began eliminating in FY 2010 its entire share of the employer contribution to the NHRS for Teachers, Police and Fire personnel. Over the last several years, the City has been forced to pay the portion of the contribution that

was historically paid by the State. For FY17, this is nearly \$2 million and \$10.4 million over the past eight fiscal years.

**Health Insurance**

Health insurance continues to be a major expense for the City. The creation of the Health Insurance Stabilization Fund in FY02 was instrumental in mitigating the budgetary challenge from year to year. 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 FY17 is 4.8%, which will result in a **total** premium cost of approximately \$13.8 million. The City employees’ share will be approximately \$2 million, or approximately 15% of the total cost, leaving the City’s share at \$11.8 million.

The 10-year average rate increase of 4.7% was used to establish the appropriation for each department resulting in an overall increase of \$495,028. The estimated \$800,000 balance will be funded with the health insurance stabilization reserves.

<b>HEALTH INSURANCE</b>	FY16 Budget	FY17 Budget Increase	FY17 Budget	Estimated City Cost	Stabilization Fund
		4.70%			
GENERAL GOVERNMENT	1,730,097	81,315	1,811,412	\$2,046,101	234,689
POLICE	1,490,798	70,068	1,560,866	\$1,579,475	18,610
FIRE	1,157,270	54,392	1,211,662	\$1,148,835	(62,827)
SCHOOL	6,154,349	289,254	6,443,603	\$7,057,898	614,295
<b>TOTAL</b>	<b>\$10,532,514</b>	<b>\$495,028</b>	<b>\$11,027,542</b>	<b>\$11,832,309</b>	<b>\$804,767</b>

Additional efforts to explore health plans have been made to assist in keeping the cost of health insurance premiums to a minimum. Although health care plans must be negotiated with each union, in the past few years, seven (7) collective bargaining units switched to SchoolCare Products supported by Cigna which saved both the employee and the City substantial amount of money.



### **Workers' Compensation**

Workers' Compensation premium for FY17 represents an overall increase of \$63,081 or 10.8% from FY16. The following table displays the budgetary percent change varies with each department based on claim experience.

COUNTY TAX OBLIGATION	5,002,383	275,131	5,277,514	5.50%
CONTINGENCY	250,000	-	250,000	0.00%
ROLLING STOCK	809,860	166,305	976,165	20.54%
UNASSIGNED FB-MIDDLE SCHOOL	650,000	(650,000)	-	-100.00%
OTHER NON-OPERATING	791,149	8,131	799,280	1.03%
CAPITAL OUTLAY	1,765,000	235,000	2,000,000	13.31%
<b>TOTAL</b>	<b>\$22,571,017</b>	<b>\$893,752</b>	<b>\$23,464,769</b>	<b>3.96%</b>

### **NON-OPERATING BUDGET**

The Non-Operating Budget of \$23,464,769 finances expenditures for debt service, overlay, capital outlay, county tax, contingency and other non-operating expenditures. The overall increase of \$893,752 or 3.96% over FY16.

<b>NON-OPERATING BUDGET</b>	<b>FY16 BUDGET</b>	<b>\$\$\$ INCREASE</b>	<b>FY17 PROPOSED BUDGET</b>	<b>% Change</b>
DEBT RELATED EXPENSES	275,000	-	275,000	0.00%
DEBT SERVICE	11,756,625	839,185	12,595,810	7.14%
OVERLAY	950,000	-	950,000	0.00%
PROPERTY & LIABILITY	321,000	20,000	341,000	6.23%
COUNTY TAX OBLIGATION	5,002,383	275,131	5,277,514	5.50%
CONTINGENCY	250,000	-	250,000	0.00%
ROLLING STOCK	809,860	166,305	976,165	20.54%
UNASSIGNED FB-MIDDLE SCHOOL	650,000	(650,000)	-	-100.00%
OTHER NON-OPERATING	791,149	8,131	799,280	1.03%
CAPITAL OUTLAY	1,765,000	235,000	2,000,000	13.31%
<b>TOTAL</b>	<b>\$22,571,017</b>	<b>\$893,752</b>	<b>\$23,464,769</b>	<b>3.96%</b>

*The increase in the Non-Operating Budget is primarily attributed to Debt Service, County Tax Obligation, and Capital Outlay.*

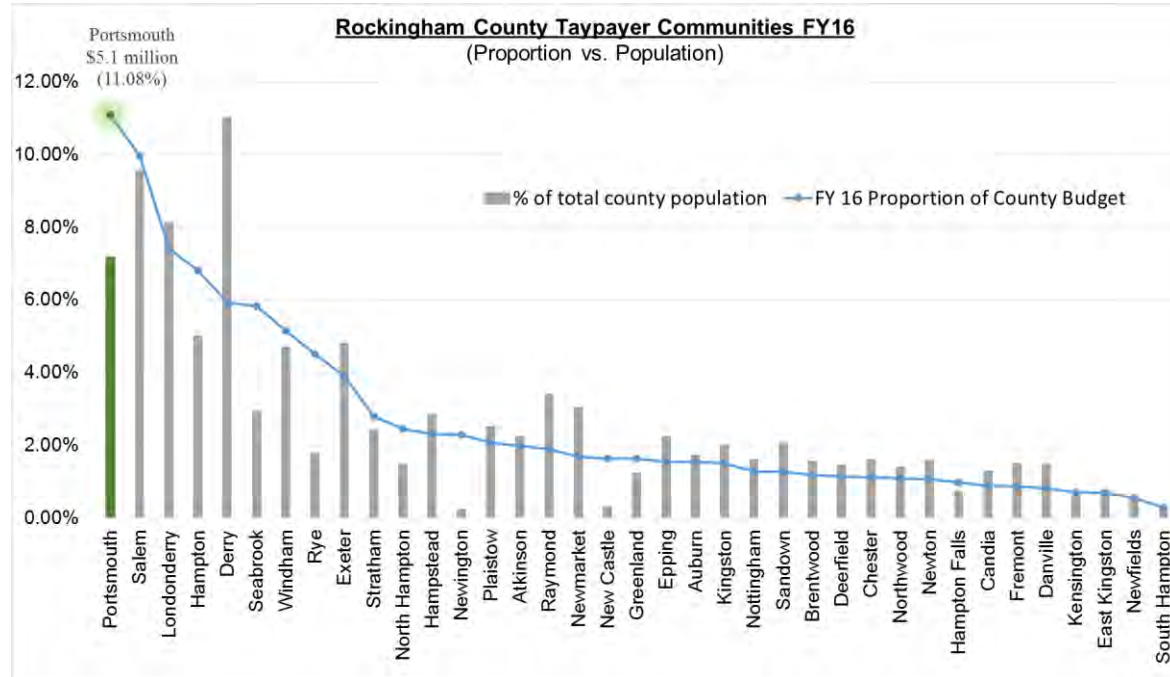
The increase in debt service payments is \$839,185 or 7.14% over FY16 due to projected future debt payments outlined in the Capital Improvement Plan. Despite this increase, we remain within the guidelines established by the City's debt service policy. This increase will bring the City's net debt service payments to 8.6% 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 City is annually assessed its portion of the Rockingham County Budget based on its proportion of the equalized property value in the County. This proportion, which determines the actual amount due to the County, is established by the State of New Hampshire and is not available until just prior of setting the tax rate. It is estimated that the County tax obligation for FY17 will be nearly \$5.3 million.

Rockingham County is comprised of 37 communities. Although Portsmouth is the 4<sup>th</sup> most populous community, making up 7.2% of the total county population, Portsmouth paid 11.08% of the tax obligation in FY16, the highest contributor of the entire County.



### Capital Outlay

The Planning Board-CIP Subcommittee has recommended for FY17 an appropriation of \$2,000,000 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 of up to 2% of the prior year’s general fund budget. *[The projects identified can be found in the Highlight section and in the Appendix II of this document.]*

## 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 implemented a rate stabilization policy in FY14. This policy allows for either the increase or use of net position to create a rate structure in future years that will avoid large spikes in user rates as we begin to pay for these regulatory-driven costs.

### ***User Rates for Fiscal Year 2017***

- Water – For the sixth 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 4%.

More detail is provided in the Water and Sewer Enterprise Fund sections of this document regarding the Water and Sewer proposed FY17 budget, rate study, and services.

## **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.

The City of Portsmouth continues its reputation of achieving a balanced budget during various economic challenges. I am grateful for the work of the Joint Budget Committee, and all Department Heads, Boards and Commissions, especially the Finance Department, for their assistance in producing this budget document, as well as the Legislative Subcommittee for their ongoing efforts in identifying ways to return more funds back to our residents. I am also appreciative to our vocal and passionate community, whose input on public policies and projects are highly valued.

I am confident this budget is balanced through both the budget rules and fiscal policy. It reflects the top priorities of the City Council, and provides for significant progress in areas important in sustaining and improving the quality of life in Portsmouth.

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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# 2017 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.

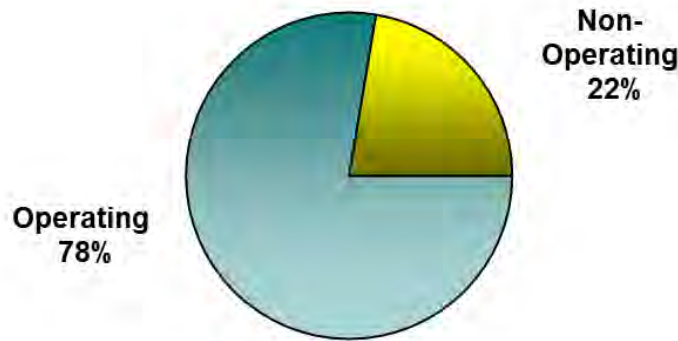
The following table is a summary of major expenditure categories for the FY15 budget and actual, FY16 budget, FY17 City Manager's recommended budget, as well as the percent and dollar change over FY16.

TOTAL GENERAL FUND	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
SALARIES	37,794,183	37,274,202	38,503,079	39,439,715	2.43%	936,636
PART TIME SALARIES	1,638,456	1,734,504	1,739,220	1,768,424	1.68%	29,204
CITY COUNCIL/COMMISSIONS	41,600	37,245	41,600	41,600	0.00%	0
OVERTIME	1,498,807	1,796,251	1,533,307	1,603,858	4.60%	70,551
HOLIDAY	287,380	287,949	286,905	302,663	5.49%	15,758
*LONGEVITY	116,649	114,422	121,305	121,928	0.51%	623
CERTIFICATION STIPENDS	287,413	232,283	246,734	268,835	8.96%	22,101
SPECIAL DETAIL / EDUCATION STIPEND	72,917	70,887	71,194	69,156	-2.86%	(2,038)
RETIREMENT	6,405,597	6,246,072	6,894,352	7,125,100	3.35%	230,748
HEALTH INSURANCE	10,040,653	10,040,653	10,532,514	11,027,542	4.70%	495,028
DENTAL INSURANCE	620,108	629,296	641,056	652,395	1.77%	11,339
INSURANCE REIMBURSEMENT	120,308	117,153	125,695	137,306	9.24%	11,611
LEAVE AT TERMINATION	925,287	925,287	900,287	875,287	-2.78%	(25,000)
LIFE AND DISABILITY	258,112	249,347	262,623	262,132	-0.19%	(491)
WORKERS' COMPENSATION	623,158	544,282	584,372	647,453	10.79%	63,081
PROFESSIONAL DEVELOPMENT (SCHOOL ONLY)	250,080	237,087	250,080	253,080	1.20%	3,000
OTHER BENEFITS	2,822,582	2,644,714	2,846,096	2,943,144	3.41%	97,048
COLLECTIVE BARGAINING CONTINGENCY	92,790	92,790	312,615	432,502	38.35%	119,887
POLICE SERVICES - PARKING	(80,000)	(80,000)	(80,000)	(80,000)	0.00%	0
POLICE SERVICES-SCHOOL DEPT	-	(40,000)	-	-		0
<b>TOTAL SALARIES AND BENEFITS</b>	<b>63,816,080</b>	<b>63,154,425</b>	<b>65,813,034</b>	<b>67,892,120</b>	<b>3.16%</b>	<b>2,079,086</b>
TRAINING/EDUCATION/CONFERENCES	145,390	109,608	147,492	157,470	6.77%	9,978
ELECTRICITY	1,373,736	1,385,481	1,740,243	1,697,343	-2.47%	(42,900)
NATURAL GAS	626,533	473,641	638,803	574,353	-10.09%	(64,450)
FUEL OIL	786	-	786	786	0.00%	0
GASOLINE	403,700	341,510	414,899	373,000	-10.10%	(41,899)
DIRECT ASSISTANCE	279,100	197,654	251,100	222,600	-11.35%	(28,500)
OUTSIDE SOCIAL SERVICES	148,228	148,228	149,894	154,540	3.10%	4,646
CONTRACTED SERVICES	2,237,665	2,626,909	2,567,744	2,817,690	9.73%	249,946
PUPIL TRANSPORTATION	1,015,814	1,036,671	1,043,425	1,086,341	4.11%	42,916
TUITION	1,081,354	999,147	821,126	853,514	3.94%	32,388
ADVERTISING	38,999	44,174	39,778	40,059	0.71%	281
PRINTING	49,892	39,849	54,967	51,139	-6.96%	(3,828)
PROFESSIONAL ORGANIZATION DUES	114,099	123,340	123,583	137,319	11.11%	13,736
STUDENT BOOKS / PERIODICALS	217,004	184,316	209,885	203,146	-3.21%	(6,739)
OTHER OPERATING	4,594,561	4,857,397	4,958,426	5,090,854	2.67%	132,428
TRANSFER TO INDOOR POOL	150,000	150,000	150,000	150,000	0.00%	0
<b>TOTAL OTHER OPERATING</b>	<b>12,476,860</b>	<b>12,717,924</b>	<b>13,312,151</b>	<b>13,610,154</b>	<b>2.24%</b>	<b>298,003</b>
<b>TOTAL OPERATING</b>	<b>76,292,940</b>	<b>75,872,350</b>	<b>79,125,185</b>	<b>81,502,274</b>	<b>3.00%</b>	<b>2,377,089</b>
DEBT RELATED EXPENSES	275,000	60,199	275,000	275,000	0.00%	0
DEBT SERVICE	11,231,523	11,171,993	11,756,625	12,595,810	7.14%	839,185
CONTINGENCY	250,000	250,000	250,000	250,000	0.00%	0
OVERLAY	1,000,000	1,000,000	950,000	950,000	0.00%	0
COUNTY	4,764,174	4,832,388	5,002,383	5,277,514	5.50%	275,131
PROPERTY & LIABILITY	318,000	305,209	321,000	341,000	6.23%	20,000
ROLLING STOCK	786,300	786,300	809,860	976,165	20.54%	166,305
UNASSIGNED FB-MIDDLE SCHOOL UPGRADES	-	-	650,000	-	-100.00%	(650,000)
USE OF BOND PREMIUM	1,417,897	1,417,897	-	-		0
OTHER NON-OPERATING	679,325	679,625	791,149	799,280	1.03%	8,131
CAPITAL	1,600,000	1,600,000	1,765,000	2,000,000	13.31%	235,000
<b>TOTAL NON-OPERATING</b>	<b>22,322,219</b>	<b>22,103,612</b>	<b>22,571,017</b>	<b>23,464,769</b>	<b>3.96%</b>	<b>893,752</b>
<b>TOTAL GENERAL FUND BUDGET</b>	<b>98,615,159</b>	<b>97,975,962</b>	<b>101,696,202</b>	<b>104,967,043</b>	<b>3.22%</b>	<b>3,270,841</b>

\*Excluding School

The total proposed FY17 appropriation for the General Fund is \$104,967,043 or a 3.22% increase over the FY16 budget. The Operating budget of \$81,502,274 represents 78% of the total budget while the non-operating portion of \$23,464,769 represents 22% as depicted in the pie chart below.

**FY17 Proportion of Operating & Non-Operating Proposed Budget**

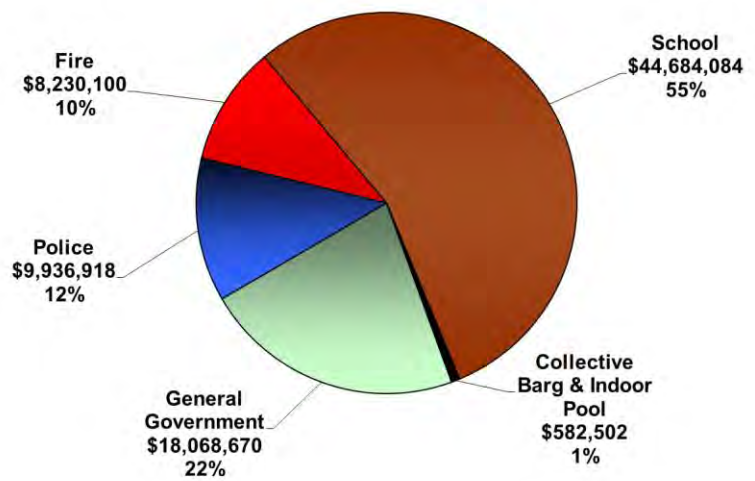


### ***Operating Budget***

The total proposed Operating Budget for FY17 is \$81,502,274 which funds the expenditures associated with the day-to-day operations and services provided by the General Government, Police, Fire and School Departments.

The Operating Budget which, includes \$432,502 for Collective Bargaining Contingency and \$150,000 for operations related to the Indoor Pool, represents an increase of \$2,377,089 or 3.00% from the FY16 budget.

**FY17 Proposed Operating 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 FY15 budget, FY15 actual, FY16 budget, and the FY17 City Manager’s recommended as well as the percent and dollar change over FY16. 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 FY17 budget for the General Government is \$18,068,670. This is an increase of \$401,601 or 2.27% from FY16.

TOTAL GENERAL GOVERNMENT	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
SALARIES	6,936,688	6,708,790	6,988,367	7,124,535	1.95%	136,168
PART-TIME SALARIES	720,255	716,580	789,824	830,654	5.17%	40,830
CITY COUNCIL/TRUSTEES	20,400	17,770	20,400	20,400	0.00%	0
OVERTIME	329,448	427,628	335,948	355,500	5.82%	19,552
LONGEVITY	52,553	50,629	52,156	52,200	0.08%	44
RETIREMENT	805,090	787,747	839,725	851,953	1.46%	12,228
HEALTH INSURANCE	1,686,043	1,686,043	1,730,097	1,811,412	4.70%	81,315
DENTAL INSURANCE	114,847	117,662	128,300	128,300	0.00%	0
INSURANCE REIMBURSEMENT	52,500	56,401	65,814	57,500	-12.63%	(8,314)
LEAVE AT TERMINATION	300,000	300,000	275,000	250,000	-9.09%	(25,000)
LIFE AND DISABILITY	44,300	42,073	48,000	47,209	-1.65%	(791)
WORKERS' COMPENSATION	184,445	162,961	169,870	159,708	-5.98%	(10,162)
OTHER BENEFITS	624,233	580,708	630,880	641,284	1.65%	10,404
<b>TOTAL CONTRACTUAL OBLIGATIONS</b>	<b>11,870,802</b>	<b>11,654,993</b>	<b>12,074,381</b>	<b>12,330,655</b>	2.12%	256,274
TRAINING/EDUCATION/CONFERENCES	66,825	50,730	66,850	72,025	7.74%	5,175
ELECTRICITY	729,500	677,245	805,800	809,400	0.45%	3,600
NATURAL GAS	178,500	135,063	181,000	158,000	-12.71%	(23,000)
GASOLINE	225,000	212,140	225,000	200,000	-11.11%	(25,000)
WELFARE DIRECT ASSISTANCE	279,100	197,654	251,100	222,600	-11.35%	(28,500)
OUTSIDE SOCIAL SERVICES	148,228	148,228	149,894	154,540	3.10%	4,646
CONTRACTED SERVICES	1,176,052	1,373,318	1,201,621	1,426,177	18.69%	224,556
ADVERTISING	33,100	39,093	33,800	34,000	0.59%	200
PRINTING	26,750	21,498	32,160	28,720	-10.70%	(3,440)
PROFESSIONAL ORGANIZATION DUES	60,096	58,583	64,246	67,296	4.75%	3,050
OTHER OPERATING	2,332,507	2,249,321	2,581,217	2,565,257	-0.62%	(15,960)
<b>TOTAL OTHER OPERATING</b>	<b>5,255,658</b>	<b>5,162,872</b>	<b>5,592,688</b>	<b>5,738,015</b>	2.60%	145,327
<b>TOTAL GENERAL GOVERNMENT</b>	<b>17,126,460</b>	<b>16,817,865</b>	<b>17,667,069</b>	<b>18,068,670</b>	2.27%	401,601



## Police Department

The total proposed City Manager FY17 budget for the Police Department is \$9,936,918. This is an increase of \$319,230 or 3.32% from FY16.

	FY15	FY15	FY16	FY17	%	\$
	BUDGET	ACTUAL	BUDGET	CITY MANAGER RECOMMENDED	CHANGE	CHANGE
<b>POLICE DEPARTMENT</b>						
SALARIES - UNIFORM	3,682,819	3,660,044	3,703,347	3,741,327	1.03%	37,980
SALARIES - CIVILIAN	1,027,875	953,994	1,079,450	1,165,219	7.95%	85,769
SHIFT DIFFERENTIAL	24,499	19,653	24,499	24,499	0.00%	0
PART-TIME SALARIES	126,022	108,007	149,267	114,058	-23.59%	(35,209)
COMMISSIONER STIPEND	3,600	3,600	3,600	3,600	0.00%	0
OVERTIME	519,423	596,603	519,423	523,423	0.77%	4,000
HOLIDAY	154,661	153,585	149,982	162,925	8.63%	12,943
LONGEVITY	34,395	34,079	35,963	33,251	-7.54%	(2,712)
SPECIAL DETAIL / EDUCATION STIPEND	72,917	70,887	71,194	69,156	-2.86%	(2,038)
RETIREMENT	1,240,014	1,236,015	1,301,852	1,324,840	1.77%	22,988
HEALTH INSURANCE	1,414,956	1,414,956	1,490,798	1,560,866	4.70%	70,068
DENTAL INSURANCE	89,127	82,646	91,432	94,842	3.73%	3,410
INSURANCE REIMBURSEMENT	3,665	3,221	3,221	2,777	-13.78%	(444)
LEAVE AT TERMINATION	155,203	155,203	155,203	155,203	0.00%	0
LIFE AND DISABILITY	5,073	4,740	6,154	6,597	7.20%	443
WORKERS' COMPENSATION	124,201	108,910	119,147	187,175	57.10%	68,028
OTHER BENEFITS	213,271	199,504	222,101	229,043	3.13%	6,942
POLICE SERVICES-PARKING FUND	(80,000)	(80,000)	(80,000)	(80,000)	0.00%	0
POLICE SERVICES-SCHOOL DEPT	-	(40,000)	-	-		0
<i>Contractual Obligations</i>	<i>8,811,721</i>	<i>8,685,646</i>	<i>9,046,633</i>	<i>9,318,801</i>	<i>3.01%</i>	<i>272,168</i>
TRAINING/EDUCATION/CONFERENCES	52,565	48,981	54,142	67,445	24.57%	13,303
GASOLINE	106,000	75,590	113,419	100,000	-11.83%	(13,419)
CONTRACTED SERVICES	26,961	40,228	27,768	30,731	10.67%	2,963
ADVERTISING	2,624	1,902	2,703	2,784	3.00%	81
PRINTING	5,173	2,625	5,328	5,489	3.02%	161
PROFESSIONAL ORGANIZATION DUES	8,852	19,683	9,118	19,383	112.58%	10,265
OTHER OPERATING	340,458	386,884	358,577	392,285	9.40%	33,708
<i>Other Operating</i>	<i>542,633</i>	<i>575,893</i>	<i>571,055</i>	<i>618,117</i>	<i>8.24%</i>	<i>47,062</i>
						0
<b>TOTAL POLICE DEPARTMENT</b>	<b>9,354,354</b>	<b>9,261,539</b>	<b>9,617,688</b>	<b>9,936,918</b>	<b>3.32%</b>	<b>319,230</b>

## Fire Department

The Fire Department's FY17 proposed budget is \$8,230,100. This is an increase of \$234,497 or 2.93% from FY16.

	FY15	FY15	FY16	FY17	%	\$
	BUDGET	ACTUAL	BUDGET	CITY MANAGER RECOMMENDED	CHANGE	CHANGE
<b>FIRE DEPARTMENT</b>						
SALARIES	3,365,826	3,316,449	3,420,866	3,497,261	2.23%	76,395
PART-TIME SALARIES	55,348	62,866	56,481	64,741	14.62%	8,260
COMMISSIONER STIPEND	3,600	3,600	3,600	3,600	0.00%	0
OVERTIME	581,000	678,817	609,000	656,000	7.72%	47,000
HOLIDAY	132,719	134,364	136,923	139,738	2.06%	2,815
LONGEVITY	29,701	29,714	33,186	36,477	9.92%	3,291
CERTIFICATION STIPENDS	287,413	232,283	246,734	268,835	8.96%	22,101
RETIREMENT	1,227,458	1,216,041	1,306,762	1,352,516	3.50%	45,754
HEALTH INSURANCE	1,098,396	1,098,396	1,157,270	1,211,661	4.70%	54,391
DENTAL INSURANCE	70,077	63,946	70,077	65,006	-7.24%	(5,071)
INSURANCE REIMBURSEMENT	64,143	57,531	56,660	77,029	35.95%	20,369
LEAVE AT TERMINATION	70,084	70,084	70,084	70,084	0.00%	0
WORKERS' COMPENSATION	213,898	185,916	199,769	149,607	-25.11%	(50,162)
LIFE AND DISABILITY	20,600	21,703	23,330	23,187	-0.61%	(143)
OTHER BENEFITS	108,479	103,645	108,380	111,957	3.30%	3,577
<i>Contractual Obligations</i>	<i>7,328,742</i>	<i>7,275,356</i>	<i>7,499,122</i>	<i>7,727,699</i>	<i>3.05%</i>	<i>228,577</i>
TRAINING/EDUCATION/CONFERENCES	26,000	9,897	26,500	18,000	-32.08%	(8,500)
ELECTRICITY	41,000	38,932	51,250	55,000	7.32%	3,750
NATURAL GAS	30,000	26,942	34,200	34,000	-0.58%	(200)
GASOLINE	54,000	40,542	57,780	58,000	0.38%	220
CONTRACTED SERVICES	20,000	17,452	21,000	16,000	-23.81%	(5,000)
ADVERTISING	500	772	500	500	0.00%	0
PRINTING	400	256	250	250	0.00%	0
PROFESSIONAL ORGANIZATION DUES	11,648	10,235	13,901	13,901	0.00%	0
OTHER OPERATING	250,150	323,096	291,100	306,750	5.38%	15,650
<i>Other Operating</i>	<i>433,698</i>	<i>468,124</i>	<i>496,481</i>	<i>502,401</i>	<i>1.19%</i>	<i>5,920</i>
						0
<b>TOTAL FIRE DEPARTMENT</b>	<b>7,762,440</b>	<b>7,743,480</b>	<b>7,995,603</b>	<b>8,230,100</b>	<b>2.93%</b>	<b>234,497</b>



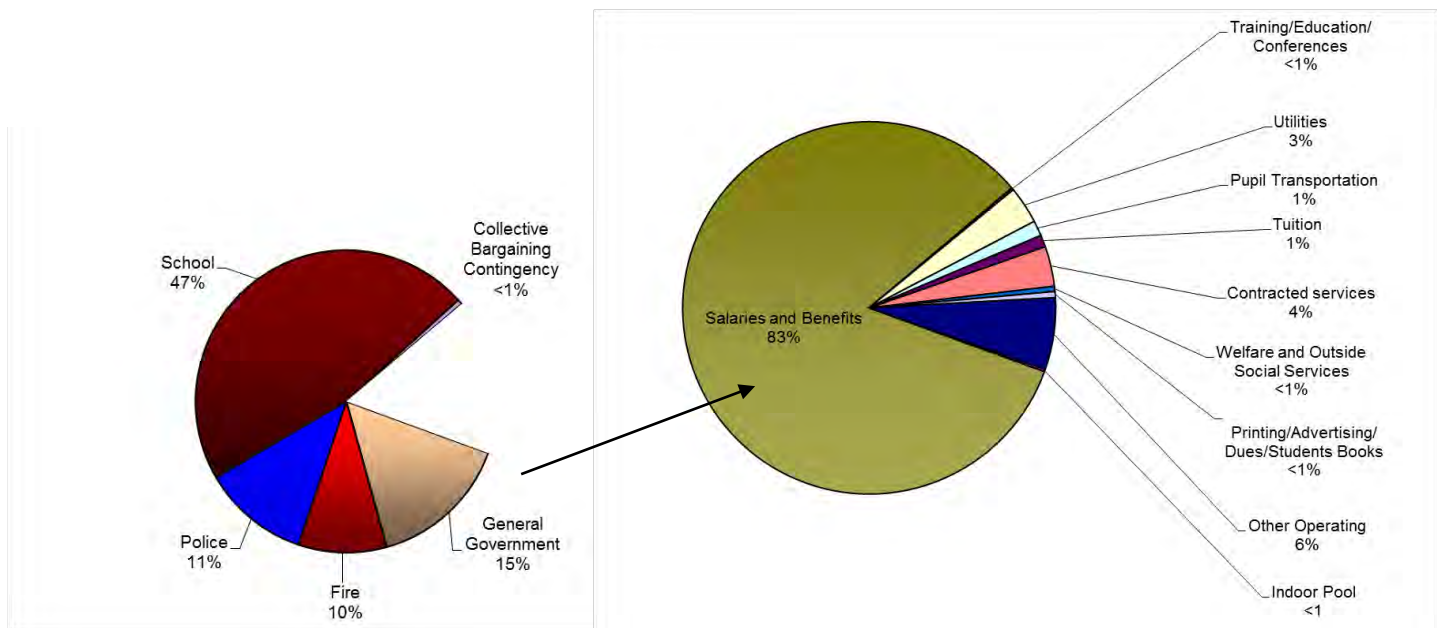
## School Department

The School Department's FY17 proposed budget is \$44,684,084. This is an increase of \$1,301,874 or 3.00% from FY16.

	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
<b>SCHOOL DEPARTMENT</b>						
TEACHERS	18,627,563	18,538,130	19,014,295	19,453,144	2.31%	438,849
SALARIES	4,128,913	4,077,143	4,272,255	4,433,730	3.78%	161,475
PART-TIME SALARIES	736,831	847,052	743,648	758,971	2.06%	15,323
SCHOOL BOARD STIPEND	14,000	12,275	14,000	14,000	0.00%	0
OVERTIME	68,936	93,203	68,936	68,935	0.00%	(1)
RETIREMENT	3,133,035	3,006,268	3,446,013	3,595,791	4.35%	149,778
HEALTH INSURANCE	5,841,258	5,841,258	6,154,349	6,443,603	4.70%	289,254
DENTAL INSURANCE	346,057	365,042	351,247	364,247	3.70%	13,000
LEAVE AT TERMINATION	400,000	400,000	400,000	400,000	0.00%	0
WORKERS' COMPENSATION	100,614	86,495	95,586	150,963	57.93%	55,377
LIFE AND DISABILITY	188,139	180,831	185,139	185,139	0.00%	0
PROFESSIONAL DEVELOPMENT	250,080	237,087	250,080	253,080	1.20%	3,000
OTHER BENEFITS	1,876,599	1,760,857	1,884,735	1,960,860	4.04%	76,125
<i>Contractual Obligations</i>	35,712,025	35,445,641	36,880,283	38,082,463	3.26%	1,202,180
TUITION	1,081,354	999,147	821,126	853,514	3.94%	32,388
TRANSPORTATION	1,015,814	1,036,671	1,043,425	1,086,341	4.11%	42,916
CONTRACTED SERVICES	1,014,652	1,195,911	1,317,355	1,344,782	2.08%	27,427
ADVERTISING	2,775	2,407	2,775	2,775	0.00%	0
PRINTING	17,569	15,470	17,229	16,680	-3.19%	(549)
ELECTRICITY	603,236	669,304	883,193	832,943	-5.69%	(50,250)
NATURAL GAS	418,033	311,636	423,603	382,353	-9.74%	(41,250)
FUEL OIL	786	-	786	786	0.00%	0
GASOLINE	18,700	13,237	18,700	15,000	-19.79%	(3,700)
REPAIR/MAINTENANCE	408,641	529,849	416,279	465,450	11.81%	49,171
STUDENT BOOKS / PERIODICALS	217,004	184,316	209,885	203,146	-3.21%	(6,739)
PROFESSIONAL ORGANIZATION DUES	33,503	34,839	36,318	36,739	1.16%	421
OTHER OPERATING	1,262,805	1,368,247	1,311,253	1,361,112	3.80%	49,859
<i>Other Operating</i>	6,094,871	6,361,035	6,501,927	6,601,621	1.53%	99,694
<b>TOTAL</b>	<b>41,806,896</b>	<b>41,806,676</b>	<b>43,382,210</b>	<b>44,684,084</b>	<b>3.00%</b>	<b>1,301,874</b>

### 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 sixteen (16) collective bargaining units of which six expired on June 30, 2014; two will expire June 30, 2016; and the remaining agreements will have settled contracts for FY17. (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)	6/30/2016	Ranking Officers Association	6/30/2014	Fire Officers Association	6/30/2014	Principals/Directors	6/30/2018
Supervisory Management Alliance (SMA)	6/30/2016	Portsmouth Patrolman Association	6/30/2014	FireFighter Association	6/30/2014	Association of Portsmouth's Teachers	6/30/2018
AFSCME Local 1386B Library & Clericals	6/30/2017	Civilians	6/30/2014			Clerical Employees	6/30/2018
AFSCME Local 1386 Public Works	6/30/2014					Custodial	6/30/2017
						Cafeteria	6/30/2017
						Paraprofessionals	6/30/2017
						Custodial Supervisors	6/30/2018

## Retirement

The New Hampshire Retirement System (NHRS) sets the contribution rate every two years and FY17 marks the second year for this certification period. Therefore, the contribution rates will not change from FY16. The following tables depict both the City's and employee's contribution rates.

RETIREMENT RATES-EMPLOYER			
	FY16 Rates	FY17 Rates	% change from FY16 rates
<b>GROUP I</b>			
Employees	11.17%	11.17%	0.00%
Teachers	15.67%	15.67%	0.00%
<b>GROUP II</b>			
Police	26.38%	26.38%	0.00%
Fire	29.16%	29.16%	0.00%

RETIREMENT RATES-EMPLOYEE	
	Rates
<b>GROUP I</b>	
Employees	7.00%
Teachers	7.00%
<b>GROUP II</b>	
Police	11.55%
Fire	11.80%

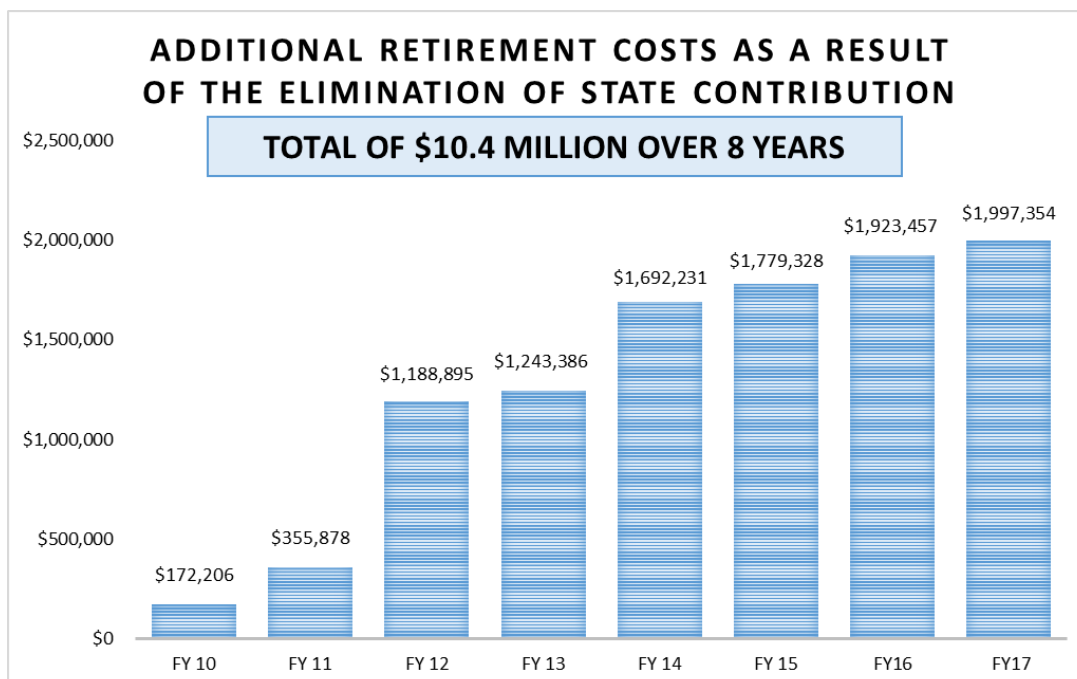
The following table displays the increase in Retirement for FY17 by department due to salary adjustments including step increases. The increase of \$230,748 or 3.35% over FY16 does not reflect any retirement increases associated with salary adjustments for the eight (8) collective bargaining agreements that will be expired on June 30, 2016.

<b>RETIREMENT APPROPRIATION FY17</b>				
	FY16 Budget	FY17 Proposed Budget	\$ Change	Percent % Change
General Government	839,725	851,953	12,228	1.46%
Police Department	1,301,852	1,324,840	22,988	1.77%
Fire Department	1,306,762	1,352,516	45,754	3.50%
School Department	3,446,013	3,595,791	149,778	4.35%
<b>Total</b>	<b>\$6,894,352</b>	<b>\$7,125,100</b>	<b>\$230,748</b>	<b>3.35%</b>

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.

<b>STATE RETIREMENT CONTRIBUTION PROPORTIONS</b>					
	FY09 Rates	FY10 Rates	FY11 Rates	FY12-FY16 Rates	FY17 Rates
<b>GROUP I</b>					
Employees	0.00%	0.00%	0.00%	0.00%	0.00%
Teachers	35.00%	30.00%	25.00%	0.00%	0.00%
<b>GROUP II</b>					
Police	35.00%	30.00%	25.00%	0.00%	0.00%
Fire	35.00%	30.00%	25.00%	0.00%	0.00%

The City of Portsmouth has been forced to pay the portion of the contribution that was historically paid by the State of NH. In FY17 alone, the elimination of State contributions will cost the City of Portsmouth's tax payer nearly \$2 million. This equates to nearly \$10.4 million over the past eight fiscal years (FY10-FY17) as depicted in the following chart.



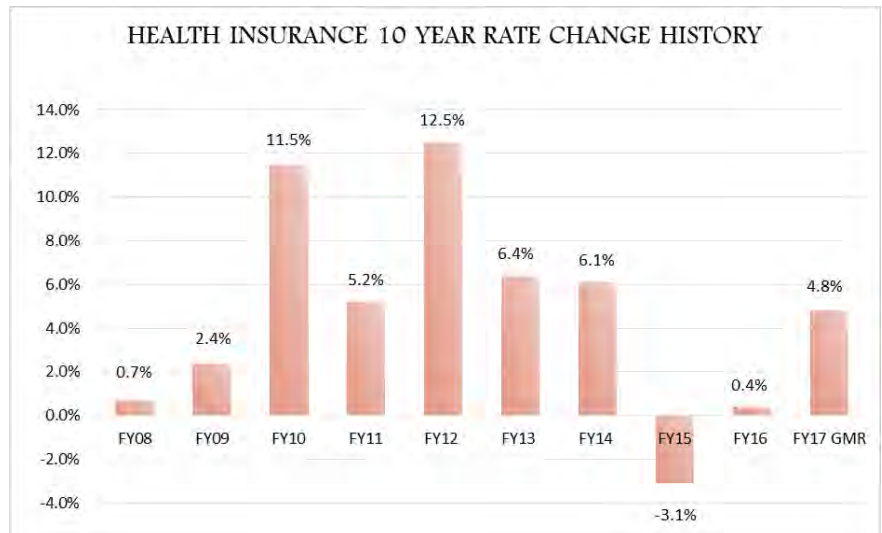
## Health Insurance

Depending on the terms of each collective bargaining unit, the City offers either HealthTrust Products supported by Blue Cross or SchoolCare Product supported by Cigna.

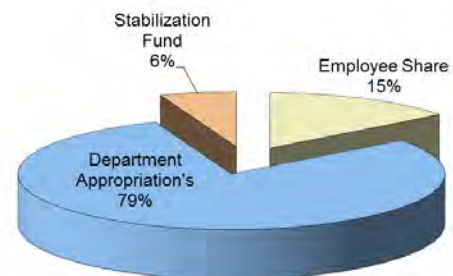
The total FY17 estimated health insurance premium for General Government, Police, Fire and School Department is projected at just over \$13.8 million

The City employees' share will be approximately \$2 million or 15% of the total cost.

City Contribution projected at \$11.8 million or 85%.



In order to avoid large spikes within each department's annual budget, the Health Insurance Stabilization Fund Policy was created in 2002. *[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]*. Per the Policy the annual appropriation amount for each department is determined by the average increase of Health Insurance rates provided by HealthTrust over 10 years. HealthTrust has announced a guaranteed maximum rate (GMR) of 4.8%. For FY17, Police, Fire, and School Department used the rolling average of 4.7% to increase the health insurance appropriation. The total represents an increase in the operating budget of approximately \$495,028 for FY17 with the balance of approximately \$800,000 for to be funded with the health insurance stabilization reserves.



### HEALTH INSURANCE

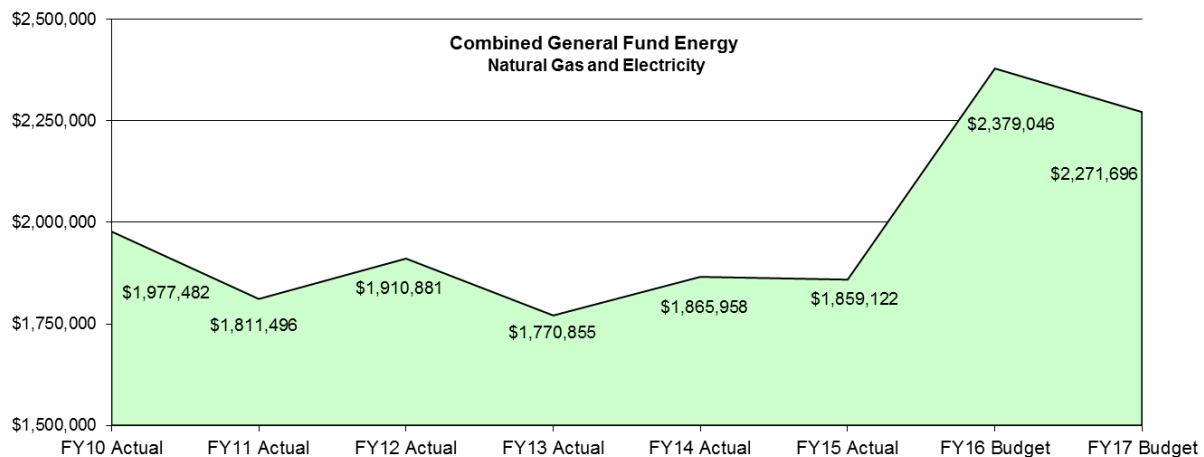
	FY16 Budget	FY17 Budget Increase	FY17 Budget
		4.70%	
GENERAL GOVERNMENT	1,730,097	81,315	1,811,412
POLICE	1,490,798	70,068	1,560,866
FIRE	1,157,270	54,392	1,211,662
SCHOOL	6,154,349	289,254	6,443,603
<b>TOTAL</b>	<b>\$10,532,514</b>	<b>\$495,028</b>	<b>\$11,027,542</b>

## Utility Cost

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 FY17. 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 \$2,271,696 for utilities reflects a decrease of \$107,350 or 4.5% from FY16. The decrease is a result of energy market changes and a continued commitment to sustainable practices.

The following chart depicts the General Fund appropriations for natural gas and electricity over the last seven years;



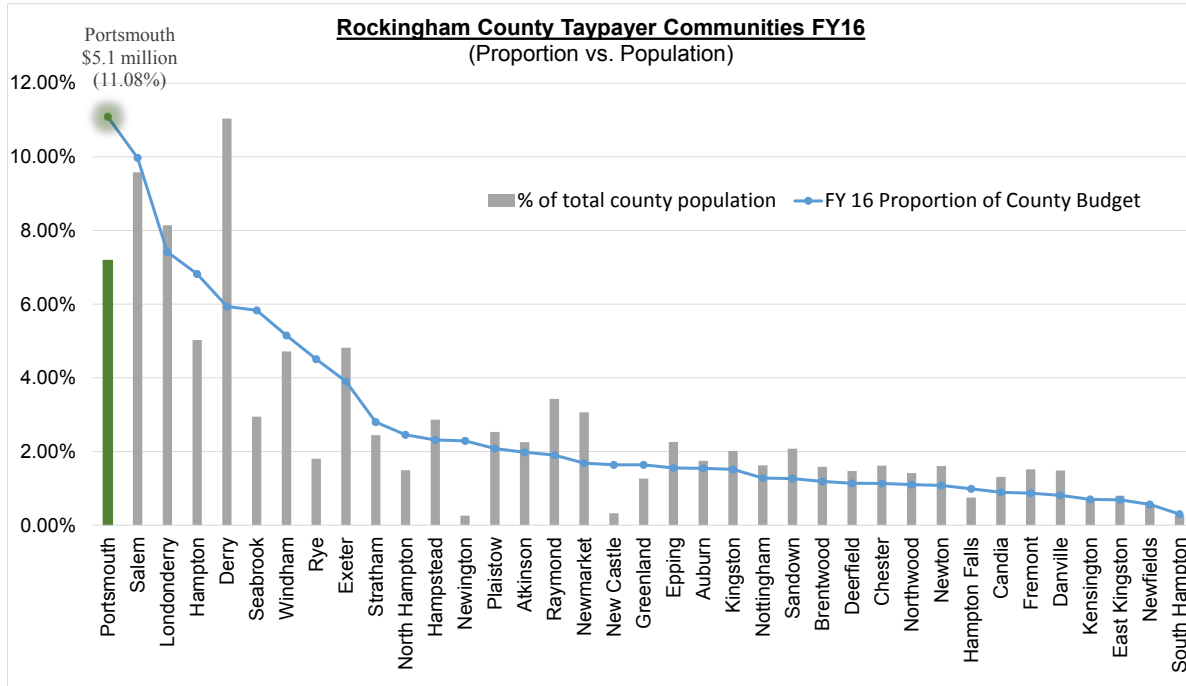
## Non-Operating Budget

The Non-Operating budget of \$23,464,769 represents an increase of 3.96% from the FY16 budget. The non-operating budget consists of expenditures for the following:

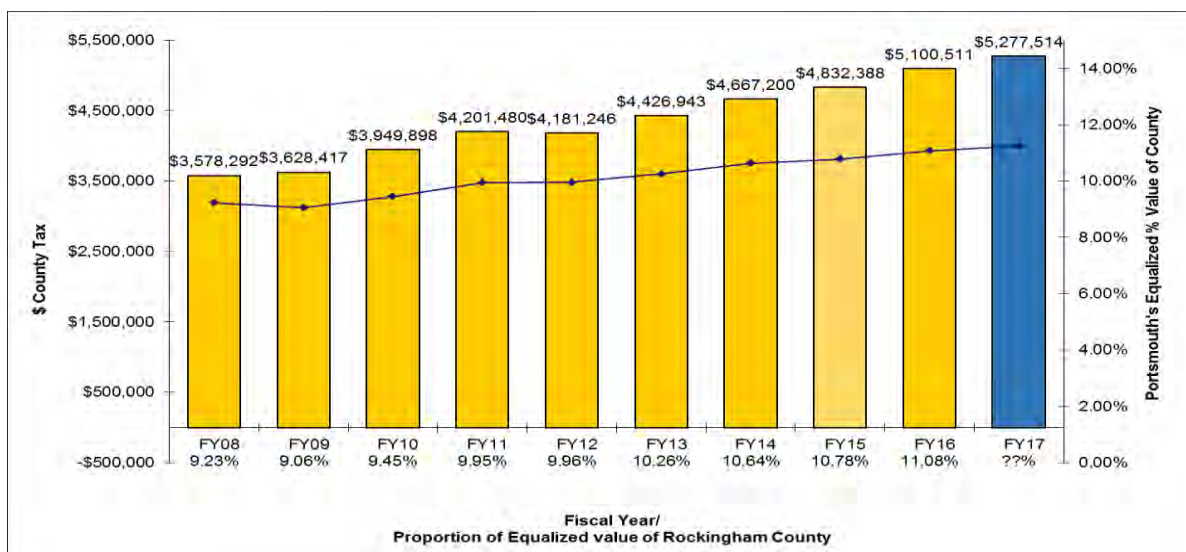
	FY17 Proposed Appropriation	% of Total Non-Operating Budget
Debt Service & Related Expenses	\$12,870,810	54.9%
Overlay	\$950,000	4.0%
Property & Liability	\$341,000	1.5%
County Tax	\$5,277,514	22.5%
Contingency	\$250,000	1.1%
Rolling Stock	\$976,165	4.2%
IT Equipment Replacement	\$406,000	1.7%
Capital Outlay	\$2,000,000	8.5%
Other General Non-Operating	\$393,280	1.7%
<b>Total Non-Operating</b>	<b>\$23,464,769</b>	

## 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. While the City of Portsmouth has the 4<sup>th</sup> largest population (7.2% of county population) of the 37 communities in Rockingham County, it contributes the largest amount of County Tax (FY 16 11.08%) as depicted in the following graph.



In FY17, it is estimated that Portsmouth will pay approximately \$5.3 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 FY17.



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.

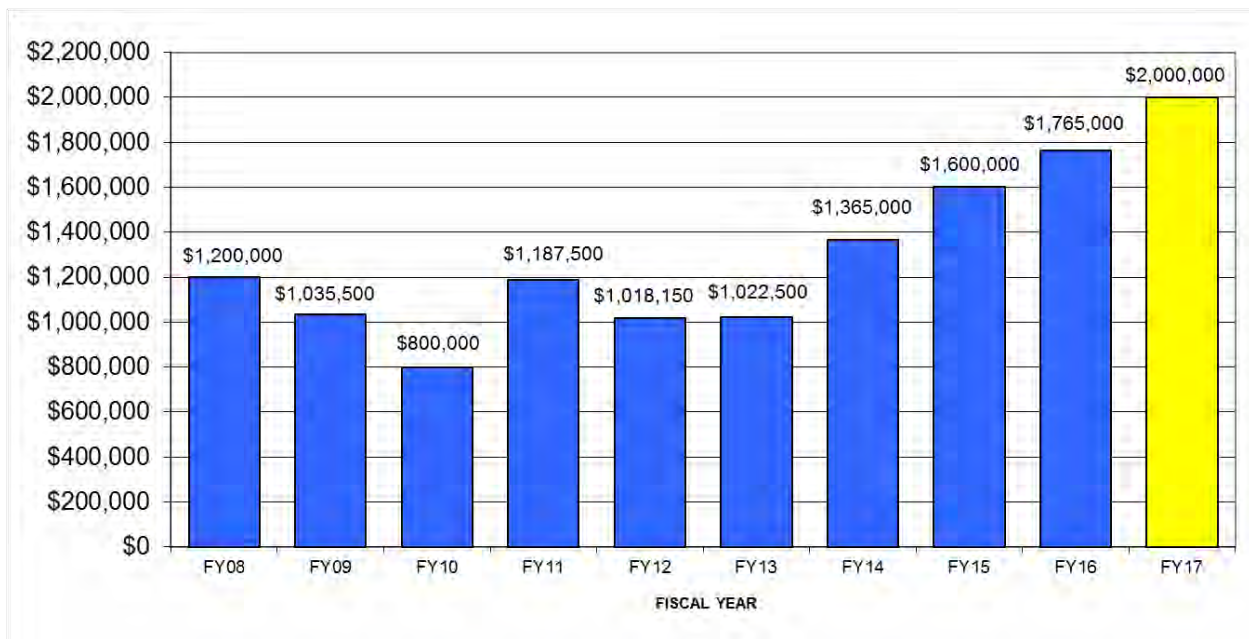


## Capital Outlay

The Planning Board has recommended for FY17 an appropriation of \$2,000,000 from the General Fund for capital projects within the Capital Improvement Plan. Appendix II identifies projects funded by all funds within the plan.

The complete Capital Improvement Plan FY 2017-2022 can be viewed and downloaded at the following link: <http://planportsmouth.com/2017-2022CapitalImprovementPlan.pdf>

The chart below provides the history of capital outlay in the General Fund, including the FY17 proposed capital outlay of \$2,000,000 as adopted by the City Council on March 14, 2016. The average expenditure for capital outlay over a 10-year period including the proposed FY17 budget is \$1,299,365 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 proposed 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 2017  
Taken from Capital Improvement Plan 2017-2022**

BUDGET  
PAGE

City Council Adopted  
3/14/2016

<b>II-23</b>	DURABLE MEDICAL EQUIPMENT	<b>\$61,000</b>
<b>II-24</b>	RECORDS PRESERVATION	<b>\$44,000</b>
<b>II-25</b>	REPLACE VOTING BOOTHS	<b>\$52,400</b>
<b>II-31</b>	PRESCOTT PARK: FACILITIES CAPITAL IMPROVEMENTS	<b>\$80,000</b>
<b>II-33</b>	LAND ACQUISITION	<b>\$25,000</b>
<b>II-34</b>	IMPLEMENTATION OF PEIRCE ISLAND MASTER PLAN PROJECT	<b>\$25,000</b>
<b>II-35</b>	IMPLEMENTATION OF SAGAMORE CREEK PARCEL CONCEPTUAL	<b>\$25,000</b>
<b>II-37</b>	REUSE OF PAUL A DOBLE ARMY RESERVE CENTER	<b>\$50,000</b>
<b>II-38</b>	PARK AND PLAYGROUND IMPROVEMENTS	<b>\$50,000</b>
<b>II-42</b>	HISTORIC CEMETERY IMPROVEMENTS	<b>\$40,000</b>
<b>II-43</b>	CITYWIDE STORMDRAINAGE IMPROVEMENTS	<b>\$200,000</b>
<b>II-57</b>	HAMPTON BRANCH RAIL TRAIL	<b>\$113,000</b>
<b>II-61</b>	NORTH MILL POND MULTI-USE PATH	<b>\$100,000</b>
<b>II-60</b>	CHESTNUT STREET PEDESTRIAN CONNECTOR	<b>\$50,000</b>
<b>II-62</b>	INTERSECTION UPGRADE: AT-GRADE CROSSING	<b>\$30,000</b>
<b>II-63</b>	CITYWIDE TRAFFIC SIGNAL UPGRADE PROGRAM	<b>\$100,000</b>
<b>II-65</b>	BRIDGE MASTER PLAN	<b>\$75,000</b>
<b>II-66</b>	LONGMEADOW ROAD EXTENSION	<b>\$50,000</b>
<b>II-67</b>	NEW FRANKLIN/WOODBURY CORRIDOR IMPROVEMENTS	<b>\$80,000</b>
<b>II-68</b>	CITYWIDE TREE REPLACEMENT PROGRAM	<b>\$20,000</b>
<b>II-70</b>	MARKET ST GATEWAY IMPROVEMENTS	<b>\$117,000</b>
<b>II-72</b>	ISLINGTON STREET-STREETScape IMPROVEMENTS	<b>\$200,000</b>
<b>II-73</b>	PEVERLY HILL ROAD IMPROVEMENTS	<b>\$300,000</b>
<b>II-15</b>	CAPITAL CONTINGENCY	<b>\$112,600</b>

**TOTAL**

<b>\$2,000,000</b>
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## Rolling Stock

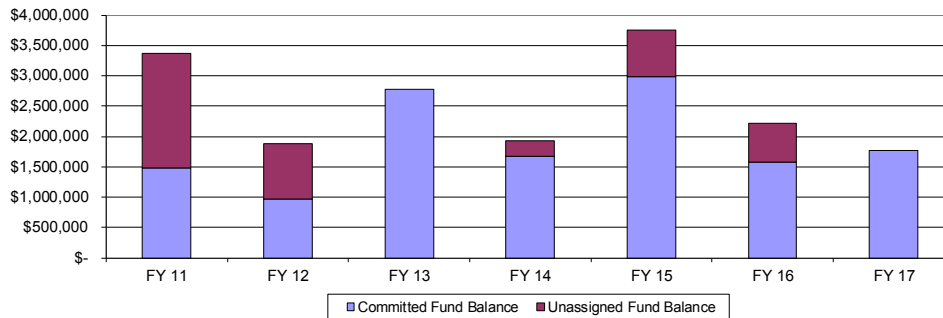
The Rolling Stock program is intended to provide an overall schedule for the expenditure of City Funds on replacement of vehicles and equipment necessary to carry out daily City activities. The complete 10 year schedule is located in Appendix I of this budget document. The following schedule will be funded by pay-as-you-go financing except for a Fire Heavy Rescue Unit using financing of \$400,000.

### FY 17 Rolling Stock Requests:

<b>Public Works</b>	Versalift	200,000	
	Packer (Year 2 of 2 funding)	60,000	
	Forklift	25,000	
	Van	30,000	
	Ballfield Rake	15,000	
	Mobile Message Board	20,000	
	(2) Portable Light Set	90,000	
	(4) Compact staff cars	64,000	
	<b>Total Public Works</b>		<b>504,000</b>
<b>Police</b>	Explorer	48,720	
	Explorer	48,720	
	Explorer	40,000	
	Explorer	40,000	
	Explorer	40,000	
	Motorcycle	9,725	
	<b>Total Police</b>		<b>227,165</b>
<b>Fire</b>	Ambulance (Year 2 of 2 funding)	140,000	
	Tahoe	50,000	
	Heavy Rescue Unit	(Bonding \$400,000)	
	<b>Total Fire</b>		<b>190,000</b>
<b>School</b>	Sedan	15,000	
	Pickup	40,000	
	<b>Total School</b>		<b>55,000</b>
<b>TOTAL GENERAL FUND</b>			<b>976,165</b>
<b>Parking</b>	Loader (Year 2 of 2 funding)	20,000	
	Sidewalk Tractor (Year 1 of 3 funding)	50,000	
	4-Wheel Utility	10,000	
	Alternative Fuel Vehicle	30,000	
<b>TOTAL PARKING/TRANSPORTATION FUND</b>			<b>110,000</b>
<b>Water</b>	Van	45,000	
	Pick-up	32,000	
	3/4 Ton Flatbed	30,000	
	1/2 Ton Pick-up	27,000	
	Misc Equip	65,000	
<b>TOTAL WATER FUND</b>			<b>199,000</b>
<b>Sewer</b>	1Ton Pick-up	50,000	
	1Ton Pick-up	50,000	
	10 Wheel Roll off	125,000	
	Misc Equip	225,000	
<b>TOTAL SEWER FUND</b>			<b>450,000</b>
<b>TOTAL CITY OF PORTSMOUTH</b>			<b>1,735,165</b>

## 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 FY17 the use of \$1,773,500 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:

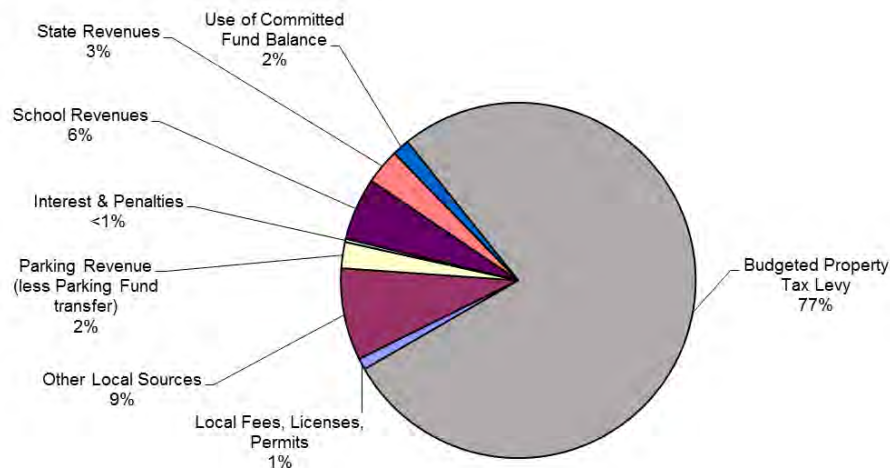


Use of:	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	Total FY11-FY17
Committed Fund Balance	1,486,201	973,500	2,772,742	1,673,500	2,991,397	1,573,500	1,773,500	13,244,340
Unassigned Fund Balance	1,882,000	900,000	-	247,000	755,500	650,000	-	4,434,500
Total Use of Fund Balance	3,368,201	1,873,500	2,772,742	1,920,500	3,746,897	2,223,500	1,773,500	17,678,840
Average Use Per Year								2,525,549

## Revenues

The FY17 Municipal General Fund Budget appropriations would be funded from the following sources:

- \$81,055,995 Property Taxes.
- \$8,971,270 Other Local Sources.
- \$5,986,250 School Tuition and other School Fees
- \$3,325,723 State Revenue and State School Building Aid.
- \$2,412,305 Parking Revenues less the amount to be transferred to the Parking Fund.
- \$1,773,500 Use of Committed Fund Balance
- \$1,127,000 Local Fees and Permits.
- \$315,000 Interest and Penalties.



# WATER ENTERPRISE FUND

## Total Appropriation

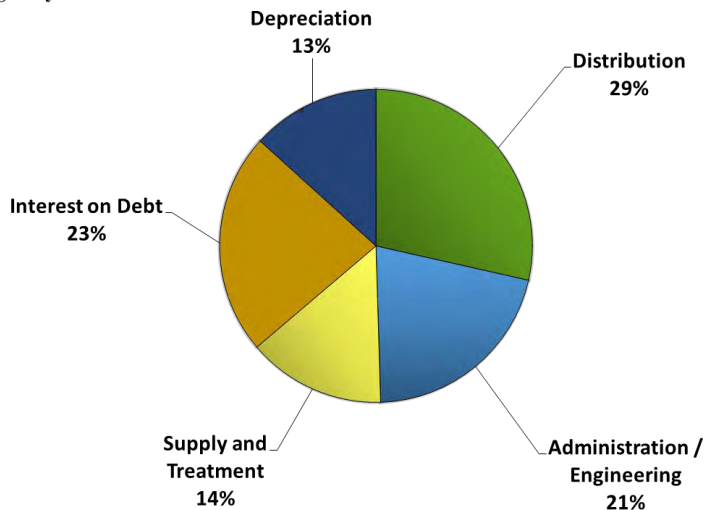
Appropriations on a full accrual basis of accounting for the Water Enterprise Fund total \$8,095,161. This is an increase of \$163,889 or 2.07% from the FY16 budget. The following table is a summary of major expense categories for the FY15 budget and actual, FY16 budget and the proposed FY17 budget.

Water Fund	FY15 Budget	FY15 Actual	FY16 Budget	FY17 City Manager Recommended	% Change	\$ Change
<b>EXPENSES</b>						
<u>Operations and Maintenance Expenses</u>						
Personnel Costs	2,130,683	2,069,128	2,429,848	2,563,809	5.51%	133,961
Chemicals	451,873	330,136	451,000	365,000	-19.07%	(86,000)
Electricity	393,587	341,315	390,801	332,900	-14.82%	(57,901)
Natural Gas	5,354	2,047	5,354	5,354	0.00%	0
Propane & Fuel Oil	27,585	35,482	32,142	32,142	0.00%	0
Gasoline & Diesel	71,867	44,167	71,867	42,142	-41.36%	(29,725)
Repairs & Maintenance	199,007	159,388	165,470	212,900	28.66%	47,430
Prof Services: Contract, Lab Testing	165,462	145,848	114,862	165,612	44.18%	50,750
Stock Materials	123,900	135,762	227,400	232,200	2.11%	4,800
Assistance Program	50,000	1,068	25,000	10,000	-60.00%	(15,000)
Other Operating	1,080,773	1,047,999	1,078,853	1,103,133	2.25%	24,280
<i>Operations and Maintenance Subtotal</i>	<i>4,700,091</i>	<i>4,312,339</i>	<i>4,992,597</i>	<i>5,065,192</i>	<i>1.45%</i>	<i>72,595</i>
<u>Non-Operating Expenses</u>						
Interest on Debt	992,560	937,092	1,096,925	1,155,219	5.31%	58,294
Property Taxes	118,000	102,730	118,000	118,000	0.00%	0
Depreciation	1,530,901	1,521,953	1,676,000	1,700,000	1.43%	24,000
Equipment	79,750	41,217	47,750	56,750	18.85%	9,000
<i>Non-Operating Expenses Subtotal</i>	<i>2,721,211</i>	<i>2,602,992</i>	<i>2,938,675</i>	<i>3,029,969</i>	<i>3.11%</i>	<i>91,294</i>
<b>TOTAL</b>	<b>7,421,302</b>	<b>6,915,331</b>	<b>7,931,272</b>	<b>8,095,161</b>	<b>2.07%</b>	<b>163,889</b>

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

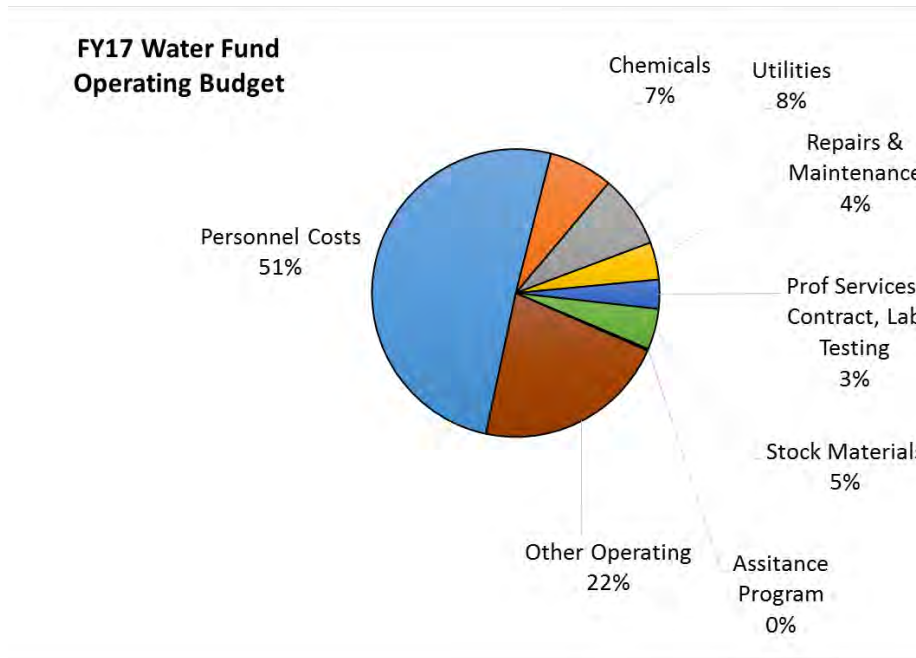
- Administration/Engineering: Costs related to employee benefits, administrative overhead, GIS services, and engineering.
- Depreciation
- Interest on Debt
- Distribution: Services, hydrants, mains, meters, meter reading, and cross connections.
- Supply and Treatment: Madbury Treatment Plant, laboratory,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

**FY17 Water Fund  
Budget by Function**



### ***Operating Budget***

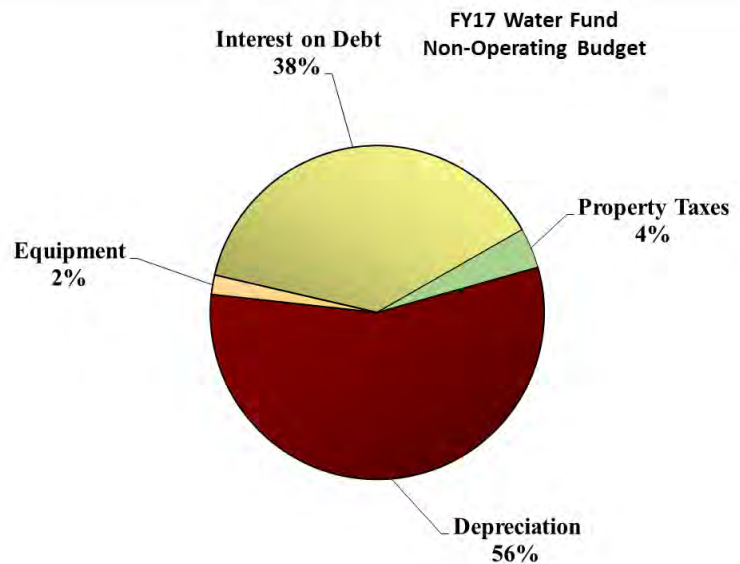
The proposed Operating Budget is \$5,065,192 is 63% of the total budget. As depicted in the pie chart below, the personnel-related costs consist of 51% of the Operating Budget. The remaining 49% includes major costs related to providing quality and adequate supply of water.



### ***Non-Operating Budget***

The Non-Operating Budget of \$3,029,969 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 to the City of Dover, Town of Madbury, and the Town of Barrington.



### ***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 FY17 CIP process for a total of \$900,000. Details for each of these projects can be found in Appendix II of

this document. In addition, the complete Capital Improvement Plan FY 2017-2022 can be viewed and downloaded at the following link: <http://planportsmouth.com/2017-2022CapitalImprovementPlan.pdf>

**Water Fund  
Capital Outlay Projects  
Fiscal Year 2017**

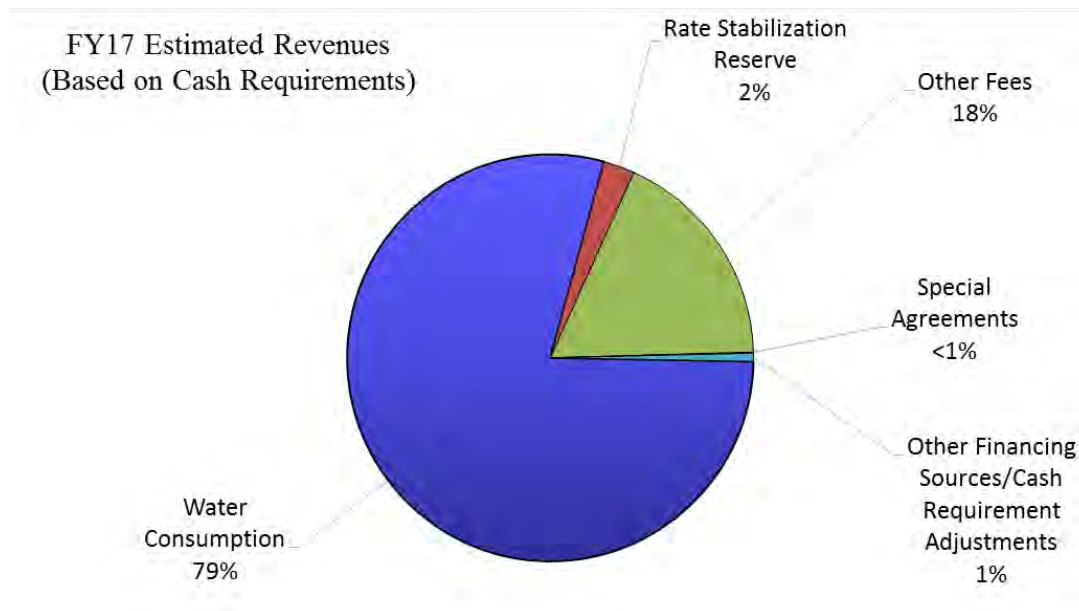
Appendix II Page:	CIP #		Water Revenues
II-78	EF-WD-01	ANNUAL WATER LINE REPLACEMENT	500,000
II-79	EF-WD-02	WELL STATIONS IMPROVEMENTS	150,000
II-80	EF-WD-03	WATER SYSTEM PRESSURE AND STORAGE IMPROVEMENTS	250,000
<b>Total Water Fund Capital Outlay</b>			<b>\$900,000</b>

**Revenues**

The FY17 Water Division appropriations would be funded from the following sources to meet cash requirements:

- \$7,776,380 Water Consumption
- \$245,000 Rate Stabilization Reserve
- \$1,753,518 Other Fees
- \$6,268 State Revenues/Special Agreements
- \$64,122 Other Financing/Cash Requirement Adjustment

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



# SEWER ENTERPRISE FUND

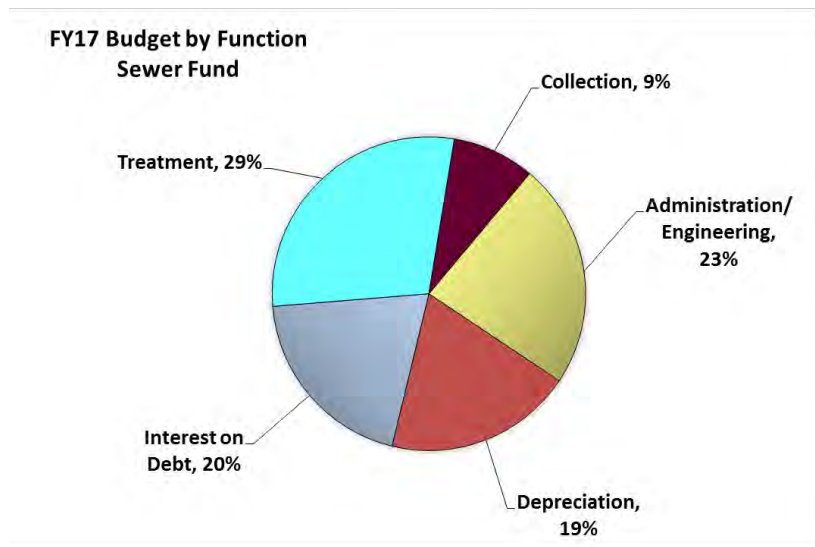
## Total Appropriation

Appropriations on a full accrual basis of accounting for the Sewer Enterprise Fund total \$10,298,740. This is a decrease of \$565,328 or -5.2% from FY16. The following table is a summary of major expense categories for the FY15 budget and actual, FY16 budget and the proposed FY17 budget.

Sewer Fund	FY15 Budget	FY15 Actual	FY16 Budget	FY17 City Manager Recommended	% change	\$ Change
<b>EXPENSES</b>						
<u>Operations and Maintenance Expenses</u>						
Personnel Costs	2,461,952	2,267,073	2,663,473	2,693,794	1.1%	30,321
Chemicals	970,028	655,137	970,028	673,000	-30.6%	(297,028)
Electricity	584,817	453,117	584,817	452,500	-22.6%	(132,317)
Natural Gas	37,317	11,031	13,229	9,729	-26.5%	(3,500)
Propane & Fuel Oil	33,418	39,798	60,607	41,107	-32.2%	(19,500)
Gasoline & Diesel	59,600	37,531	60,100	49,350	-17.9%	(10,750)
Repairs & Maintenance	459,925	745,928	282,075	331,825	17.6%	49,750
Prof Services: Contract, Lab Testing	248,659	126,000	145,759	150,259	3.1%	4,500
Stock Materials	50,750	82,901	70,500	70,500	0.0%	0
Other Operating	1,430,745	1,264,457	1,516,425	1,438,479	-5.1%	(77,946)
-General Operations	6,337,211	5,682,972	6,367,013	5,910,543	-7.2%	(456,470)
Permit Expenses/Legal Fees	240,000	114,645	205,000	147,500	-28.0%	(57,500)
<i>Total Operations and Maintenance Subtotal</i>	6,577,211	5,797,617	6,572,013	6,058,043	-7.8%	(513,970)
<u>Non-Operating Expenses</u>						
Interest on Debt/Financing Fees	1,265,583	1,587,267	2,017,555	2,051,697	1.7%	34,142
Depreciation	1,908,325	1,825,808	2,100,000	2,000,000	-4.8%	(100,000)
Equipment	209,500	253,201	174,500	189,000	8.3%	14,500
<i>Non-Operating Expenses Subtotal</i>	3,383,408	3,666,276	4,292,055	4,240,697	-1.2%	(51,358)
<b>TOTAL</b>	<b>9,960,619</b>	<b>9,463,893</b>	<b>10,864,068</b>	<b>10,298,740</b>	<b>-5.20%</b>	<b>(565,328)</b>

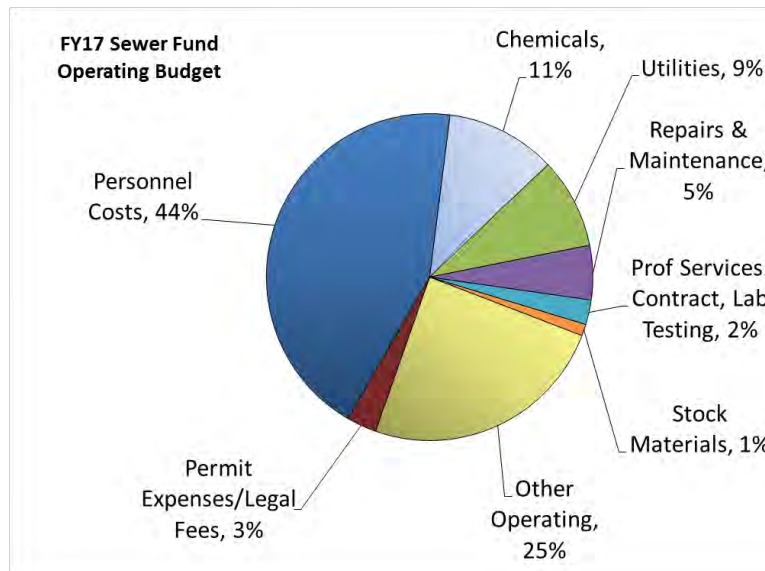
The Sewer Fund budget consists of five (5) functions:

- 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

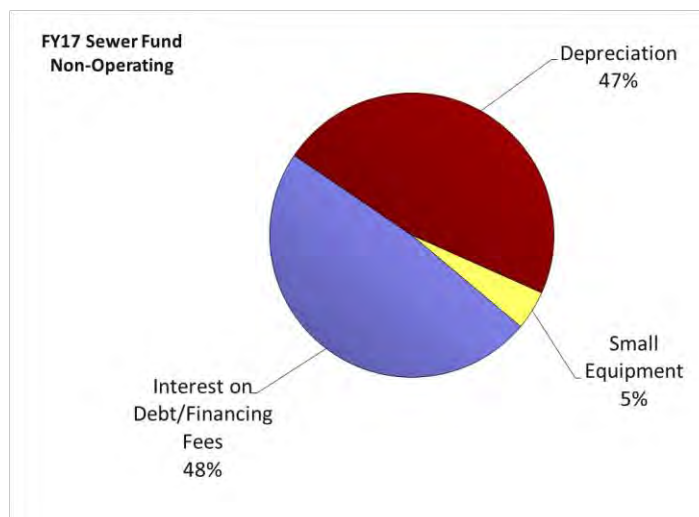
The proposed Operating Budget is \$6,058,043 or 59% of the total budget. The Operating Budget is divided into various accounts. As depicted in the chart below, 44% is associated with personnel-related costs. The remaining 56% is related to major costs associated with collecting and treating city sewage.



## Non-Operating Budget

The Non-Operating Budget of \$4,240,697 is 41% of the total proposed budget.

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



## Capital Outlay

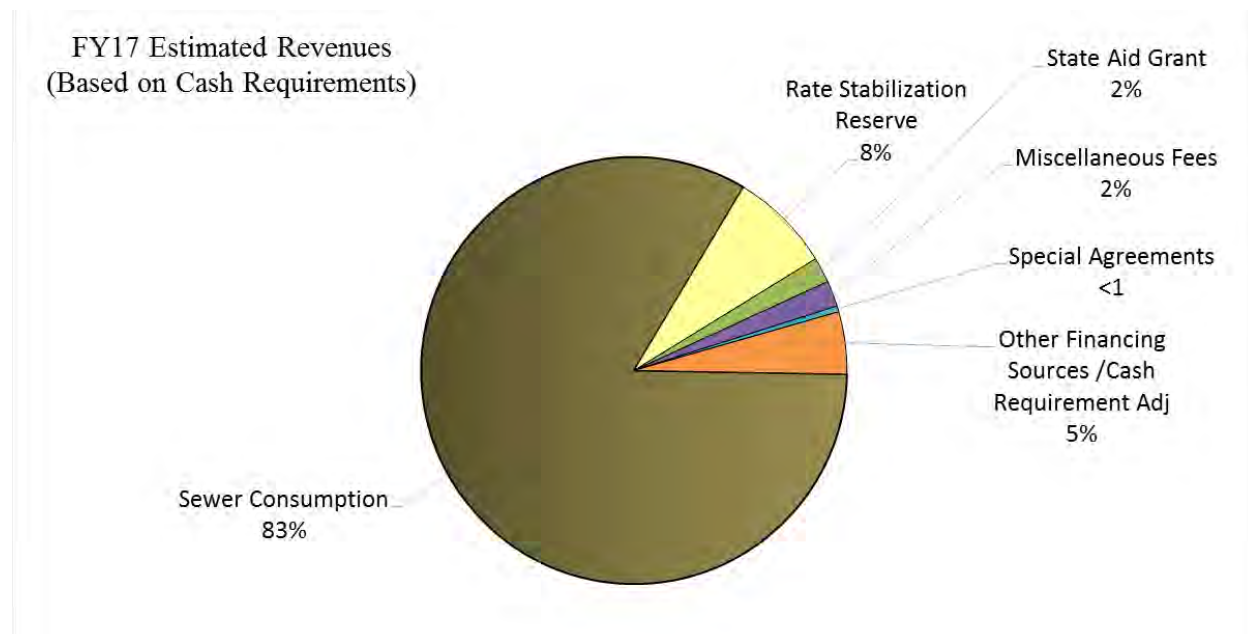
The Sewer Division, through the Capital Improvement Plan, requests funds from revenues to support the pay-as-you-go policy of the City in regard to capital improvements. Once the Capital Improvement Plan is approved, the funds for the capital projects are requested through the budget process. The following is a list of projects that were approved during the FY17 CIP process for a total of \$2,400,000. Details for each of these projects can be found in Appendix II of this document. In addition, the complete Capital Improvement Plan FY 2017-2022 can be viewed and downloaded at the following link: <http://planportsmouth.com/2017-2022CapitalImprovementPlan.pdf>



The FY17 Sewer Division appropriations would be funded from the following sources to meet cash requirements:

- \$13,470,029 Sewer Consumption
- \$1,240,000 Rate Stabilization Reserve
- \$310,640 State Aid Grant
- \$315,500 Miscellaneous Fees
- \$72,434 Special Agreements
- \$354,518 Use of Bond Premium for Debt
- \$407,333 Other Financing Sources/Cash Requirement Adjustment

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





# PARKING AND TRANSPORTATION FUND

## Total Appropriation

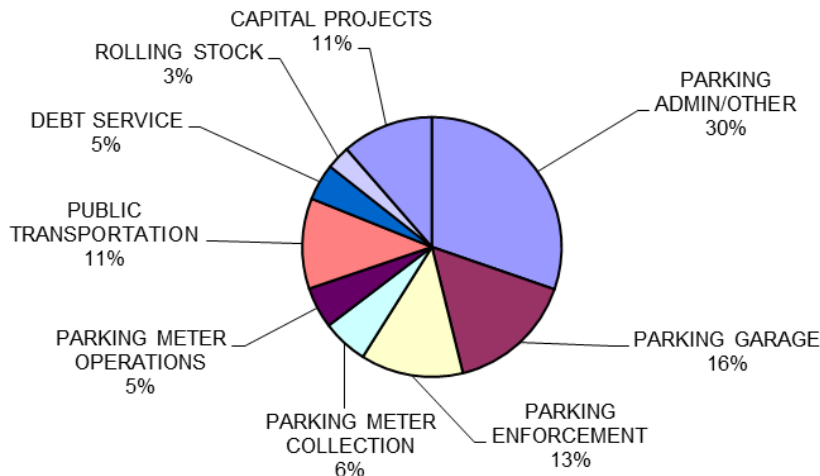
The total proposed appropriations for the Parking and Transportation Fund is \$3,723,195. The following table is a summary of major expenditure categories for the FY15 budget and actual, FY16 budget and the proposed FY17 budget. The budget is comprised of an Operating Budget, Debt Service, Capital Projects, Rolling Stock, and Transportation Budget.

	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	% CHANGE	\$ CHANGE
<b>OPERATING</b>						
PERSONNEL COSTS	1,252,390	1,200,111	1,552,658	1,838,947	18.44%	286,289
UTILITIES	48,500	44,333	51,750	51,950	0.39%	200
METER COLLECTION (Police)	10,500	9,051	10,500	-	-100.00%	(10,500)
CONTRACTED SERVICES	170,200	183,168	160,200	196,200	22.47%	36,000
OTHER OPERATING	441,005	414,138	444,755	511,838	15.08%	67,083
<b>TOTAL OPERATING</b>	<b>1,922,595</b>	<b>1,850,801</b>	<b>2,219,863</b>	<b>2,598,935</b>	<b>17.08%</b>	<b>379,072</b>
<b>NON OPERATING</b>						
DEBT SERVICE	145,800	-	150,000	169,925	13.28%	19,925
CAPITAL PROJECTS	435,000	435,000	1,122,000	425,000	-62.12%	(697,000)
ROLLING STOCK	-	150,000	-	110,000		110,000
TRANSPORTATION	543,800	434,083	503,800	419,335	-16.77%	(84,465)
<b>TOTAL NON-OPERATING</b>	<b>1,124,600</b>	<b>1,019,083</b>	<b>1,775,800</b>	<b>1,124,260</b>	<b>-36.69%</b>	<b>(651,540)</b>
<b>TOTAL PARKING/TRANSP</b>	<b>3,047,195</b>	<b>2,869,884</b>	<b>3,995,663</b>	<b>3,723,195</b>	<b>-6.82%</b>	<b>(272,468)</b>

Parking & Transportation consists of the following major functions:

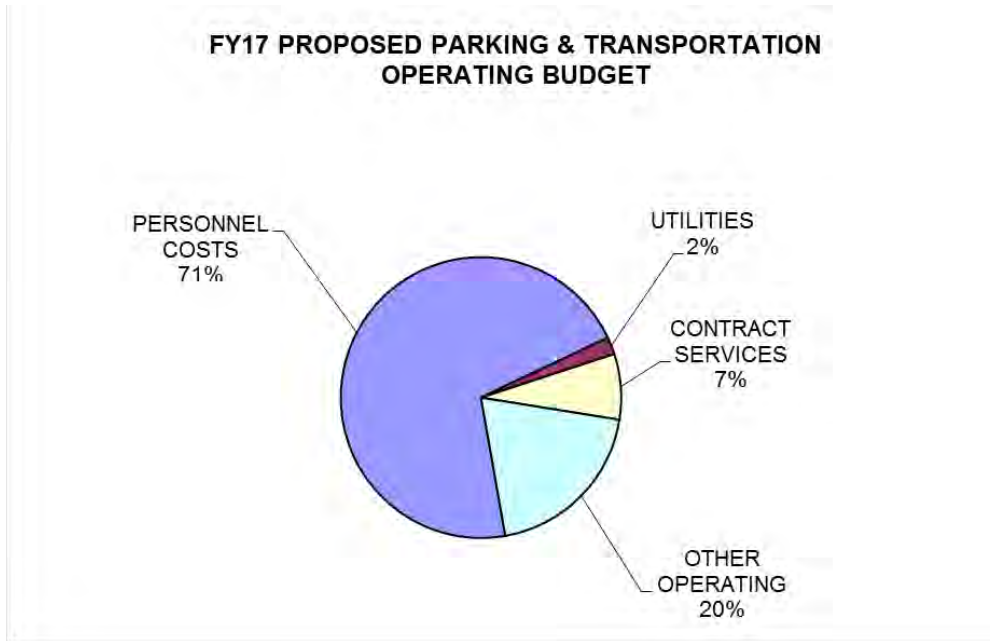
- Administration/Other (including Downtown Snow Removal)
- Parking Garage
- Parking Enforcement
- Parking Meter Collection
- Parking Meter Operations
- Debt Service
- Capital Projects
- Rolling Stock
- Public Transportation

## PARKING AND TRANSPORTATION BY FUNCTION



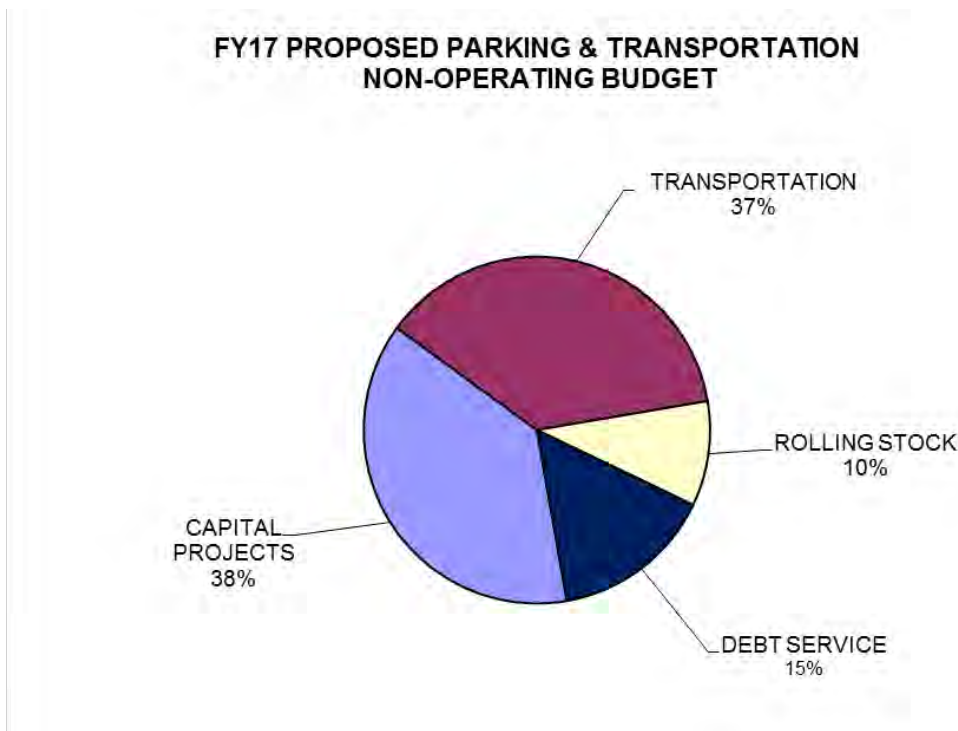
### ***Operating Budget***

The proposed Operating Budget is \$2,598,935 or 70% of the total budget. The Operating budget is divided into various accounts. As depicted in the chart, 71% is associated with personnel related costs. The remaining 29% is related to costs mostly associated with contracted services and parking facility operations.



### ***Non-Operating Budget***

The Non-Operating Budget of \$1,124,260 is 30% of the total proposed budget and consists of expenditures relating to debt service, rolling stock, capital projects and transportation.



## 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 FY17 for a total of \$425,000. Detail on each of these projects can be found in Appendix II of this document. In addition, the complete Capital Improvement Plan FY 2017-2022 can be viewed and downloaded at the following link:

<http://planportsmouth.com/2017-2022CapitalImprovementPlan.pdf>

### Parking & Transportation Capital Outlay Projects Fiscal Year 2017

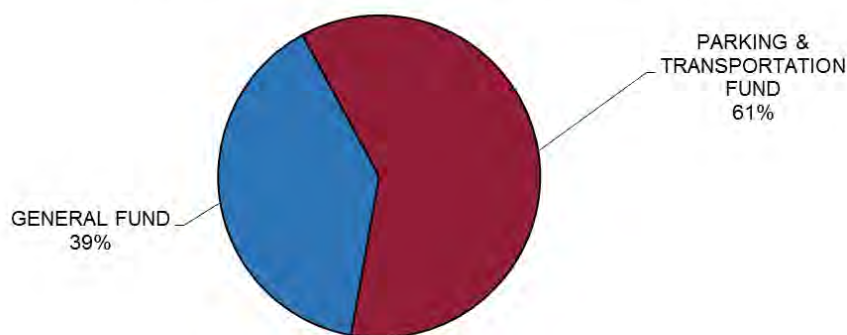
Appendix II				Parking Revenues
Page:	CIP #			
II-45	BI-PW-28	HIGH-HANOVER PARKING FACILITY-CAPITAL IMPROVEMENTS		150,000
II-54	TSM-PW-01	SHARED LOT AGREEMENTS		60,000
II-55	TSM-PW-02	PARKING LOT PAVING		150,000
II-56	TSM-PW-03	REPLACEMENT OF PARKING METERS		45,000
II-69	TSM-CITY-29	TRANSPORTATION PLAN STUDIES		20,000
<b>Total Parking &amp; Transportation Fund Capital Outlay</b>				<b>\$425,000</b>

## 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. Annually the City Council takes in consideration free holiday parking in the month of December. The Council voted December 7, 2015 to allow free parking for 9 days December 19-27, 2015 at a revenue loss of approximately \$8,100 per day or \$72,900 total. The revenue totals are calculated netting out for free holiday parking.

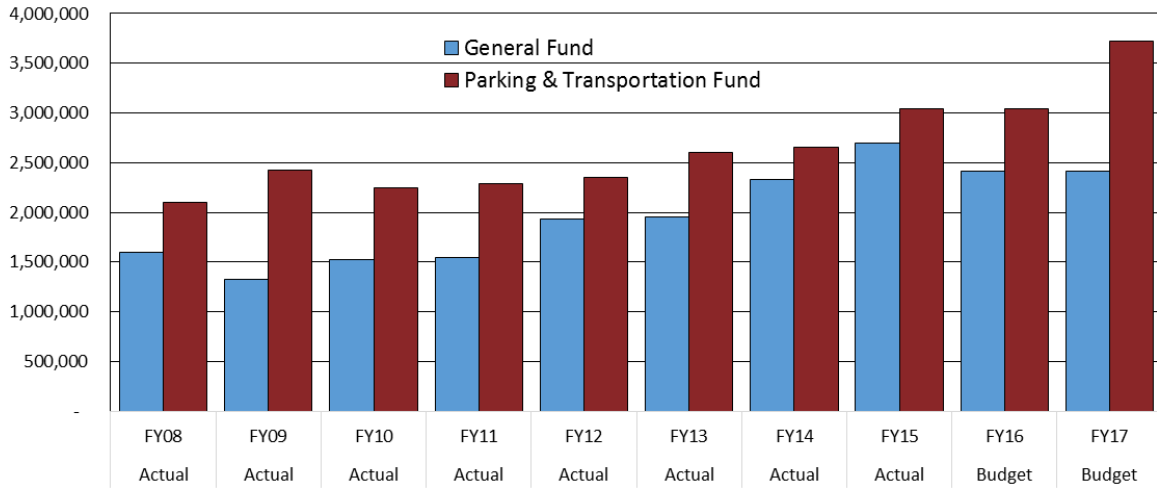
<u>Revenue Source</u>	<u>Estimated FY17</u>
Parking Meter Fee	\$2,155,000
Parking Garage Revenue	\$2,025,000
Parking Space Passes	\$1,050,000
Parking Violations	\$715,000
<u>Other</u>	<u>\$190,500</u>
<b>Total Parking Revenue</b>	<b>\$6,135,500</b>
Fund Revenue Recorded:	
General Fund	\$2,412,305 39%
Parking & Transportation	\$3,723,195 61%

**FY 17 PARKING REVENUE DISTRIBUTION BY FUND**



Following is a ten year History of Parking Revenue Distribution:

**Parking Revenue  
General Fund - Parking Fund Allocation**



<b>Parking Revenue</b>	<b>FY 08 Actual</b>	<b>FY 09 Actual</b>	<b>FY 10 Actual</b>	<b>FY 11 Actual</b>	<b>FY 12 Actual</b>
<b>Total Parking Revenue</b>	<b>3,692,135</b>	<b>3,755,038</b>	<b>3,775,139</b>	<b>3,842,650</b>	<b>4,292,388</b>
Total for Parking & Transportation Fund	2,096,026	2,429,489	2,246,686	2,291,724	2,356,683
Total for General Fund	1,596,109	1,325,549	1,528,453	1,550,926	1,935,705

	<b>FY 13 Actual</b>	<b>FY 14 Actual</b>	<b>FY 15 Actual</b>	<b>FY 16 Budgeted</b>	<b>FY 17 Estimated</b>	<b>10 Year Total</b>	<b>%%</b>
<b>Total Parking Revenue</b>	<b>4,554,963</b>	<b>4,987,095</b>	<b>5,740,301</b>	<b>5,459,500</b>	<b>6,135,500</b>	<b>46,234,709</b>	<b>100%</b>
Total for Parking & Transportation Fund	2,601,462	2,659,858	3,047,195	3,047,195	3,723,195	26,499,513	57%
Total for General Fund	1,953,501	2,327,237	2,693,106	2,412,305	2,412,305	19,735,196	43%



## Citywide Recognitions, Accomplishments & Continuing Priorities

The City of Portsmouth continues to identify priorities and carry out initiatives that both 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, Accomplishments and Continuing Priorities & Initiatives* sections highlight recognitions and accomplishments during the 2016 Fiscal Year, commencing July 1, 2015 as well as ongoing initiatives leading into the 2017 Fiscal Year.

### Recognitions

#### ❖ New Hampshire Water Sustainability Award

The City of Portsmouth received the New Hampshire Department of Environmental Services' 2015 "Source Water Sustainability" award recognizing the following conservation and efficiency efforts:



1. Customer Rebate Program - In 2013 Portsmouth became an EPA WaterSense partner and since has implemented New Hampshire's first customer rebate program that provides incentives for customers to install more water-efficient appliances. The program is designed to provide the customer a rebate for the replacement of inefficient toilets with water efficient WaterSense certified toilets, as well as replacing old washing machines with new energy and water efficient machines.
2. New Water Metering System - The implementation of a new water metering system to allow the capture of real time data, which enables the City to quickly identify leaks and alert customers. The new metering system has also allowed Portsmouth to bill monthly rather than three times a year, providing residents with the opportunity to make quicker changes to their water use habits in response to their water and sewer bills.
3. Conservation Kits and Rain Barrel Sale - The City of Portsmouth has historically provided residents with water conservation kits and held a rain barrel sale.
4. Promoting a Sustainable Community - The City has incorporated water and energy conservation design concepts into several of its facilities, including the water treatment plant in Madbury and the Middle School.



❖ **“Bike Friendly” Award**



In June, the League of American Bicyclists recognized the City of Portsmouth with a Bronze Level Bicycle Friendly Community (BFC) award, joining 350 visionary communities from across the country. The Bronze Level BFC award recognizes Portsmouth’s commitment to improving conditions for bicycling through investment in bicycling promotion, education programs, infrastructure and pro-bicycling policies. The BFC program provides a roadmap to building a Bicycle Friendly Community

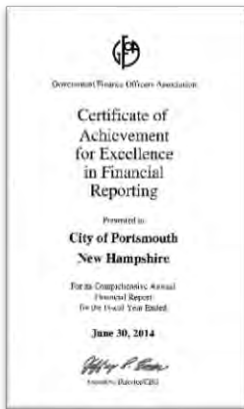
and the application itself has become a rigorous and an educational tool. Since its inception, more than 800 distinct communities have applied for the award. There are five levels of the award – diamond, platinum, gold, silver and bronze which provides an incentive for communities to continuously improve. Achieving “Bicycle Friendly Community” status was one of the action items identified in the City’s Bicycle and Pedestrian Plan, which was adopted in 2014.

❖ **Tree City Recertification**

FY16 marked the sixteenth 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. This recertification recognizes the City’s commitment to, and investment in, urban tree planting. It also acknowledges the work of the Portsmouth’s Trees and Greenery Committee in implementing the City’s Tree Ordinance. In April 2015, the City celebrated Arbor Day and joined a group of local philanthropic tree maintenance companies in planting a memorial tree and doing tree maintenance in Prescott Park. 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 the Certificate of Achievement for Excellent in Financial Reporting (CAFR) 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 tenth (10<sup>th</sup>) consecutive year; fiscal year beginning July 1, 2006 to 2015. 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 communication device.



❖ **Bond Ratings**

In June 2015, 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 also notes that the City's strong reserves and policies will support long-term stability.

## Accomplishments

❖ **African Burying Ground and Memorial Park**



In May of 2015 the Portsmouth community realized its long-held vision of returning the African Burying Ground at Chestnut Street to sacred ground. A series of compelling and well-attended public events preceded the careful placement of exhumed remains in the burial vault at the Memorial by nineteen (19) pall-bearers from the African-American community. An event for student artists was held on site with project artist Jerome Meadows commemorating their work on the tiles

inlaid in the decorative fence at the Memorial. An overnight Ancestral Vigil was held at New Hope Baptist Church that included three distinct services, including a 7:00 a.m.



service after which the remains were moved for placement in the burial vault. A reburial ceremony saw the remains reinterred surrounded by five-hundred (500) members of the Portsmouth community. Later, a public celebration was held in the Stokel Commons at Portsmouth Middle School to acknowledge the project completion and recognize and celebrate the volunteerism that brought the project to fruition. Finally, the burial vault lid was placed over the remains.

The park's completion marked the fulfillment of the charge of the Mayor's Blue Ribbon Committee on the African Burying Ground to find the best way to honor those buried at Chestnut Street. This City initiative began in October 2003 when a series of coffins were uncovered during infrastructure upgrades in the heart of the downtown. Through archaeology and DNA analysis, the City confirmed the site was at one time a segregated burying place for as many as two-hundred (200) Africans and people of African descent, likely both enslaved and free. It is estimated that the site was in use from the early 1700s to the mid-1800s during which time it was paved over, built over, and forgotten.



The Memorial Park is the result of over a decade of archaeological research, community conversations, engineering and design, public outreach, and fundraising by many dedicated community members and volunteers led by the African Burying Ground Committee. The project 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 five-hundred (500) donations totaling \$1.2 million were raised from private foundations, individuals & families, and businesses.

❖ **Harborwalk Pier**



In FY15, 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 stone and brick walkways, historic lighting, landscaping and benches. Also included in the park are an interpretive panel featuring Memorial Bridge history and two (2) plaques from the original structure which recognize the original bridge

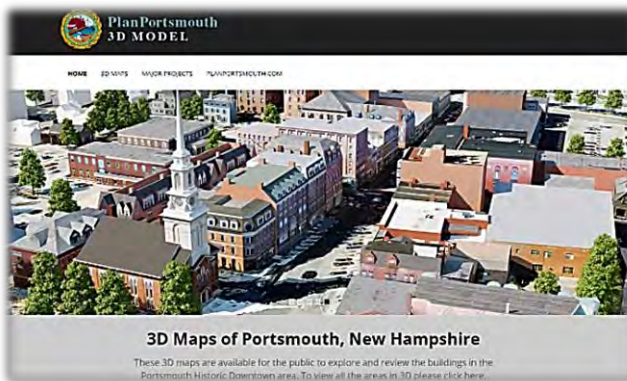
designer and local dignitaries in office when the first bridge was constructed. In FY16 Phase Two of the project was completed. This phase consisted of a pier built into the Piscataqua River for dramatic views of the swift currents, boating activity and the City's waterfront.

❖ **South Docks at Prescott Park**

The City of Portsmouth completed the South Dock Replacement Project in Prescott Park in time for the 2015 boating season. This project, initiated by the Trustees of the Trust Funds, who oversee the operations and maintenance of the Park, resulted in the replacement of the Dock structures, which had been in service for over thirty (30) years. The City's Community Development and Public Works Departments coordinated efforts with the Trustees to replace the wooden float structure with a concrete floating dock with additional linear feet and upgraded water and electrical utilities. Fees from the ten (10) seasonal rentals and regular docking fees from Portsmouth Residents as well as docking fees from other transient boaters, and associated utility charges will be deposited in the Marine Maintenance Trust.

In FY16, the design work began on the replacement of the Sheafe Warehouse Dock with an ADA compliant docking facility. This dock, which is leased to the Gundalow Company, will ensure all members of the public will be able to access the Gundalow and the educational programs offered on board. This project will be funded in part with Community Development Block Grant dollars from the U.S. Department of Housing and Urban Development.

❖ **Portsmouth's 3D Massing Model**



As part of the Historic District Commission's Design Review Toolkit project, a large-scale, comprehensive 3D Massing Model of the city was developed that incorporates over 800 structures, including 400 fully textured buildings, as well as an integrated website. The goal of this project was to offer a supportive design platform that could be used by city staff,

board and commission members, the public as well as architects and developers to access a variety of 3D files in an effort to improve the development review process. The 3D Massing Model is intended to create more precise before and after studies that could effectively illustrate how building projects would fit into the surrounding neighborhood context. The finished product features a fully interactive 3D map of the downtown portion of the City's Historic District which is easy to download and modify.

❖ **Asset Management Grant**

The Water Division received an Asset Management Grant from the New Hampshire Department of Environmental Services in 2015 and the funds were utilized to update the City's Water Division fixed assets inventory as well as 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.

## Continuing Priorities and Initiatives

### ❖ Street and Sidewalk Improvements

The City continues its Citywide Sidewalk Reconstruction Program and Pavement Management and Rehabilitation Long-Range Plan by investing in the vital infrastructure of its streets and sidewalks.

The following projects were completed in FY16 or initiated to be completed in FY17:

- Commerce Way/ Betterment District - Through a betterment district the City completed upgrades to Commerce Way from Portsmouth Boulevard to Woodbury Avenue. This project included upgrades to the water line, replacement of sidewalks, curbing and pavement. The cost of this project was covered by the benefitting property owners and was required prior to the City accepting ownership of the roadway.
- As part of its annual paving program, the City began reconstruction on Buckminster Way, Heather Lane, Martha's Terrace, and Patricia Drive.
- The City paved and restriped Penhallow St.
- Repairs to the drainage outfall for the Leslie Drive area was complete.
- The design of the Brewster St. Outfall is complete and the construction project has been sent out to bid.
- The City finished the design and started construction on the Sheafe and Chapel area of downtown.
- To extend the useful life of the City's roadways the DPW initiated a crack sealing program. This program seals cracks in the roadway and prevents water from infiltrating under the road accelerating the decline of the road through freeze and thaw during the winter which creates potholes.
- Completed upgrades of the Hanover Parking Facility to accept credit card payments.
- Continued repairs to the High/Hanover Parking Facility deck spalling, repainting of structural steel, and replacement of joint sealant.
- Continued design of upgrades to the Andrew Jarvis Drive/ Lafayette Road intersection. This improvement will allow the addition of a right turn lane out of Andrew Jarvis Drive to reduce congestion before and after school. The staff worked to secure an easement to allow this upgrade to be done.
- Reconstruction of the Worth parking Lot and pavement on Portsmouth Boulevard was completed along with re-pavement of Hoover Drive, Portions of South St, Sagamore Avenue, Cottage St, and portions of Greenleaf Ave & Peverly Hill Road. Complete reconstruction of the pavements began on Monteith, Mill Pond Way and Hillside Drive.
- Reconstruction of the Lincoln Avenue basin area projects were completed.

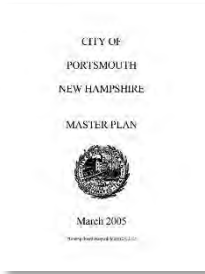


- Harborwalk Park pier design was completed.
- Reconstruction of Sagamore Avenue from South St. to Little Harbor Road was completed.
- The redesign of the West Road drainage system has been sent out for Bid.
- The Hobbs Hill tank replacement project has been completed with the exception of the demolition of the old water tank.
- Replaced the south docks at Prescott Park

❖ **LED Lighting**

In FY16 the City completed an evaluation of its street lights to determine the cost effectiveness of replacing the existing incandescent lights with LED lights. This evaluation showed that the City could reduce its street lighting costs by approximately \$122,000 per year and would have a payback of three (3) to six (6) years depending upon the lighting system selected. Staff will be bringing this program forward for City Council consideration in FY17.

❖ **Master Plan**



The Planning Department continued work on the City’s Master Plan throughout FY16. During the summer of 2015 the consulting team collected information, met with various stakeholders, and prepared an updated Existing Conditions report. In the fall the consultants and staff organized a series of community workshops and developed a set of proposed themes, goals and priority actions. The first draft of the Master Plan was presented to the Planning Board at the end of March, and further revisions will continue through the summer. The staff anticipates completing the final Master Plan in September 2016, for adoption by the Planning Board and presentation to the Council by year’s end.

❖ **Character-Based Zoning**

The Planning Department and its consultants continued to develop the “character-based” (or “form-based”) zoning approach that was initially adopted in April 2014 for the downtown core. Amendments to the Zoning Ordinance were developed in two (2) additional phases, in each case focusing on a particular area of the City but at the same time modifying and refining previously adopted zoning provisions. First, the character district approach was expanded to the North End, based on a public design workshop (“charrette”) held in November 2014, and culminating with the City Council’s vote in August 2015 to adopt the North End zoning. Next, the Planning Department staff developed proposed zoning regulations for the West End and the Islington Street corridor based on a community design workshop held in February 2015 and the resulting Vision Plan that was introduced in March and finalized in October 2015. The proposed West End zoning changes regulations were presented to the Council in January 2016 and were reviewed by the Planning Board and residents from February through May.



❖ **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 Improvement Action Plan**



The Islington Street Improvement Action Plan is a long-range strategy of prioritizing 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 as well as streetscape improvements such as

sidewalks, streetlights, landscaped curb bumpouts, bus turnouts and appropriate economic development tools to benefit growing and creative businesses in the corridor. In FY16, the City selected a design engineer and started the design of the Islington Street Corridor improvements.

❖ **Market Street Gateway Improvement Project**

The City's consultants are completing construction design and landscape plans, permits, bid specifications and cost estimates for construction of streetscape improvements from the I-95 Exit 7 interchange to Russell Street. The City expects the first phase of construction to begin in the summer of 2016 and include complete street improvements from Kearsarge Street to Albacore Way with construction of:



- an 8-foot wide multipurpose path for pedestrians and bicyclists,
- new historic streetlights; a landscaped median,
- a dedicated bike lane on the westbound side,
- innovative stormwater drainage features,
- traffic calming features and traffic signal improvements,
- a new passive recreation waterfront park with kiosk and interpretive elements, and
- wayfinding signage.

The second phase will begin following completion of the new Sarah Mildred Long Bridge and will include the same street improvements from Albacore Way to Russell Street and a pocket park on the North Mill Pond.

❖ **Prescott Park Master Plan**



In January 2016, the Mayor appointed a Blue Ribbon Committee on the Prescott Park Master Plan. Prescott Park - a ten (10) acre waterfront park - is a major and beloved public green space and primary waterfront resource. The Park was created over a number of years beginning in the mid-20th Century as a result of a charitable gift of land and money from Josie F. Prescott “to be used for park and recreational purposes.” The park is home to historic

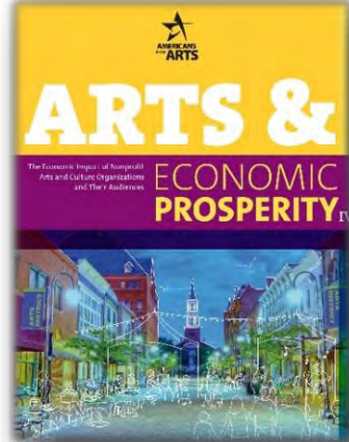
buildings all listed on the State Register of Historic places, including the Shaw and Sheafe Warehouses and the Marine Railway Building. The park itself lies within the City’s Historic District; in addition, the Park is within the study area for an in-progress District Nomination being prepared by the State of New Hampshire for the National Register of Historic Places.

While several significant maintenance and other improvement projects have been carried out in the park in recent years, many features, systems, amenities, surfaces, and structures are in need of replacement, upgrade, or other improvement. Due to the park size, number of different types of infrastructure, and cost for addressing the needs in total as well as the historic, cultural, and environmental importance of the Park, the City is looking to comprehensively plan for the future. The Committee is charged with developing a Master Plan, which will assess the parks current condition; determine desired uses and needs; and create a master plan addressing the identified improvements and upgrades. The Committee’s goal is to complete the Plan within the 2016 calendar year.

❖ **Implementation of the City’s Cultural Plan**

Art-Speak, d/b/a the City’s Cultural Commission continued efforts related to the City’s Cultural Plan including:

- Continued participation in Middle School Public Art Project.
- Administration of affiliate Portsmouth Arts and Cultural Alliance (PACA) activity on a Shared Services model to strengthen local arts and cultural non-profit organizations.
- Facilitated a public education forum at 3S Art-Space on developing public art with Jerome Meadows, Artist and Sculptor of Portsmouth’s African Burying Ground.
- Presented – along with a number of Portsmouth cultural organizations – “Blank Page Poetry – Words & Shadows: Truths the Arise Remembered” a multi-disciplinary performance conceived following the completion African Burying Ground.
- Administered the “A Tiny Bit Huge” creative effort to brand the City’s cultural community.
- Organized and kicked off the Americans for the Arts Economic Prosperity Study for 2016.



❖ **Senior Services**

The Senior Activity Center (SAC) continues to operate out of its temporary location at the Community Campus while working to secure a permanent location. SAC offers a centralized gathering space for seniors including a drop-in lounge as well as fitness, wellness, enriching, and social activities. The following represents the major offerings and developments in the overall program:



- A variety of wellness, fitness, social, and educational programs are offered Monday – Friday, 9:00am – 3:00pm. Staff serves as a resource for Portsmouth’s senior community.
- Over 2,000 *Senior News* newsletters are distributed monthly throughout the City.
- Continued partnership with the Mark Wentworth Home to offer senior transportation services.
- New tracking and membership software installed in spring 2016.



- New programs are being added regularly including ukulele classes, “Matter of Balance” - an evidence-based falls prevention class, movie field trips, and walking and other fitness classes.
- Continued summer lecture series
- ServiceLink Resource Center offers office hours once per week at SAC
- Continued collaboration with Families First, Foundation for Seacoast Health and Portsmouth Regional Hospital for annual Senior Wellness Expo.
- First annual Thanksgiving Luncheon hosted 150 seniors for lunch.

❖ **Solid Waste Program**

In FY16 the City initiated a consolidation of its solid waste and recycling collection efforts. This consolidation has reduced the number of trucks and staff required to complete operations reducing operational costs by \$145,000 and reducing the City’s carbon footprint by thirty (30) tons of CO2.

❖ **Charging Stations Grant**



As of March 2016, the City of Portsmouth received preliminary approval for a reimbursement grant from NH Department of Environmental Services (NHDES) to install electric vehicle charging stations in the Downtown.

The grant award is expected to receive final approval from the NH Governor and Council prior to FY16 year end. If approved, the NHDES will reimburse the City a total of \$10,000 for acquisition and installation of two (2) dual-connector Level 2 charging stations. The City’s share will be approximately \$5,500.

According to the criteria for this program, the locations selected must be easily accessible to the public on a 24 hour/7 days a week basis and year-round, located in areas that support the tourism industry, and located in proximity to major transportation corridors. The two (2) locations that have been selected and approved by NHDES are in the Hanover Parking Garage (near the Fleet St. entrance) and at the Worth Lot.

❖ **Adopt-A-Spot**

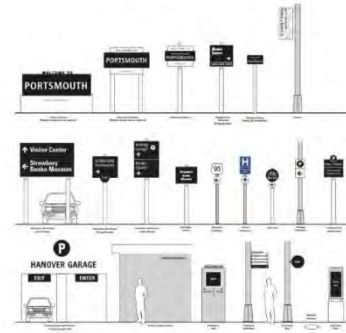
The Adopt-A-Spot program continues to gain new participants with over ninety (90) identified locations throughout the City of which sixty (60) spots are maintained by individuals and groups. The City continues to partner with local garden clubs to better support gardeners in the program and assist in developing spots that support sustainable initiatives such as Monarch Watch, a nonprofit program focused on the preservation and protection of Monarch Butterfly habitats throughout North America.



## ❖ Parking and Transportation

### **Wayfinding Program**

The City continues to work on implementation of its citywide Wayfinding Program. The development of the program was completed in early 2014 which identified appropriate wayfinding types, messaging and locations in a uniform and recognizable design menu that is unique to the City. The entire wayfinding system will be implemented in four (4) total phases and includes a combination of citywide signage as well as online and mobile tools to assist pedestrians, bicyclists and transit users, as well as motorists to navigate efficiently to their destinations.



Phase 1, completed in early 2015, focused on the City's public parking areas. Phase 2, which is currently underway, will facilitate navigation to key visitor destinations within Portsmouth. Signs in this phase will be located within and around the downtown area as well as along the primary road corridors into downtown including Islington Street, Middle Street and Sagamore Avenue. Another aspect of the Wayfinding Program - interior wayfinding for the Hanover Parking Garage - will also be continuing. Improvements being considered will include guidance for drivers and pedestrians accessing and circulating through the parking garage, as well as aesthetic enhancements and information to guide visitors to key destinations. Once the City's consultant completes the design plan for the interior improvements, visitors to the Garage should expect to see improvements being implemented by the end of the Winter 2016.

### **Bicycle and Pedestrian Plans and Projects**



This year, the City continues to implement the recommendations of the citywide Bicycle Pedestrian Plan, which was adopted in 2014. 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 bicyclists and pedestrians in all road improvement projects to the extent possible. Some examples of projects completed or started in FY16 include: the first phase of the Sagamore Avenue street improvement project which included new concrete sidewalks, bike lanes, and an upgraded intersection with Little Harbor Road; the Market Street Gateway Project which includes bicycle lanes and pedestrian amenities; and the Maplewood Avenue road reconstruction project which will improve the road for all travelers using Complete Street principles; and design of an on-road bicycle route along Middle Street/ Lafayette Road between the High School and Downtown.

**Public Transit**



The Planning Department continues to work with the Cooperative Alliance for Seacoast Transportation (COAST) and Wild Cat Transit, the City’s local and regional public transit providers. COAST is a regional public transit provider that operates as an independent

public body. The regional system that COAST operates is funded in part from contributions from the communities it serves, including Portsmouth. In addition to regional service, COAST provides 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 while continuing to improve and grow public transportation services in the city. Wildcat Transit is operated and managed by the University of New Hampshire (UNH) and provides bus service between downtown Portsmouth and UNH.

**Parking Shuttle**

For the 2016 season, staff is recommending operating the downtown parking shuttle Friday through Sunday beginning the first weekend in July through Labor Day. Staff also recommends providing additional shuttle service for special event days (Market Square Day, Halloween Parade, Holiday Parade, and First Night).

This year, City staff is recommending partnering with COAST to operate this service for the City. The regional public transit system that COAST operates is funded in part from contributions from the communities it serves, including Portsmouth. In addition to the regional system, COAST operates the Route 40 and 41 Trolleys which operate within Portsmouth city limits as well as the Vintage Christmas Trolley which operates on weekends in December. As a quasi-public transit provider, COAST cannot compete directly with private service providers and, therefore, was unable to respond to the previous request for bids for operation of this service in 2014 and 2015. At the City’s request, COAST has provided an estimate for operating a comparable parking shuttle using their existing fleet vehicles and commercial drivers. Partnering with COAST would result in an estimated 6-7% reduction in anticipated operating costs compared to contracting with a private operator.

Proposed Parking Shuttle Operation for 2016 Season Service Period	Service Hours
7/1 – 9/4 (10 weeks)	Friday 12pm-1am (13 hrs) Saturday 12pm-1am (13 hrs) Sunday 1pm-11pm (10 hrs)
Special Events: • Market Square Day • Halloween Parade • Holiday Parade • First Night	Market Square Day (13 hrs) Halloween Parade (7 hrs) Holiday Parade (9 hrs) First Night (9 hrs)

### **Hanover Garage**

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 FY16 and implemented in FY17.



### **Proposed Garage**

In May of 2015, the City Council voted to authorize bonding for the construction of a new municipal parking garage. Since that time the City has been negotiating the purchase of 1.24 acre site located at 165 Deer Street from Deer Street Associates (DSA). The project would include a 600 +/- space parking garage with ground floor liner buildings, an extension of Deer Street, and include the potential for the construction of micro apartments on the site. In conjunction with the parking garage development DSA will be developing it's remaining property that surrounds the garage site. As part of the negotiations, the City has been engaged in it's due diligence process focusing on title to the property as well as an intensive environmental review of the Site. Prior to proceeding with the purchase, the Purchase and Sales agreement will be brought to the City Council to authorize the City Manager to enter into the agreement.

### **Downtown Parking**

In FY16, 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 and efficiencies. The following projects were completed or initiated:



- Piscataqua Bank Lot: The City entered into an agreement with Piscataqua Saving Bank for the after-hours use of their nineteen (19) spaces.
- Isles of Shoals Lot: The City was able to negotiate a seasonal agreement for the public's use of fifty (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 ninety (90) spaces available for public and valet parking.



- McIntyre Lot: City staff continued to manage the public’s use of thirty-three (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 thirty-six (36) vehicles.
- Rock Street Lot: Following the demolition of the Rock Street garage at the end of Rock Street, the City constructed a new thirty-five (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. Staff will be researching additional possibilities for the shuttle program during this budget year.
- Parking Garage Efficiency: The conversion from cash only to a cash or credit card system in the Hanover Garage was initiated in FY16 and will be operational prior to FY17. This system is designed to eliminate the backups experience by customers leaving the garage. Additionally, this system is capable of running a validation program with participating restaurants, merchants, and other business.



### **Downtown Parking Strategies**

The City’s Department of Public Works made progress in FY16 by applying the Guiding Parking Principles adopted by the City Council in March 2012 and will continue in FY17 to monitor each development:

- The City continues 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.
- Research and test a “pay by app” system allowing customers to pay for their parking session with their smart phone.
- Continue to review the replacement of coin-only single head parking meters with coin/credit card meters. The plan is to replace an additional 175 single-space meters with coin/credit card units. A test of ten (10) “smart” meters will take place during FY17.
- Continue to explore options for remote lot parking lots and public/private lot usage agreements.



- Support efforts to provide alternative means of transportation for residents and visitors to Portsmouth.
- Engaged vendors to devise a potential bike-share program for the city.
- Continue to expand safe bicycle pedestrian infrastructure in support of the City Council Complete Streets policy.
- Install electric vehicle charging stations in the Hanover Garage and in a surface parking lot in the downtown area.
- Create working groups with business owners and residents of the Downtown Business District to solve issues that are experienced by these stakeholders.



❖ **Water Division**

**Public Outreach**

The Water Division implemented a monthly Water Supply Update that is sent to the news media and distributed through the City’s website. This update provides information regarding the status of precipitation, streamflow, reservoir and groundwater level trends. It also assesses the water demand projections in order to determine if any water restrictions are necessary.

Informational flyers distributed were:

- Water Assistance Program
- Cold weather waterline protection information
- Stormwater Program information and Best Management Practices

**Water Efficiency Rebate Program**



The City continues with its Water Efficiency Rebate Program which allows qualifying residential water and sewer customers a rebate for installing high efficiency toilets and washing machines. The rebates are \$100 for qualifying toilets

and \$150 for qualifying washing machines. The program was modeled after those in place at a number of other New England water systems, most notably the Acton Water District in Acton, Massachusetts. Portsmouth is the first water system in New Hampshire to offer rebates of this nature.

The program is offered to all residential customers served by the Portsmouth Water and Sewer Divisions, including multi-family residents. The City’s website includes information as well as the criteria and forms for customer’s to apply for their rebates.

Response to the program has been consistent, with an average of seventeen (17) toilet and seven (7) washing machine rebates issued each month.

The initial data from customers who have received rebates shows the following improvement in water efficiency:

- Toilet Rebates: 30% reduction in water usage
- Washing Machine Rebates: 19% reduction in water usage

### **GIS Interns**

The Department of Public Works' Water and Sewer Divisions continued to employ the services of two (2) University of New Hampshire student interns to survey and assess stormwater infrastructure and other City infrastructure. The information gathered from the assessment of storm drains, pipes and outfalls will be utilized by the City staff to identify operational and capital projects related to the stormwater programs.



City of Portsmouth GIS Interns  
Lauren Southerland and Jessica Pearce

### **Leak Detection Program**

The City continues to perform leak detection throughout the water system. The intent is to survey and inspect approximately one third of the water system's infrastructure for leaks each year. 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.

### **EPA's Climate Resilience Pilot Project**

The City assessed potential climate change impacts and potential vulnerability of its utility infrastructure and operations using the U.S. Environmental Protection Agency's (EPA) Climate Resilience Evaluation and Awareness Tool (CREAT). The assessment brought together City and EPA staff to think critically about potential climate impacts, priority assets and possible adaptation options. The City considered the potential consequences to its drinking water and wastewater utility infrastructure and operations from drought and extreme flooding events, respectively. To assess each of these potential threats, the City considered how adaptive measures would help lower consequences. These measures will now be incorporated into the water and sewer division's long-range capital and operational plans.



## Long-Range Capital Improvement Projects

In FY16, the Water Division continued to implement the projects recommended in the 2013 Water System Master Plan Update. These projects included:

- Continued replacement of larger customer water meters in the system with newer technology meters that are more accurate in capturing lower-flow water consumption.
- Completed discussions with the Rye Water District to activate the interconnection between the two systems for emergency supply. 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. Portsmouth staff constructed a mobile water treatment trailer to allow for the ability to chlorinate and add corrosion control treatment to the Rye water to better match Portsmouth's water quality.
- Contracted work for the construction of a new tank to replace 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 (3), 60-year-old Madbury Wells. Additionally, the replacement of Madbury Well #4 was completed and the state approved the use of this well as a groundwater source of supply. A backup Well #5 was drilled in early 2015 to provide emergency supply capability. The intent is to have this well approved as a drinking water source of supply through the application of a large groundwater withdrawal permit. This application is anticipated during FY18.
- Completed the design and replacement of the Greenland Well to improve system reliability and enable more sustainable operation of that water supply source. A replacement well was drilled in 2015 and construction of the station upgrades is anticipated for late 2016 and early 2017.
- The Water Division continues to upgrade water lines in conjunction with other utility and roadway projects.

## Pease Well Treatment

On May 12, 2014 the City of Portsmouth received notice that the Haven Well, located at the Pease Tradeport, the former site of the Pease Air Base, showed levels of Perfluorooctane sulfonate (PFOS) above the provisional health advisory level after Perfluoro Chemicals (PFCs) were sampled. The Well was immediately shut down and the City began responding to the incident on multiple fronts. These efforts have included:

- Attending numerous technical meetings held with regulators, health agency officials, the Air Force, the Pease Development Authority and technical consultants.



- Working with the technical team to develop a comprehensive monitoring program to identify and track PFC contaminants that could impact the other two (2) Pease water supply wells.
- The water system responded to water demand needs by supplementing water in the Pease system with water from the Portsmouth system.
- Groundwater investigations were initiated to identify sources of supply capable of replacing the Haven Well at its sustained yield of 534 gallons per minute.
- A Memorandum of Agreement with the Air Force was obtained to provide the City with reimbursement of expenses related to the response.
- Treatment options were investigated and recommended to regulators and the Air Force.
- Public meetings were held with past and present customers to inform them about the issues.
- A Community Advisory Board was formed at the request of the State of New Hampshire Department of Health and Human Services in response to public input that communication and community inclusion in discussions regarding the Haven Well contamination issue needed improvement.
- Blood testing was offered to people who consumed water from the Pease Tradeport water system.
- Preliminary design of a carbon treatment system was submitted to the Air Force in early 2016 for anticipated construction after final design is completed.

### **FY17 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.

### ❖ **Wastewater Division**



#### **Peirce Island Wastewater Treatment Facility**

In FY16, the City Council voted to fund the construction of the Peirce Island Wastewater Treatment Facility (WWTF) Upgrade. The design of this project was completed in late December 2015 and a schedule was negotiated as part of a modification to the City's Consent Decree with the Environmental Protection Agency (EPA). The

biological treatment system components will be completed by December 2019. The Division is preparing for this major construction project and investigating alternatives to mitigate the impacts of construction. The EPA has been involved with the project because of its issuance of the National Pollutant Discharge Elimination System (NPDES) permit for the facility. The Department of Environmental Services (DES) has been involved and has approved the design. The treatment facility construction will kick off at the very beginning of FY17 and extend through the fiscal year.

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 in the Piscataqua River.

### **Pease Wastewater Treatment Facility**



The Pease Wastewater Treatment Facility will be upgraded in FY17 as well. Portions of the Pease facility have not been upgraded since its original construction in the 1950s. It is anticipated that the City will complete the work in phases utilizing the recommendations of previous engineering evaluations. During FY17, the design of the first phase to upgrade the headworks (screening, grit removal, and raw sewage pumping) will be complete and the project under construction.

### **Lafayette Road Pump Station**

The Lafayette Road Pump Station will be upgraded in FY17. Preliminary design of the station took place 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.

### **Wastewater Public Outreach**

The Division continues to focus on improving public outreach efforts with respect to wastewater treatment upgrades and other projects in the system. The division continues to provide periodic updates on the status of projects at its web domain at [www.portsmouthwastewater.com](http://www.portsmouthwastewater.com). This information will be supplemented by newsletter articles and press releases as needed to announce major project milestones. In addition, periodic public updates are presented 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 LongTerm Control Plan to reduce Combined Sewer Overflows (CSO). Additional work was added to the Lincoln 3C project to extend separation from Wibird Street to a portion of Willard Street and Marston Street to South Street. This work was completed in FY16. 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 and localized flooding as well as provides improved water quality discharged to receiving waters from precipitation events.

The City has completed the last of its sewer separation projects required by the current Consent Decree with the Environmental Protection Agency. In FY16 the City began the required evaluation of the sewer separation work, 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 in the future.

The first phase of a City wide evaluation of the condition of the sewers was performed in FY16. The City has an old sewer collection system with many pipes being over 100 years old. This work included measurements of the amount of extraneous groundwater and stormwater in the sewer collection system. The next phase of the work to be completed in FY17 includes a structural condition assessment of the sewers where extraneous flow was found to be excessive. 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 goal of 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 Maplewood Avenue (North Mill Pond to Woodbury Avenue) Reconstruction project and the Islington Street Corridor Improvements project.

❖ **Parks and Recreation**

**City Owned Historic Cemeteries**



Building on restoration, stabilization and other improvement projects in recent years, the City – in collaboration with volunteers and other partners – will continue to focus on maintaining its six (6) historic cemeteries. Following a 2013 assessment of the cemeteries, the Portsmouth City Council adopted an action plan to ensure ongoing improvements and created a Historic Cemetery Trust to serve as a repository for funds donated to

the overall effort. In 2015, the City completed five (5) hill and chest tomb stabilization projects in North Cemetery as well as the restoration of the Union Cemetery front enclosure wall and the reconfiguration of the receiving tomb, also in Union Cemetery. Both cemeteries benefited from some removal of debris and leaves by a volunteer group; tree trimming and removal by the Department of Public Works; and the continued beautification through the adopt-a-spot program.

The overall cemetery improvement effort attracted financial support through a family donation, small foundation grant, as well as funding resulting from a nearby private development project. These funds along with funding through the City’s Capital Improvement Program will ensure this cemetery work continues. Specific projects planned for the near term include the reconstruction of the door to the Union Cemetery Receiving Tomb, restoration of the enclosure wall of North Cemetery, and the stabilization and preservation of the Wendell Tomb in the Pleasant Street Cemetery.



**Implementation of Master Plan for the Sagamore Creek Land**



Throughout 2015, a Mayoral-appointed Blue Ribbon Committee on the Sagamore Creek Land worked to develop a plan for public usage of the 66-acre city-owned parcel, which lies along Sagamore Creek. The plan, adopted by the City Council in December 2015, includes a series of modest improvements that will enhance public access, protect sensitive habitat, preserve

existing trails, and ensure the site is inviting and usable to all members of the Portsmouth community. With the plan adopted, work will likely be phased-in as funding is made available through the City’s Capital Improvement Program.



## Recreation Fields

The development of recreation fields will continue to be a priority in FY17. A 2015 report to the City Council identified and prioritized City-owned assets, which could be opportunities for adding to the inventory of regulation-sized recreation fields. The study included repurposing land currently owned by the City, such as the “stump dump” on Greenland Road, as well as resurfacing existing fields with artificial turf to promote more use of existing natural turf fields. In addition, the City is working to identify the acquisition of new land to support the development of multiple regulation-sized fields with related amenities such as lighting and associated site improvements.



In FY 17, the City will continue its work to convert the former “stump dump” facility on Greenland Road into a multi-purpose, 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.

## ❖ Federal Property Transfers

### Thomas J. McIntyre Federal Building

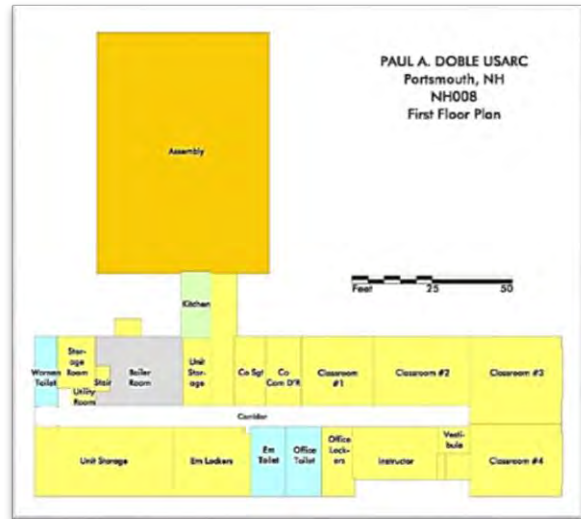


The City Council Working Group for the McIntyre Federal building continued working with the General Services Agency (GSA) throughout FY16 on actions towards the disposal and reuse of the building and property. The group provided input to the GSA's Request for Information (RFI) and members of the working group and City staff participated in the Industry Day program held

by the GSA in March of 2016. Industry Day consisted of a tour of the McIntyre Building by potential interested development teams. Interested development teams will be responding to the RFI in late March of 2016, after which the GSA will proceed with a Request for Qualifications process followed by a Request for Proposals procurement process.

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

The City will continue to pursue the acquisition of the Paul A. Doble Army Reserve Center at 125 Cottage Street and its transformation into a new 50+ Activity Center. 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 and the environmental reviews required prior to the execution of the transfer, which have included a historic review. More information about the report from the Blue Ribbon Committee on Seniors and the concept of a 50+ Activity Center can be found on the City's website.



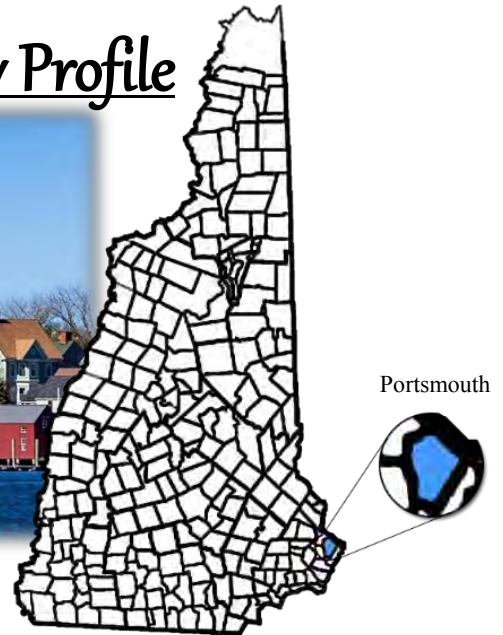
### ❖ **Legislative Subcommittee**

The City Council's four-member Legislative Subcommittee (comprised of the Mayor and three (3) City 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, valuation of utility poles and conduits and the State's education funding formula. 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. In addition, the Legislative Subcommittee follows legislation that amends the current Right-to-Know Law. The Committee 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 and enabling legislation that would allow cities and towns to defer the cost of tourism. The Committee also monitors legislation that may impact the City's regulation of short term rentals and ride sharing businesses.





# Portsmouth, NH Community Profile



## City Government

- Settled: 1623
- Incorporated: 1849
- Form of Government: Council-Manager
- Bond Rating, Standard & Poor's: AAA

## Location

- Latitude: 43° 4' 32" North
- Longitude: 70° 45' 38" West
- County: Rockingham
- State: New Hampshire
- Tourism Region: Seacoast
- Planning Commission: Rockingham

## Land

- Land Area: 10,763 acres (16.8 sq. miles)
- 10,034 (15.7 sq. miles) of land
- 729 acres (1.1 sq. miles) of inland water  
*(source: Taintor and Associates, Existing Conditions, 2004)*
- Public Parks & Playgrounds - 200+ acres  
*(source: Taintor and Associates, Existing Conditions, 2004)*
- Public Streets – 136 miles
- Wetlands – 3,538 acres  
*(source: City of Portsmouth, 2003 Wetlands Inventory)*

## Transportation & Road Access

- US Routes – 1, 4
- State Routes – 1A, 1B, 16, 33, 1 Bypass
- Nearest Interstate Exit – I-95, Exits 3-7
- Railroad – Guilford Rail Service
- Public Transport – COAST; Wildcat Transit
- Nearest Public Use Airport – Pease International Airport
- Nearest Airport with Scheduled Service: Manchester-Boston Regional

## Driving Distance to Selected Cities

- Manchester, NH – 45 miles
- Portland, ME – 51 miles
- Boston, MA – 57 miles
- Concord, NH – 59 miles
- New York City, NY – 270 miles
- Washington, D.C. – 491 miles
- Montreal, Quebec – 301 miles

### **Emergency Services**

#### Full Time Police Department

- Police Stations - 1
- Police Vehicles – 30

#### Municipal Fire Department

- Fire Stations – 3
- Fire Department Apparatus - 19
- Fire Boat - 1

#### Emergency Medical Service – Full & Part-time Staff

Nearest Hospital – Portsmouth Regional,  
Portsmouth (209 beds)

### **City School System**

- Number of Schools – 5
  - Elementary – 3
  - Middle/ Junior High – 1
  - High School – 1
- Number of Private Schools – 1
- NH Licensed Child Care Facilities  
(2015) – 20

### **Culture and Recreation**

- Libraries – 1
- Community Centers – 2
- Number of boat dock facilities – 2
- Swimming pools – 3
- Tennis Courts – 10

### **Public Works Department**

- Sanitation – Municipal
- Recycling Program – Mandatory
- Miles of Streets – 136
- Miles of Sidewalk – 70
- Number of Bridges – 14
- Number of Municipal Buildings – 7  
(approximately 266,268 square feet)
- Playgrounds / parks/ ballfields – 23
- Historic Cemeteries – 6

### **Water and Sewer Infrastructure**

- Miles of water mains – 188
- Number of service connections – 8,038
- Storage capacity in gallons (millions of gallons) – 10
- Maximum daily capacity of plant  
(millions of gallons) – 4.5
- Number of fire hydrants – 1, 017
- Miles of sanitary sewers – 107
- Number of water treatment plants – 2
- Number of service connections – 6,404
- Maximum daily capacity of treatment  
– millions of gallons 25.3
- Daily average water consumption  
(millions of gallons) (FY2015) – 4.5
- Peak daily water consumption  
(millions of gallons) (FY2015) – 6.0
- Daily average treatment of sewage  
(millions of gallons) (FY2015) – 5.0

## Portsmouth City Demographics

City Population (2014) – 21,463

Veterans (2010-2014) – 1,465

(source: census.gov)

### Educational Attainment, Population 25+ Years

High School Graduate or higher – 95.6%

Bachelor's Degree or Higher – 55.3%

Graduate or Professional Degree – 21.0%

(source: ACS survey 2010-2014)

### Households

2010 U.S. Census – 10,014

2000 U.S. Census – 9,875

1990 U.S. Census – 10,329

Average Household Size - 2.03

Average Family Size – 2.75

(Source, U.S. Census 2010)

Median gross rent 2010-2014 - \$1,138

(Source, U.S. Census 2010-2014)

### Labor Force (Annual Average 2014)

Civilian labor force – 13,155 (61%)

Employed – 12,699 (96%)

(Source: NHES-ELMI March 2015)

### Income, Inflation Adjusted 2014

Per capita income - \$42,724

Median Family Income - \$90,208

Median Household Income - \$67,679

Median Earnings, full time

Male - \$58,441

Female - \$45,683

Individuals Below Poverty Level – 7.6%

(source NHES Community Profile, Portsmouth 2015 and ACS 2010-2014)

### Geography

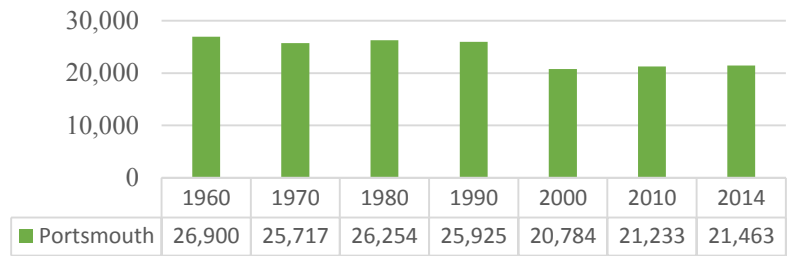
Population per square mile, 2010 – 1,363

Land area in square miles, 2010 – 15.7

(Source, U.S. Census 2014)

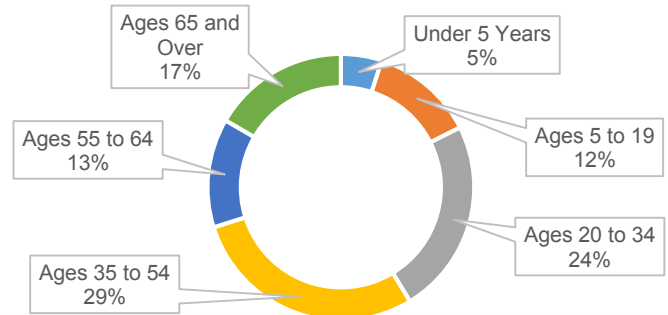
## Portsmouth Population Decennial Trends 1960-2014

(source US Census Bureau)



## Population by Age Group

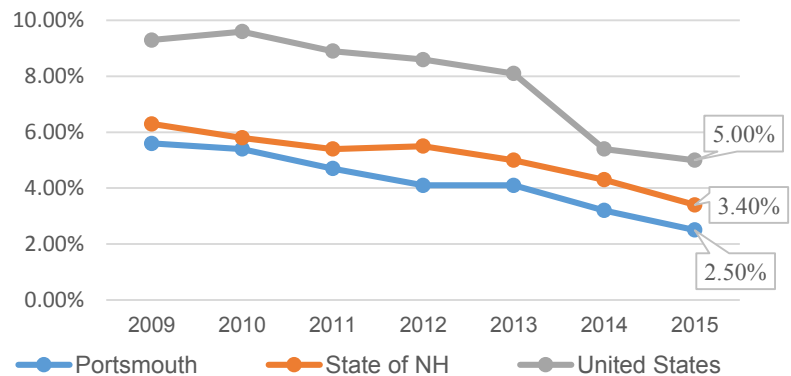
(Source: ACS survey 2010-2014)



## Annual Average Unemployment Rates 2009-2015

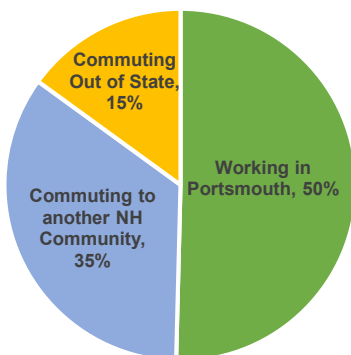
Portsmouth is consistently lower than the state and region in unemployment rates.

(Source: Portsmouth Economic Development Department)

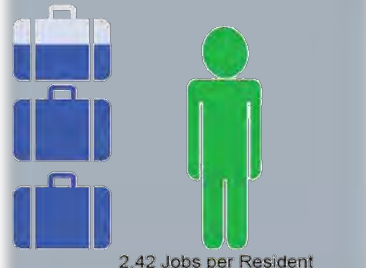


## Where do the Residents of Portsmouth Work?

(Source ACS Survey 2010-2014)

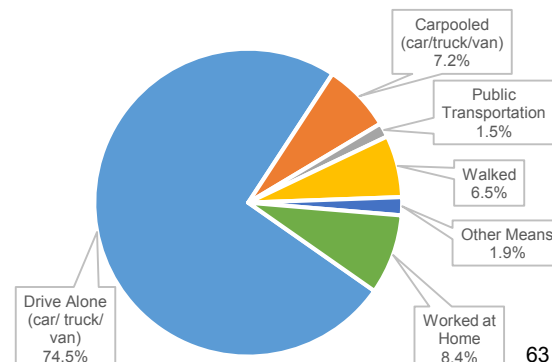


## Portsmouth's Healthy Job Market



## How are Portsmouth Residents Commuting to Work? (Ages 16+)

(Source Economic & Labor Market Information Bureau, NH Employment Security, January 2016).





# Economic Profile

The City of Portsmouth (population: 21,463) 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 57 miles north of Boston, Massachusetts, and 51 miles south of Portland, Maine.

### Quality of Life and Economic Assets

Settled in 1623, Portsmouth is the nation's 3rd-oldest city with a rich heritage as a working seaport and the home of the State's only deep-water port. Portsmouth has an authentic New England appeal that is unique. Contributing to that allure are the following attributes:

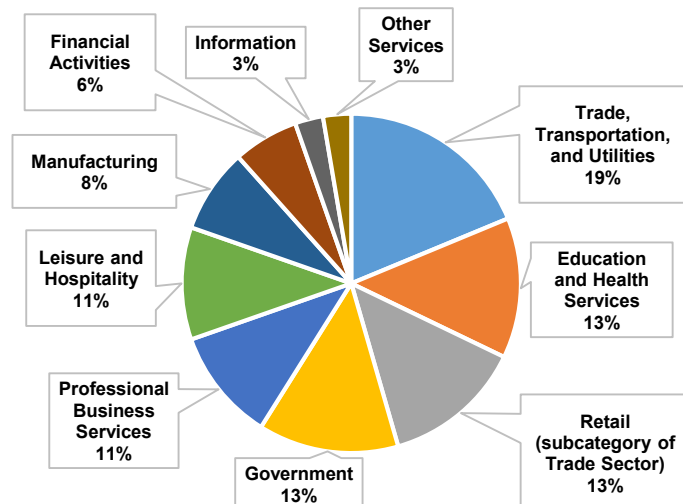
- Vibrant, walkable downtown
- Historic architecture
- Independent retail offerings and strong culinary destination
- Low crime rate
- Excellent K-12 school system
- Strong creative arts and culture economy
- Easy access to the interstate highway to the Boston, MA and Portland, ME metro areas
- Home to Pease International Tradeport and Airport
- High resident educational attainment (55% of Portsmouth residents over the age of 25 have a college bachelor's degree or higher, Source: US Census)



### Portsmouth Business Sectors by Employment

The local economy consists primarily of private, service-producing industries versus manufacturing industries. The city's quality of life and aforementioned economic attributes have attracted a wide variety of industries employing young, entrepreneurial and highly-skilled workers in the technology, finance, biotech and health sectors. This contributes to the strong business diversity in the seacoast NH region. Portsmouth fared well during the recent recession due in part to its diversity and lack of reliance on one industry or workforce as illustrated in the adjacent chart.

Portsmouth NECTA Employment



## ***Workforce***

According to the NH Employment Security Office, Portsmouth’s total public and private average quarterly employment at the end of the 2015 third quarter was 32,099 compared to 30,487 at the end of the 2014 third quarter indicating an increase of 1,612 jobs, or 5%, over the year. The average weekly wage for those periods were \$1,132 and \$1,124 respectively. Approximately one-half of working residents are employed locally, but the bulk of the workforce commutes into the City to work.

The City of Portsmouth continues to lead the region in low unemployment rates. According to the NH Department of Employment Security, as of January 31, 2016 the unemployment rate was 2.3%, compared to 3.5% in January 2015. The respective rates for the state and the nation were 2.9% and 4.9%. The chart below compares the annual average unemployment rates of Portsmouth to the State and Nation from 2009-2016.

<b>Annual Average Unemployment Rate (%)</b> (Source NH Economic & Labor Market Information Bureau)							
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>U.S.</b>	<b>9.3</b>	<b>9.6</b>	<b>8.9</b>	<b>8.6</b>	<b>8.1</b>	<b>5.4</b>	<b>5.0</b>
<b>State of NH</b>	<b>6.3</b>	<b>5.8</b>	<b>5.4</b>	<b>5.5</b>	<b>5.0</b>	<b>4.3</b>	<b>3.4</b>
<b>Portsmouth</b>	<b>5.6</b>	<b>5.4</b>	<b>4.7</b>	<b>4.1</b>	<b>4.1</b>	<b>3.2</b>	<b>2.5</b>

## ***Arts and Culture***



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. The most recent Economic Impact study of this sector by Americans for the Arts indicated that the city’s non-profit cultural institutions and organizations alone contribute over \$41.4 million to the local economy.

Portsmouth stands out in this regard because the \$41.4 million figure is five times the arts and cultural contribution of similar sized cities. These organizations, along with many year-round cultural offerings, make Portsmouth a preferred tourist destination and, as in the past, the media has taken note. In the past year, Portsmouth received the following media accolades:





- ✓ Portsmouth included in USA Today.com article on best small town Christmas celebrations: <http://experience.usatoday.com/america/story/best-of-lists/2015/12/09/small-towns-christmas-celebrations-santa-claus-indiana/76998034/#experience-comments-container> December 2015
- ✓ National online syndicated column the examiner.com includes Portsmouth in best family holiday places <http://www.examiner.com/article/favorite-places-for-family-xmas-holidays-where-life-long-memories-are-made> December 2015
- ✓ Travel and Leisure.com lists Portsmouth as one of America's 20 Top Holiday Towns: November 2015; <http://www.travelandleisure.com/slideshows/americas-best-towns-for-the-holidays/20>
- ✓ Portsmouth among top ten Happiest Seaside Towns by Coastal Living Magazine, June 2015 <http://www.coastalliving.com/travel/top-10/2015-americas-happiest-seaside-towns/hst-portsmouth-new-hampshire>
- ✓ Portsmouth highlighted in Yankee Magazine.com as great fall get away: November 2015 <http://www.yankeemagazine.com/explore-new-england/downtown-portsmouth-new-hampshire#>
- ✓ Huffingtonpost.com lists Portsmouth as one of four potential heirs to *Portlandia*, November 2015; [http://www.huffingtonpost.com/thrillist/the-next-portland-4-citie\\_b\\_8545026.html](http://www.huffingtonpost.com/thrillist/the-next-portland-4-citie_b_8545026.html)
- ✓ Portsmouth included on BUZZfeed.com list of Nine US Cities to visit; October 2015 [http://www.buzzfeed.com/h2/fbso/monopolyhereandnow/american-cities-you-didnt-know-you-need-to-visit?sub=3942358\\_6578087&utm\\_term=.ou007b2wq#.lha9lQKXx](http://www.buzzfeed.com/h2/fbso/monopolyhereandnow/american-cities-you-didnt-know-you-need-to-visit?sub=3942358_6578087&utm_term=.ou007b2wq#.lha9lQKXx)
- ✓ Portsmouth included in article, *19 Best things To Do in Portsmouth*, on NH Vacationidea.com website, October 12, 2015: <http://vacationidea.com/destinations/best-things-to-do-in-portsmouth-nh.html#slide2>
- ✓ Portsmouth hailed for its architecture and new African Burying Ground August 2015 <http://halifaxbloggers.ca/noticedinnovascotia/2015/08/portsmouth-new-hampshire/>



- ✓ Portsmouth praised as dog-friendly city in “13-reasons-your-dog-wants-you-to-vacation-in-Portsmouth” July 2015 <http://halifaxbloggers.ca/thelocaltraveler/2015/07/13-reasons-your-dog-wants-you-to-vacation-in-portsmouth/>



**School Enrollments**

The Portsmouth Public School System serves approximately 2,674 students in grades K-12. The School Department includes a preschool program, three elementary schools (K-5), one middle school (6-8), one high school (9-12), and one alternative high school program (9-12). The high school also includes a Career Technical Education program available to students in grades 9-12.



**Post-Secondary**

In addition to the University of New Hampshire located 12 miles away in Durham and Great Bay Community College in Portsmouth, many institutions of higher education are available in or near the City. These institutions include: Granite State College, Southern New Hampshire University, Franklin Pierce College, Antioch University New England, and New England College.

Education and Child Care <small>(source: NHES Community Profile, Portsmouth 2015 and ACS Survey 2010-2014)</small>				
	Elementary	Middle/ Junior High	High School	Private/ Parochial
# of Schools	3	1	1	1
Grade Levels	P, K-5	6-8	9-12	P, K, 1-8
Total Enrollment	1,035	529	1,110	124
Career Technology Centers	Portsmouth Career Tech Center #19			
Nearest Community College	Great Bay Community College			
Nearest College or University	University of New Hampshire			
2015 NH Licensed Child Care Facilities (DHHS Bureau of Licensing)	Total Facilities – 20 Total Capacity – 1,335			

**Utilities**

*Electric and Gas* – Eversource, interconnected with the New England Power Company Exchange, supplies all electrical power within the city. Gas service is provided by Unitil, Allied Gas Division and Sea 3. Both natural gas and LPG are available.

*Water and Sewer* - Water and sewer services are provided by the City under an Enterprise Fund with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

**Transportation Services**

Overnight truck delivery is available from Portsmouth throughout the northeast market serving 36% of the nation’s population plus eastern Canada. Portsmouth is served by twenty-one (21) regular route carriers and UPS. The Boston & Maine Railroad provides daily freight service. Greyhound and Trailways bus services also provide daily interstate service. By vehicle, it is an hour commute south to Logan International Airport, as well as the financial and medical centers of Boston.

Pease International Airport is located within the City of Portsmouth. Manchester Airport is located approximately one hour west and Portland International Airport in Portland, Maine is located one hour north of Portsmouth. Amtrak passenger rail link service is now available between Portland and Boston with stops in Dover, Exeter and Durham, NH. Regional bus service is provided by COAST



(Cooperative Alliance for Seacoast Transportation). Using Portsmouth as one terminus, COAST serves the region with frequent service.

The New Hampshire State Port Authority's Portsmouth facility currently provides a concrete pier 600 feet by 50 feet, with a 35-foot deep berth alongside, a 10 acre storage area and 50,000 square feet of warehouse space. The newest state pier has doubled its capacity and accommodates additional bulk cargo products and container and barge services. The harbor is ice-free year round and is the closest ice-free port to Europe. The Port operates the only active Foreign Trade Zone north of New York.

## Unique Economic Drivers

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*



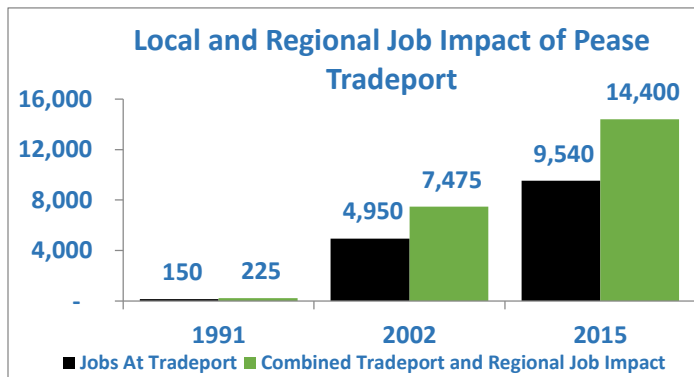
One of the nation's most successful military base redevelopments, Pease International Tradeport, is located in Portsmouth and continues to grow and be a significant contributor to the economic vitality of the region. In January 2015, the NH Business Review magazine listed the top ten (10) New Hampshire companies to work for in 2014, four (4) of which are located in Portsmouth. Of these four (4), three (3) are located in Pease International Tradeport.

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 a total of \$6.1 million in FY16 in municipal service fees and property taxes for City services provided.

Pease International Tradeport continues to be an important regional economic driver with over 275 companies and over 9,500 workers, many in well-paying technology and advance manufacturing jobs. According to a recent report on the 25<sup>th</sup> anniversary of the Tradeport by Applied Economic Research entitled “Pease Tradeport, Economic Impact 2015,” the Seacoast economy has outperformed the New Hampshire economy in both the short and long term, due largely to the success of Pease. Driven by activity at Pease, the pace of job growth in Portsmouth (71%) has been more than twice that of New Hampshire since the Pease Airforce Base closure in 1990.

Other significant economic impacts of the Tradeport include:

- Wages paid by Tradeport employers total an estimated \$584 million;
- The jobs at the Tradeport support a total regional job impact of over 14,000 jobs with wages totaling over \$725 million (see chart below);
- The Tradeport generates an estimated \$16 million annually in Business and Meals & Rooms taxes to the State;
- There is nearly 4.5 million square feet of existing and approved building space at Pease - which is the equivalent of approximately 100 football fields.



Source: Applied Economic Research, Pease Tradeport Economic Impact 2015

Lonza Biologics, a biotechnology company and one of the City’s top ten employers located at Pease Tradeport recently announced a proposed 1 million square foot expansion of its office, biopharmaceutical manufacturing and warehousing space. The improvements will be phased and will add two (2), four-story parking garages, increased utility yards and traffic circulation areas. The investment will add 150 jobs, with the potential for a total of 400 additional biotech jobs. The proposal is the largest expansion proposed to date at the Tradeport and will double the company’s current building and infrastructure footprint.

The Tradeport is also home to the Pease International Airport, which is an asset to the entire region. Its proximity to Logan Boston’s International Airport, MA, the Portland, Maine International Airport and the Manchester, NH Regional Airport creates a unique opportunity to capture both passenger and airplane service companies. Currently, passenger flights are available on Allegiant Airlines and on several charter and private jets that operate out of the airport.

Pease International Airport is also home to Alpha Flying Inc., (AFI), an aircraft management company with twenty-five (25) fractional ownership planes. On the aviation services side, AFI's sister company, Atlas Pilatus Center Inc. (APC), services the fleet of planes used in the fractional ownership end of the enterprise. Port City Air is another aviation business that provides airplane repair services at the Tradeport.

The Air National Guard 157<sup>th</sup> Air Refueling Wing at Pease Tradeport is moving forward with preparations to receive twelve (12) new KC-46A refueling tankers slated to replace the aging KC-135 Stratotanker refuelers. The Pease Refueling Wing was selected in 2014 as the U.S. Air Force's top choice to receive the next generation KC-46A refueling tankers adding 100 new jobs with a payroll of \$7 million and indirect economic benefits of \$45 million in construction contracts. In January of this year, the Air Force announced successful test flights of the planes scheduled to arrive at Pease in February 2018. Between now and then, the Air Force is undertaking infrastructure improvements needed to accommodate the new aircraft such as new hangar space and simulator building and maintenance crew training.

### ***The Port of New Hampshire***

The Port of New Hampshire, located on the Piscataqua River in downtown Portsmouth, is the State's only deep-water 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 docks are located onsite. Port infrastructure includes a 66-foot-long wharf, a 310-foot barge pier, two (2) 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 (5) distinct sites, three (3) 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)***



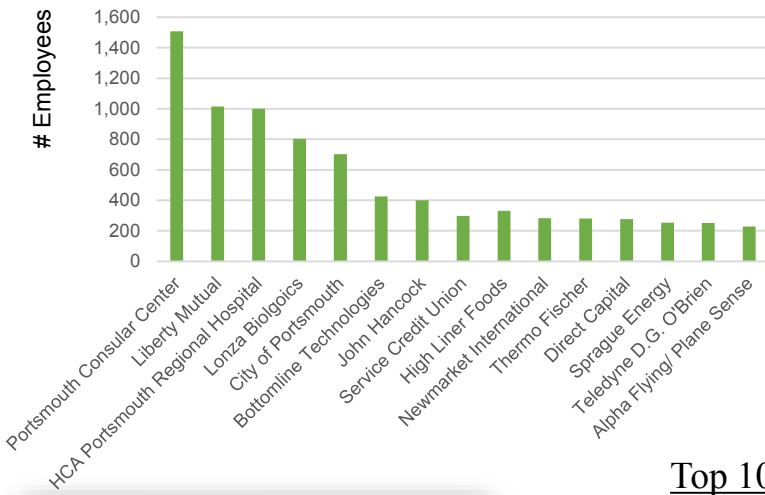
The Portsmouth Naval Shipyard (PNSY) is located in Kittery, Maine, just across the Piscataqua River from the City. It is a major submarine overhaul and refueling facility as well as the U.S. government's oldest continuously operating naval shipyard. It is also the largest regional employer with a highly skilled, technical workforce. The Seacoast Shipyard Association's regional economic impact report of the PNSY for calendar year 2015 shows an economic impact of \$732,730,681. The Shipyard employs a total of

6,099 civilian employees with a payroll of \$482 million up from 5,585 employees with a payroll of \$432 million in calendar year 2014. The shipyard purchased \$70 million of goods and services in 2015; an increase of \$17 million over calendar year 2014. Total contracted facility services purchased was \$138 million in 2015 making it a significant source of direct and indirect expenditures in the region.



# Economic Indicators

Largest Employers in Portsmouth 2015



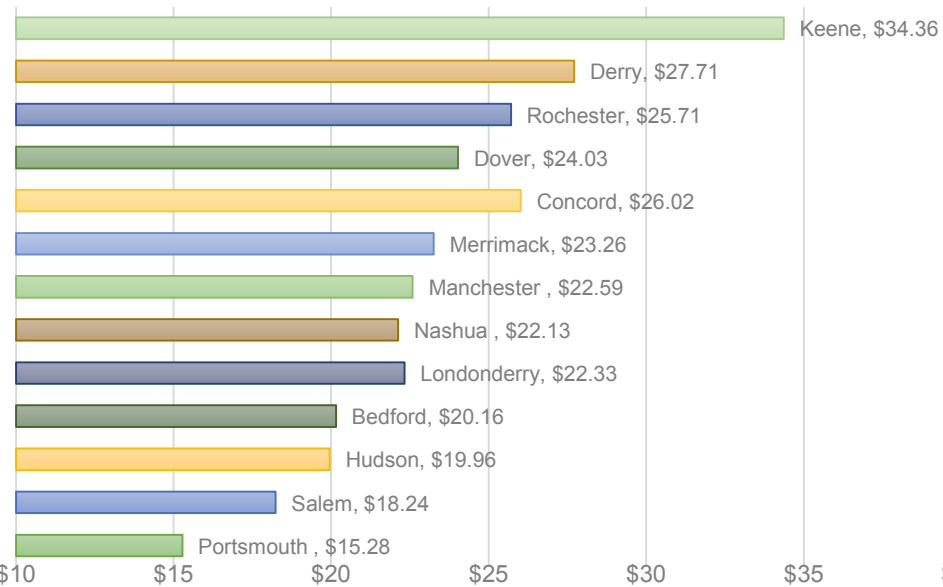
The graph on the left represents the fifteen (15) largest employers in the City of Portsmouth, employing over 8,000 employees in 2015. The principal employer, Portsmouth Consular Center, employed 1,509 individuals. This business entity consists of the US Department of State Passport Service NE Regional Office, the National Passport Center and the National VISA Center. The 2<sup>nd</sup> highest employer, with 1,015 employees, was Liberty Mutual Insurance Company. The 3<sup>rd</sup> and 4<sup>th</sup> largest employers, HCA Portsmouth Regional Hospital and Lonza Biologics, employed 1,000 and 803 employees respectively.

Top 10 Taxpayers 2015 (FY 2016)

Portsmouth's top ten (10) principal taxpayers (listed in the table to the right) of 2015 (FY 2016) pay over 11% of total property taxes. Business varieties range in type from utilities, medical buildings, banks, apartment complexes, hotels, office spaces and shopping centers.

Company	Business Type	Percentage of Total Taxable Property
Public Service of New Hampshire	Utility	3.85%
HCA Health Services	Medical Building	1.76%
Branford Holding LLC	Apartment Complex	1.04%
Service Credit Union	Bank	0.87%
Liberty Mutual Insurance Co	Office Building	0.75%
Hanover Apartments LLC	Apartment Complex	0.66%
Inishmaan Assoc Ltd Ptnshp	Apartment Complex	0.59%
Northern Utilities Inc.	Utility	0.54%
Harborside Associates	Hotel	0.52%
DPF 1600 Woodbury Avenue LLC	Shopping Center	0.49%

Total Equalized Tax Rate 2014 (FY 2015)  
(NH Communities with at Least 20,000 Pop.)



The graph to the left depicts the equalized tax rates, as provided by the NH Department of Revenue, for towns and cities of New Hampshire with 20,000 or more residents for Fiscal Year 2015. Portsmouth has had the lowest equalized tax rate within these towns and cities for the past six (6) years.

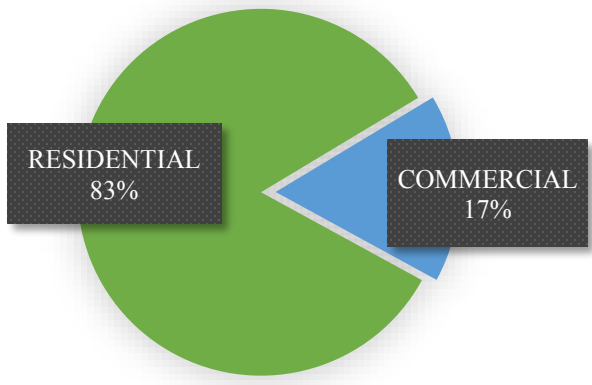


<b>Tax Rate 2015 Tax Year (FY2016)</b> <b>\$16.79 (per \$1,000)</b>
Municipal - \$8.07
County - \$1.08
Local Education - \$5.33
State Education \$2.31

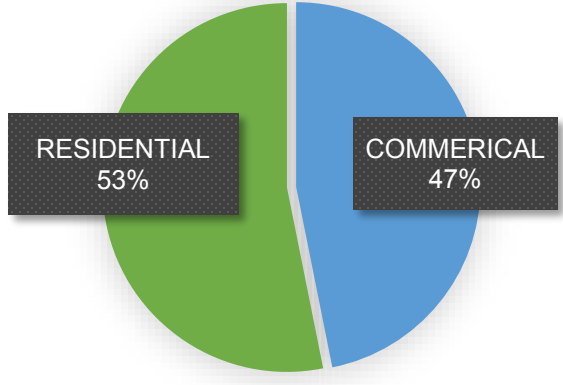
The City of Portsmouth conducted a revaluation for the tax year 2015 (FY2016) in accordance with state law. The total taxable parcel count is 8,535. Commercial properties make up 17% of the total City parcel count while comprising 47% of the total assessed value of the City. Respectively the Residential properties make up 83% of the total parcel count while comprising 53% of the total assessed value for Portsmouth.

Total Valuation Before Exemptions 2015 (FY16)		
	Total	Count
Commercial	\$ 2,236,567,028.00	1,414
Residential	\$ 2,538,608,815.00	7,121
Totals	\$ 4,775,175,843.00	8,535

Residential vs. Commercial Properties by Percent of Taxable Parcel Count

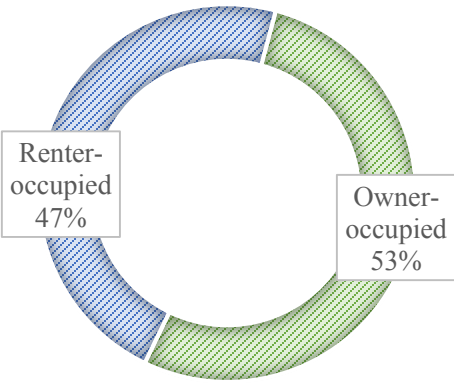


Residential vs. Commercial Properties by Percent of Total Assessed Value



**Housing Unit by Occupancy**

(Source: American Community Survey Data 2014)



Total Units Occupied: 10,325

**Mean Values**

- Type
- Commercial\* - \$1,581,730.57
- Residential \*\* - \$356,289.25
- Residential Stratified
- Single Family- \$403,265
- Condo - \$460,741
- Multi-Family 2-3 Units - \$460,614
- Mobile Homes - \$54,364

**Median Values**

- Single Family - \$345,800
- Residential \*\* - \$315,300

As of April 1, 2015  
 \* Includes Pease Non-Airport District and Utilities  
 \*\* Includes single family, condos, multi-family 2-3 units, mobile homes and vacant land.  
 (Source: City of Portsmouth, Finance Department)

**Housing**

Number of Housing Units – 11,072  
 (Source: ACS Survey 2010-2014)

**Property Types**

(% of Total Taxable Parcel Count)

- Single family – 47.5%
- Residential Multi-Family – 4.4%
- Condominiums – 23.9%
- Mobile Homes – 2.9%
- Commercial – 15.5%
- Pease Airport – 0.8%
- Pease Non-Airport – 0.5%
- Utility – 0.3%
- Exempt – 4.2%

(Source: Portsmouth Assessors Office, 2015 (FY2016))

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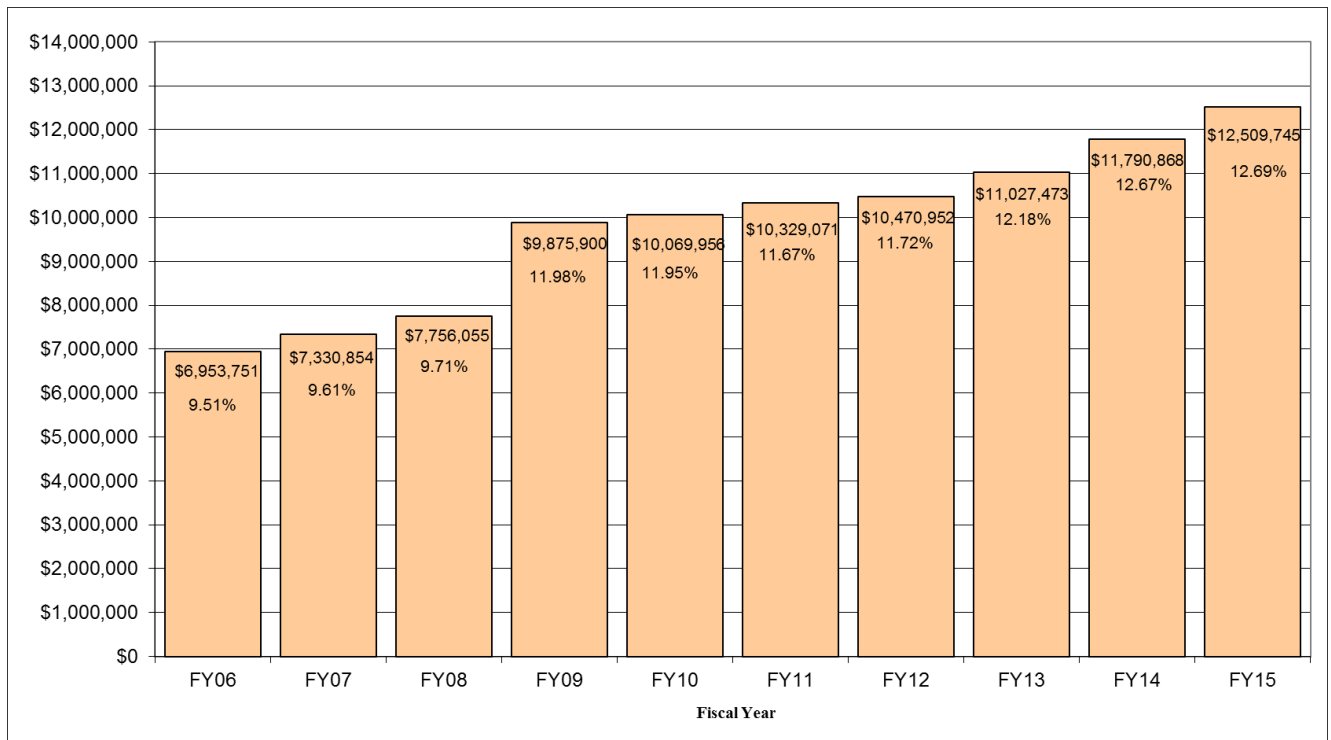


# Financial Policies and Long-Term Financial Guidelines

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, 2015, the Unassigned Fund Balance is 12.69% 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 2015 bond issue. Moody's Investors Service Ratings Group was not utilized for the June 2015 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.

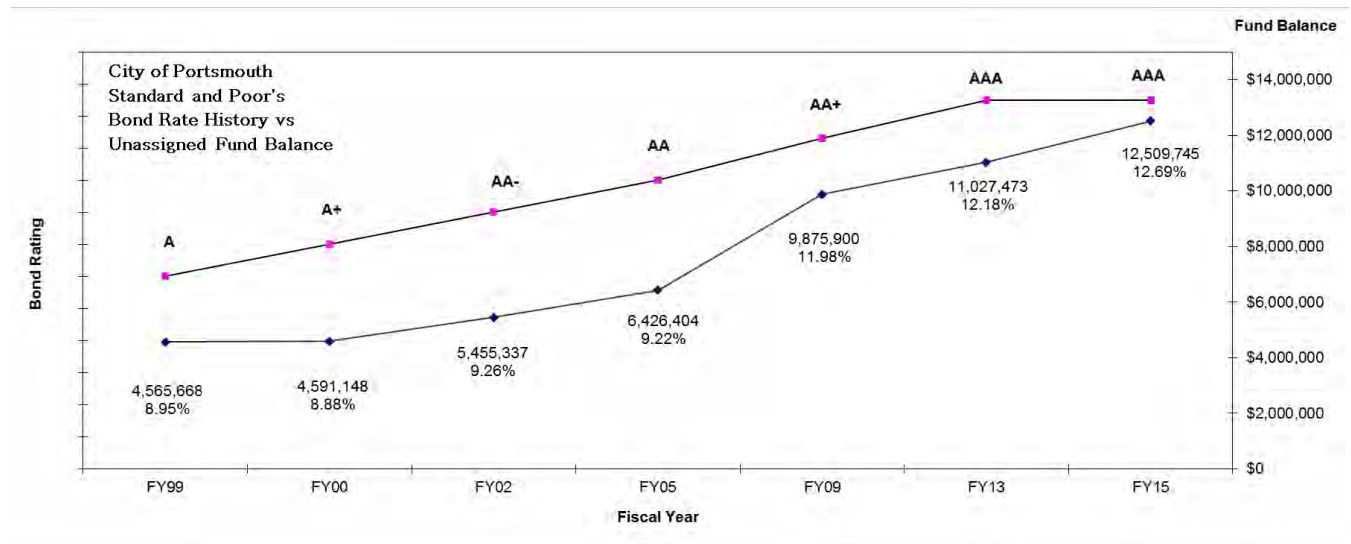
Table 1

INVESTMENT GRADE RATINGS Standard & Poor's
<b>AAA</b>
AA+
AA
AA-
A+
A
A-
BBB+
BBB
BBB-
BB

Table 2

Year	Standard & Poor's	
	Number of Years at Rating	City of Portsmouth
2013-2015	3	<b>AAA</b>
2009-2012	4	AA+
2005-2008	4	AA
2002-2004	3	AA-
2000-2001	2	A+
1994-1999	6	A

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.



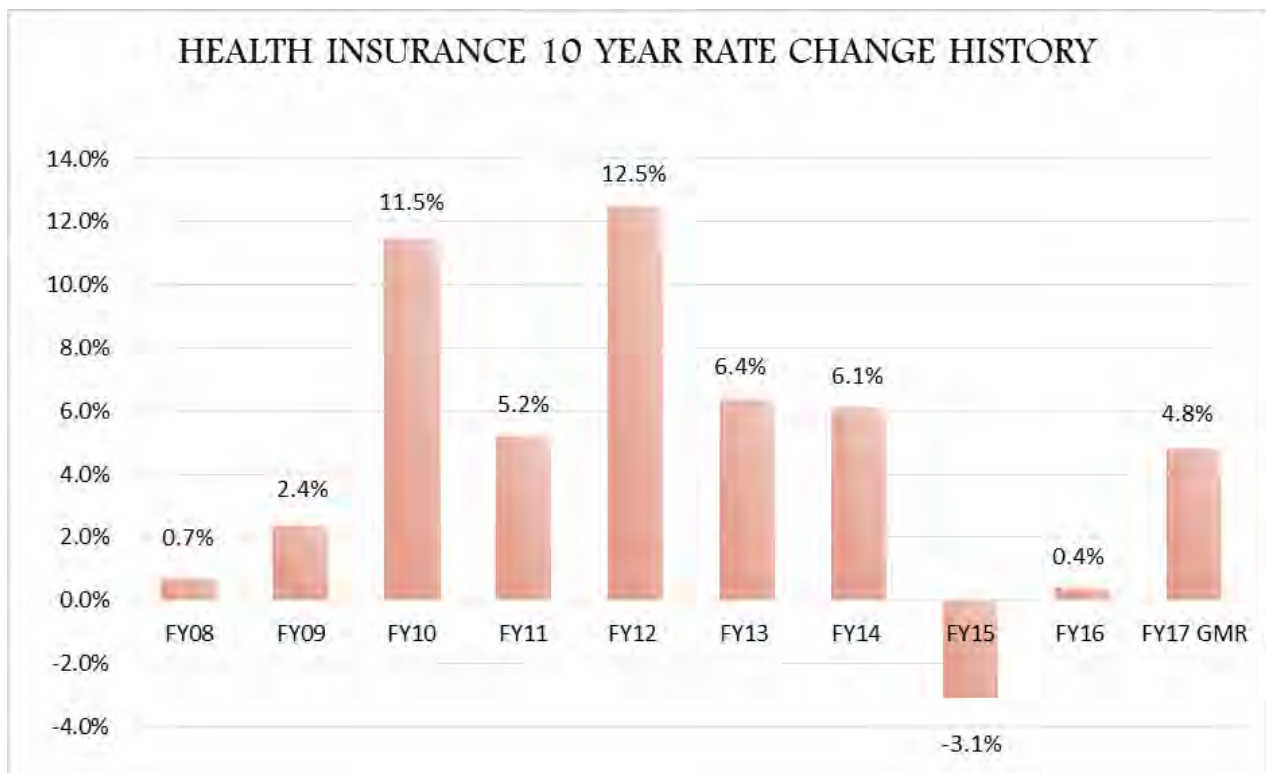
## ***LEAVE AT TERMINATION***

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 the 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***

HealthTrust announced the FY17 guaranteed maximum rate (GMR) health insurance premium rates which results in an overall rate increase of 4.8% over the FY16 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 FY17 is 4.8%, the 10 year average rate change is 4.7%.
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, seven of the sixteen unions have accepted this plan.

### ***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 last revaluation was completed for Tax Year 2015 (FY 2016).



## ***PERFORMANCE MEASURES***

The FY17 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 FY16” column. The departments use their performance measures to better communicate departmental progress and or efficiencies achieved within 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 FY17 Capital Improvement Plan. Detailed information for each project can found in Appendix II of this document.

**Capital Improvement Plan FY 2017-2022 (FY 2017 Funding)**

	GF	Enterprise Funds	Bond/Lease	Federal/State	Other/Revenues	PPP	FY '17 Total
GOVERNMENTAL FUNDS	\$2,000,000	\$0	\$12,860,000	\$425,000	\$1,886,000	\$955,000	\$18,126,000
WATER FUND	\$0	\$900,000	\$2,250,000	\$0	\$0	\$0	\$3,150,000
SEWER FUND	\$0	\$2,400,000	\$73,400,000	\$0	\$50,000	\$0	\$75,850,000
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>\$3,300,000</b>	<b>\$88,510,000</b>	<b>\$425,000</b>	<b>\$1,936,000</b>	<b>\$955,000</b>	<b>\$97,126,000</b>

## ***GENERAL FUND ANNUAL CAPITAL OUTLAY***

To avoid utilizing a dollar target for the General Fund Capital Outlay which loses value over the years, the City uses a policy to tie-in capital expenditures from the General Fund to a percentage

of the City's overall budget. Specifically, the City's goal is to allocate up to 2% of the prior year's General Fund Budget to Capital Projects.

### ***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 FY17 proposed budget includes a projected net debt 8.66% 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, 2015, the last completed independent audit, was 1.91%.

### ***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 22 awards for the fiscal years ended June 30, 1988, 1989, and 1995-2014.

## ***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 10 consecutive years; beginning July 1, 2006-2015. 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 was the first and is one of only two communities 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 sixteen (16) collective bargaining units. As of April 2016, eight (8) bargaining unit contracts will expire on June 30, 2016 or before. 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.

<b>General Government</b>	<b>Expires</b>	<b>Police</b>	<b>Expires</b>	<b>Fire</b>	<b>Expires</b>	<b>School</b>	<b>Expires</b>
Professional Management Association (PMA)	6/30/2016	Ranking Officers Association	6/30/2014	Fire Officers Association	6/30/2014	Principals/Directors	6/30/2018
Supervisory Management Alliance (SMA)	6/30/2016	Portsmouth Patrolman Association	6/30/2014	FireFighter Association	6/30/2014	Association of Portsmouth's Teachers	6/30/2018
AFSCME Local 1386B Library & Clericals	6/30/2017	Civilians	6/30/2014			Clerical Employees	6/30/2018
AFSCME Local 1386 Public Works	6/30/2014					Custodial	6/30/2017
						Cafeteria	6/30/2017
						Paraprofessionals	6/30/2017
						Custodial Supervisors	6/30/2018

## ***PERSONNEL SUMMARY***

*The Fiscal Year 2017 proposed budget for all funds incorporates a net increase of 5.28 full-time and 4 part-time positions as described below:*

### **General Fund - Net increase of 5.28 Full-Time positions & 1 Part-Time Position**

- **Legal Department**-Increase of two (2) part-time positions:
  - Addition of 1 part-time secretary
  - Addition of part-time prosecutor
- **Police Department**- Net increase of four (4) Full-Time positions and Reduction of (1) Part-Time position. Reorganization of the Department by:
  - Eliminating 1 Deputy Chief position
  - Eliminating 1 Captain position
  - Addition of 3 Sergeants
  - Addition of 1 Police Officer
  - Addition of 1 Accreditation Manager
  - Reallocation:
    - Reducing 1 Part-Time data entry clerk
    - Addition 1 Full-Time accounting clerk.
- **Public Works**- Net increase .2 FTE from the reallocation existing Assistant City Manager position.
- **School Department**-Net increase of 1.08 FTE:
  - FTE increase of additional teachers of 1.88
  - FTE decrease of paraprofessionals by .80

### **Water/Sewer Funds - Net increase of .4 Full-Time positions**

No new positions. The net increase of .4 FTE is the result of the reallocation of Assistant City Manager from Community Development.

### **Special Revenue Funds - Net decrease of .4 Full-Time positions & and increase of 3 Part-Time positions**

- **Community Development**-Net decrease of .45 FTE from the reallocation of existing Assistant City Manager to Public Works, Water, Sewer and Parking & Transportation Departments.
- **UDAG**- Net decrease of .15 FTE from the reallocation of existing Assistant City Manager to Public Works, Water, Sewer and Parking & Transportation Departments.
- **Parking & Transportation** - Net increase of .2 Full-time positions and 3 Part-time Positions:
  - Addition of .2 FTE from the reallocation of existing Assistant City Manager from Community Development.
  - Addition of 1 Part-Time Secretary position.
  - Addition of 2 Part-Time Meter Enforcement positions.

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

<b>PERSONNEL SUMMARY</b>				
<b>DEPARTMENT</b>	<b>FY 15 ACTUAL</b>	<b>FY 16 ACTUAL</b>	<b>FY 17 PROPOSED BUDGET</b>	<b>Change From FY16</b>
<b>FULL-TIME PERSONNEL</b>				
CITY MANAGER	2.00	2.00	2.00	0.00
HUMAN RESOURCES	4.00	3.00	3.00	0.00
CITY CLERK	3.00	3.00	3.00	0.00
LEGAL DEPARTMENT	5.00	5.36	5.36	0.00
FINANCE DEPARTMENT	19.00	20.00	20.00	0.00
PLANNING DEPARTMENT	8.45	8.45	8.45	0.00
INSPECTION DEPARTMENT	5.05	5.05	5.05	0.00
HEALTH DEPARTMENT	1.50	1.50	1.50	0.00
PUBLIC WORKS	58.05	54.15	54.35	0.20
LIBRARY	15.00	15.00	15.00	0.00
RECREATION DEPARTMENT	4.00	4.00	4.00	0.00
SENIOR SERVICES	1.00	1.00	1.00	0.00
WELFARE DEPARTMENT	1.00	1.00	1.00	0.00
POLICE DEPARTMENT	81.00	82.00	86.00	4.00
FIRE DEPARTMENT	61.00	62.00	62.00	0.00
SCHOOL DEPARTMENT	356.18	360.00	361.08	1.08
<b>GENERAL FUND - FULL TIME PERSONNEL TOTAL</b>	<b>625.23</b>	<b>627.51</b>	<b>632.79</b>	<b>5.28</b>
<b>% Change</b>				<b>0.84%</b>
<b>PART-TIME PERSONNEL*</b>				
HUMAN RESOURCES	2.00	2.00	2.00	0.00
LEGAL DEPARTMENT	2.00	1.00	3.00	2.00
FINANCE DEPARTMENT	2.00	2.00	2.00	0.00
INSPECTION DEPARTMENT	0.00	1.00	1.00	0.00
PUBLIC WORKS	0.00	1.00	1.00	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	2.00	2.00	2.00	0.00
WELFARE DEPARTMENT	1.00	1.00	1.00	0.00
POLICE DEPARTMENT	32.00	32.00	31.00	(1.00)
FIRE DEPARTMENT	3.00	3.00	3.00	0.00
SCHOOL DEPARTMENT	198.00	198.00	198.00	0.00
<b>GENERAL FUND TOTAL - PART TIME PERSONNEL TOTAL</b>	<b>255.00</b>	<b>256.00</b>	<b>257.00</b>	<b>1.00</b>
<b>% Change</b>				<b>0.4%</b>
<b>FULL-TIME PERSONNEL</b>				
WATER AND SEWER FUND	50.30	55.60	56.00	0.40
<b>ENTERPRISE FUNDS - WATER &amp; SEWER FULL TIME PERSONNEL TOTAL</b>	<b>50.30</b>	<b>55.60</b>	<b>56.00</b>	<b>0.40</b>
<b>% Change</b>				<b>0.7%</b>
<b>PART-TIME PERSONNEL*</b>				
WATER AND SEWER FUND	4.00	4.50	4.50	0.00
<b>ENTERPRISE FUNDS - WATER &amp; SEWER PART TIME PERSONNEL TOTAL</b>	<b>4.00</b>	<b>4.50</b>	<b>4.50</b>	<b>0.00</b>
<b>% Change</b>				<b>0.0%</b>
<b>FULL-TIME PERSONNEL</b>				
PARKING	10.70	15.76	15.96	0.20
COMMUNITY DEVELOPMENT	1.60	2.30	1.85	(0.45)
UDAG	2.15	1.15	1.00	(0.15)
<b>SPECIAL FUNDS - FULL TIME PERSONNEL TOTAL</b>	<b>14.45</b>	<b>19.21</b>	<b>18.81</b>	<b>(0.40)</b>
<b>% Change</b>				<b>-2.1%</b>
<b>PART-TIME PERSONNEL*</b>				
PARKING	27.00	29.00	32.00	3.00
<b>SPECIAL FUNDS - PART TIME PERSONNEL TOTAL</b>	<b>27.00</b>	<b>29.00</b>	<b>32.00</b>	<b>3.00</b>
<b>% Change</b>				<b>10.3%</b>
<b>TOTAL FULL-TIME PERSONNEL</b>	<b>689.98</b>	<b>702.32</b>	<b>707.60</b>	<b>5.28</b>
<b>TOTAL PART-TIME PERSONNEL</b>	<b>286.00</b>	<b>289.50</b>	<b>293.50</b>	<b>4.00</b>
<b>TOTAL FULL-TIME PERSONNEL % Change</b>				<b>0.8%</b>
<b>TOTAL PART-TIME PERSONNEL % Change</b>				<b>1.4%</b>

**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

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## 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 is 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 document provides a summary of the Capital Improvement Plan in Appendix II; however, the City also publishes a more detailed long-term CIP under a separate cover as well as online. <http://planportsmouth.com/2017-2022CapitalImprovementPlan.pdf>

**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, Parking/Transportation, 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***

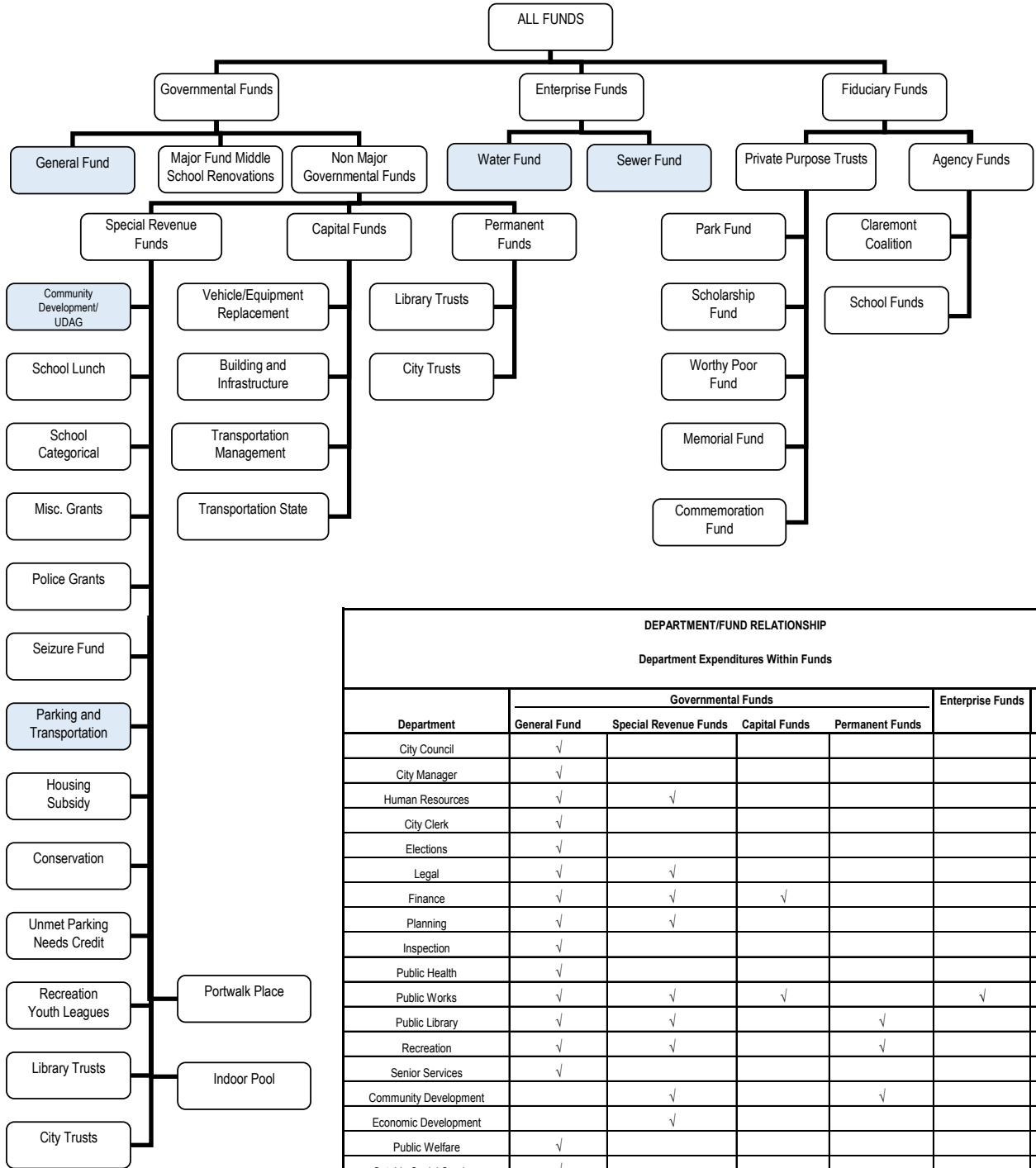
The City's budgetary fund structure (appropriated funds) which are included in this document are: the General Fund; Community Development and Parking/Transportation funds (Special Revenue Funds); and the Water and Sewer funds (Enterprise Funds).

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% of the revenues or expenditures of the appropriated budget. Currently the City has no Major Funds.

### **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 30<sup>th</sup>. If the City Council takes no action on or prior to June 30<sup>th</sup>, 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 2017 BUDGET SCHEDULE

## September 2015

23 Wednesday 6:30 PM \* Citywide Neighborhood Committee - CIP 101

## November 2015

19 Thursday 6:30 PM Planning Board CIP Public Input Meeting

## December 2015

2 Wednesday 6:00 PM \*\* Planning Board CIP Subcommittee Reviews Citizen Requests  
 9 Wednesday 11:00 AM CIP Subcommittee meets with Departments - *Prioritize Capital Requests*  
 10 Thursday 8:00 AM Joint Budget Committee Meeting #1  
 17 Thursday 8:00 AM Joint Budget Committee Meeting #2

## January 2016

21 Thursday 6:30 PM Planning Board Meeting - Adoption of the CIP - *CIP Presentation*  
 25 Monday 7:00 PM **City Council - Establish Budget Guidelines**

## February 2016

3 Wednesday 7:00 PM \*\*\* Fire Department Public Hearing on the proposed FY17 budget  
 8 Monday 6:30PM **City Council Work Session on CIP - No presentation**  
*- See presentation recorded from the January 21st Planning Board Meeting*  
 9 Tuesday 7:00 PM School Board Public Hearing #1 on the proposed FY17 budget  
 16 Tuesday 7:00 PM **City Council Meeting-** Public Hearing on the CIP  
 17 Wednesday 6:00 PM Police Commission Public Hearing on the proposed FY17 budget

## March 2016

1 Tuesday 7:00 PM School Board Public Hearing #2 on the proposed FY17 budget  
 TBA General Government, Police, Fire budget reviews with City Manager  
 7 Monday 7:00 PM **City Council - Adoption of the CIP**

## April 2016

29 Friday Proposed Budget document to be submitted to the City Council

## May 2016

7 Saturday 8:00 AM \* **City Council Work Session (All Day)**  
*General Government, Police, Fire and School Presentations*  
 11 Wednesday 6:30 PM **City Council Meeting-Public Hearing on FY17 Budget**  
 18 Wednesday 6:30 PM **City Council Work Session - Water and Sewer Proposed FY17 Budget**  
 23 Monday 6:30 PM **City Council Work Session - Budget Review FY17**

## June 2016

1 Wednesday 6:30 PM **City Council Work Session - Budget Review (if necessary)**  
 6 Monday 7:00 PM **City Council Meeting - Adoption of FY17 Budget**

All Meetings, 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:

\* Levenson Room, Portsmouth Public Library (175 Parrott Ave)

\*\* Conference Room A, City Hall (1 Junkins Ave)

\*\*\* Fire Station 2 (3010 Lafayette Road)

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# GENERAL FUND BUDGET SUMMARY-FY 2017

## TAX CALCULATION

	FY15 BUDGET	FY16 BUDGET	FY17 City Manager Recommended	% CHANGE FROM FY16	\$\$ CHANGE FROM FY16
<b>OPERATING BUDGET</b>					
General Government	17,126,460	17,667,069	18,068,670	2.27%	401,601
Police	9,354,354	9,617,688	9,936,918	3.32%	319,230
Fire	7,762,440	7,995,603	8,230,100	2.93%	234,497
School	41,806,896	43,382,210	44,684,084	3.00%	1,301,874
Collective Bargaining	92,790	312,615	432,502	38.35%	119,887
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0
<b>Total Operating Budget</b>	<b>76,292,940</b>	<b>79,125,185</b>	<b>81,502,274</b>	<b>3.00%</b>	<b>2,377,089</b>
<b>NON-OPERATING EXPENSE</b>					
Debt Related Costs/TANS	275,000	275,000	275,000	0.00%	0
Debt Service Payments	11,231,523	11,756,625	12,595,810	7.14%	839,185
Overlay	1,000,000	950,000	950,000	0.00%	0
Property & Liability Ins	318,000	321,000	341,000	6.23%	20,000
County	4,764,174	5,002,383	5,277,514	5.50%	275,131
Contingency	250,000	250,000	250,000	0.00%	0
Rolling Stock	786,300	809,860	976,165	20.54%	166,305
IT Equipment Replacement	329,450	414,700	406,000	-2.10%	(8,700)
Capital Outlay	1,600,000	1,765,000	2,000,000	13.31%	235,000
Middle School Upgrade	0	650,000	0	-100.00%	(650,000)
Municipal Complex Improvements	1,417,897	0	0		0
Other General Non-Operating	349,875	376,449	393,280	4.47%	16,831
<b>Total Non-Operating Budget</b>	<b>22,322,219</b>	<b>22,571,017</b>	<b>23,464,769</b>	<b>3.96%</b>	<b>893,752</b>
<b>Total Gross Budget</b>	<b>98,615,159</b>	<b>101,696,202</b>	<b>104,967,043</b>	<b>3.22%</b>	<b>3,270,841</b>
<b>REVENUES</b>					
Municipal	11,851,986	12,280,240	12,825,575	4.44%	545,335
School	5,623,900	5,790,750	5,986,250	3.38%	195,500
State Revenues	1,355,333	1,433,427	1,489,418	3.91%	55,991
State Revenues-School Building Aid	1,770,305	1,836,305	1,836,305	0.00%	0
<i>Use of Fund Balance: Unassigned</i>					
Employee Contracts Supplemental Approp	555,500	0	0		0
Middle School Upgrades		650,000	0	-100.00%	(650,000)
Budget Process	200,000	0			0
<i>Use of Fund Balance: Committed</i>					
Property Appraisal	73,500	73,500	73,500	0.00%	0
Debt Service Reserve	1,500,000	1,500,000	1,700,000	13.33%	200,000
Use of Bond Premium	1,417,897	0	0		0
<b>Total</b>	<b>24,348,421</b>	<b>23,564,222</b>	<b>23,911,048</b>	<b>1.47%</b>	<b>346,826</b>
<b>BUDGETED PROPERTY TAX LEVY</b>	<b>74,266,738</b>	<b>78,131,980</b>	<b>81,055,995</b>	<b>3.74%</b>	<b>2,924,015</b>
War Service Credits	531,500	522,000	522,000	0.00%	0
Adequate Education Formula	(10,129,725)	(10,484,350)	(11,070,907)	5.59%	(586,557)
State Education Tax	10,129,725	10,484,350	11,070,907	5.59%	586,557
<b>ASSESSED VALUATION WITH UTILITIES</b>	<b>4,182,368,805</b>	<b>4,727,842,643</b>	<b>4,797,842,643</b>	<b>1.48%</b>	<b>70,000,000</b>
<b>ASSESSED VALUATION NO UTILITIES</b>	<b>4,010,764,710</b>	<b>4,535,259,027</b>	<b>4,605,259,027</b>	<b>1.54%</b>	<b>70,000,000</b>
<b>MUNICIPAL TAX RATE</b>	<b>14.41</b>	<b>13.40</b>	<b>13.60</b>	<b>1.46%</b>	<b>0.20</b>
<b>COUNTY TAX RATE</b>	<b>1.16</b>	<b>1.08</b>	<b>1.10</b>	<b>1.85%</b>	<b>0.02</b>
<b>STATE EDUCATION TAX RATE</b>	<b>2.53</b>	<b>2.31</b>	<b>2.40</b>	<b>3.99%</b>	<b>0.09</b>
<b>COMBINED TAX RATE</b>	<b>18.10</b>	<b>16.79</b>	<b>17.10</b>	<b>1.83%</b>	<b>0.31</b>

	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	\$\$ CHANGE	% CHANGE
<b>GENERAL FUND</b>						
GENERAL FUND OPERATING BUDGET						
GENERAL GOVERNMENT						
GENERAL ADMINISTRATION						
City Manager	32,136	22,540	32,136	33,536	1,400	4.36%
Human Resources	311,842	311,117	317,660	322,209	4,549	1.43%
City Clerk	2,518,863	2,488,024	2,509,020	2,581,363	72,343	2.88%
Elections	236,033	235,924	243,934	250,436	6,502	2.67%
Legal	52,880	40,649	67,013	63,213	(3,800)	-5.67%
Finance	536,075	535,714	552,737	585,446	32,709	5.92%
	1,944,456	1,926,505	2,100,389	2,152,408	52,019	2.48%
OTHER GENERAL GOVERNMENT						
General Administration	1,004,585	951,118	1,030,530	1,054,878	24,348	2.36%
REGULATORY SERVICES						
Planning	727,383	726,885	763,321	774,258	10,937	1.43%
Inspections	415,401	411,775	455,696	469,568	13,872	3.04%
Health	145,575	145,575	153,404	152,891	(513)	-0.33%
PUBLIC WORKS	6,124,370	6,115,332	6,237,609	6,376,183	138,574	2.22%
COMMUNITY SERVICES						
Public Library	1,647,214	1,580,828	1,720,836	1,765,809	44,973	2.61%
Recreation	799,299	794,912	825,384	838,681	13,297	1.61%
Senior Services	94,233	84,179	141,701	152,900	11,199	7.90%
Public Welfare	376,136	294,842	353,968	328,514	(25,454)	-7.19%
Outside Social Services	148,228	148,228	149,894	154,540	4,646	3.10%
EMERGENCY MANAGEMENT	11,751	3,718	11,837	11,837	0	0.00%
<b>TOTAL GENERAL GOVERNMENT</b>	<b>17,126,460</b>	<b>16,817,865</b>	<b>17,667,069</b>	<b>18,068,670</b>	<b>401,601</b>	<b>2.27%</b>
Police Department	9,354,354	9,261,539	9,617,688	9,936,918	319,230	3.32%
Fire Department	7,762,440	7,743,480	7,995,603	8,230,100	234,497	2.93%
School Department	41,806,896	41,806,676	43,382,210	44,684,084	1,301,874	3.00%
<b>TOTAL POLICE, FIRE, SCHOOL</b>	<b>58,923,690</b>	<b>58,811,695</b>	<b>60,995,501</b>	<b>62,851,102</b>	<b>1,855,601</b>	<b>3.04%</b>
COLLECTIVE BARGAINING CONTINGENCY	92,790	92,790	312,615	432,502	119,887	38.35%
TRANSFER TO INDOOR POOL	150,000	150,000	150,000	150,000	0	0.00%
<b>TOTAL OPERATING</b>	<b>76,292,940</b>	<b>75,872,350</b>	<b>79,125,185</b>	<b>81,502,274</b>	<b>2,377,089</b>	<b>3.00%</b>
GENERAL FUND NON-OPERATING BUDGET						
Debt Related Expenses	275,000	60,199	275,000	275,000	0	0.00%
Debt Service	11,231,523	11,171,993	11,756,625	12,595,810	839,185	7.14%
Overlay	1,000,000	1,000,000	950,000	950,000	0	0.00%
Property & Liability	318,000	305,209	321,000	341,000	20,000	6.23%
County Tax	4,764,174	4,832,388	5,002,383	5,277,514	275,131	5.50%
Contingency	250,000	250,000	250,000	250,000	0	0.00%
Rolling Stock	786,300	786,300	809,860	976,165	166,305	20.54%
IT Equipment Replacement	329,450	329,450	414,700	406,000	(8,700)	-2.10%
Capital Outlay	1,600,000	1,600,000	1,765,000	2,000,000	235,000	13.31%
Use of Unassigned Fund Balance - Middle School	0	0	650,000	0	(650,000)	-100.00%
Use of Bond Premium - City Hall	1,417,897	1,417,897	0	0	0	
Other General Non-Operating	349,875	350,175	376,449	393,280	16,831	4.47%
<b>TOTAL NON-OPERATING</b>	<b>22,322,219</b>	<b>22,103,612</b>	<b>22,571,017</b>	<b>23,464,769</b>	<b>893,752</b>	<b>3.96%</b>
<b>TOTAL GENERAL FUND</b>	<b>98,615,159</b>	<b>97,975,962</b>	<b>101,696,202</b>	<b>104,967,043</b>	<b>3,270,841</b>	<b>3.22%</b>

Title	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	CITY MANAGER \$\$ CHANGE	CITY MANAGER % CHANGE
<b>ENTERPRISE FUNDS</b>						
<b>WATER DIVISION</b>						
<b>Administration</b>						
Administration	1,697,441	1,594,579	1,902,346	1,957,425	55,079	2.90%
Engineering	295,123	296,360	316,604	317,249	645	0.20%
Collective Bargaining Contingency	28,000	28,000	24,255	34,500	10,245	42.24%
Depreciation	1,530,901	1,521,953	1,676,000	1,700,000	24,000	1.43%
Interest on Debt	992,560	937,092	1,096,925	1,155,219	58,294	5.31%
sub-total	4,544,025	4,377,984	5,016,130	5,164,393	148,263	2.96%
<b>Water Supply and Treatment</b>						
Treatment Plant	1,544,823	1,288,121	1,522,335	1,468,113	(54,222)	-3.56%
Laboratory	118,312	125,842	122,531	125,180	2,649	2.16%
Wells	201,299	113,809	160,358	156,500	(3,858)	-2.41%
Storage Tanks	21,304	8,807	20,308	16,700	(3,608)	-17.77%
Booster Stations	105,629	73,540	101,310	88,000	(13,310)	-13.14%
sub-total	1,991,367	1,610,120	1,926,842	1,854,493	(72,349)	-3.75%
<b>Water Distribution</b>						
Administration	315,914	462,614	307,833	330,576	22,743	7.39%
Cross Connection	29,770	393	31,154	32,879	1,725	5.54%
Mains	224,088	229,684	248,908	255,308	6,400	2.57%
Services	91,852	101,971	106,795	110,363	3,568	3.34%
Hydrants	103,187	82,620	104,215	153,217	49,002	47.02%
Meters	121,099	49,945	189,395	193,932	4,537	2.40%
sub-total	885,910	927,227	988,300	1,076,275	87,975	8.90%
<b>Total Water Division</b>	<b>7,421,302</b>	<b>6,915,331</b>	<b>7,931,272</b>	<b>8,095,161</b>	<b>163,889</b>	<b>2.07%</b>
<b>SEWER DIVISION</b>						
<b>Administration</b>						
Administration	1,806,243	1,570,729	2,118,772	1,957,567	(161,205)	-7.61%
Engineering	464,833	397,394	385,759	400,194	14,435	3.74%
Collective Bargaining Contingency	33,100	33,100	27,255	37,600	10,345	37.96%
Depreciation	1,908,325	1,825,808	2,100,000	2,000,000	(100,000)	-4.76%
Interest on Debt	1,265,583	1,587,267	2,017,555	2,051,697	34,142	1.69%
sub-total	5,478,084	5,414,298	6,649,341	6,447,058	(202,283)	-3.04%
<b>Wastewater Treatment</b>						
Treatment Plant	2,714,234	2,394,947	2,505,508	2,171,868	(333,640)	-13.32%
Laboratory	250,003	177,636	239,719	253,192	13,473	5.62%
Lift Stations	784,292	751,834	632,953	550,725	(82,228)	-12.99%
sub-total	3,748,529	3,324,417	3,378,180	2,975,785	(402,395)	-11.91%
<b>Wastewater Collection</b>						
Administration	333,867	383,227	345,917	366,084	20,167	5.83%
Force Main	211,377	281,773	239,157	254,545	15,388	6.43%
Interceptor	34,071	15,967	34,111	34,522	411	1.20%
Laterals	154,691	44,211	217,362	220,746	3,384	1.56%
Meters	0	0	0	0	0	
sub-total	734,006	725,178	836,547	875,897	39,350	4.70%
<b>Total Sewer Division</b>	<b>9,960,619</b>	<b>9,463,893</b>	<b>10,864,068</b>	<b>10,298,740</b>	<b>(565,328)</b>	<b>-5.20%</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>17,381,921</b>	<b>16,379,224</b>	<b>18,795,340</b>	<b>18,393,901</b>	<b>(401,439)</b>	<b>-2.14%</b>

Title	FY15 BUDGET	FY15 ACTUAL	FY16 BUDGET	FY17 CITY MANAGER RECOMMENDED	CITY MANAGER \$\$ CHANGE	CITY MANAGER % CHANGE
<b>SPECIAL REVENUE FUNDS</b>						
<b>PARKING AND TRANSPORTATION</b>						
Parking Administration	615,920	668,855	711,376	877,655	166,279	23.37%
Parking Garage	438,426	492,454	505,570	590,935	85,365	16.88%
Parking Enforcement	296,002	188,821	372,904	476,523	103,619	27.79%
Parking Meter Operations	123,135	67,551	180,512	191,129	10,617	5.88%
Parking Collection	199,112	183,120	199,501	212,693	13,192	6.61%
Public Transportation	543,800	434,083	503,800	419,335	(84,465)	-16.77%
Snow Removal	250,000	250,000	250,000	250,000	0	0.00%
Debt Service	145,800	0	150,000	169,925	19,925	13.28%
Capital	435,000	585,000	1,122,000	535,000	(587,000)	-52.32%
<b>Total Parking &amp; Transportation</b>	<b>3,047,195</b>	<b>2,869,884</b>	<b>3,995,663</b>	<b>3,723,195</b>	<b>(272,468)</b>	<b>-6.82%</b>
<b>COMMUNITY DEVELOPMENT</b>						
Administration	98,836	98,964	110,463	103,307	(7,156)	-6.48%
Housing Rehab	51,402	51,301	82,778	53,282	(29,496)	-35.63%
PEDLP	1,600	1,600	1,600	1,600	0	0.00%
<b>Total CDBG</b>	<b>151,838</b>	<b>151,865</b>	<b>194,841</b>	<b>158,189</b>	<b>(36,652)</b>	<b>-18.81%</b>
<b>ECONOMIC DEVELOPMENT-UDAG</b>						
	360,755	266,050	334,758	263,397	(71,361)	-21.32%
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>3,559,788</b>	<b>3,287,799</b>	<b>4,525,262</b>	<b>4,144,781</b>	<b>(380,481)</b>	<b>-8.41%</b>
<b>TOTAL APPROPRIATED FUNDS</b>						
	<b>119,556,868</b>	<b>117,642,984</b>	<b>125,016,804</b>	<b>127,505,725</b>	<b>2,488,921</b>	<b>1.99%</b>



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 2017 (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**	
<b>Revenues</b>					
Local Fees, Licenses, Permits	1,127,000				1,127,000
Other Local Sources	8,971,270				8,971,270
Parking Revenues	2,412,305	3,723,195			6,135,500
Interest & Penalties	315,000	34,000			349,000
School Revenues	5,986,250				5,986,250
State/Federal Revenues	3,325,723	158,189			3,483,912
Fund Transfers					-
Use of Reserves	1,773,500				1,773,500
Property Tax	81,055,995				81,055,995
Enterprise Fund Revenues			9,845,288	16,170,454	26,015,742
<b>Total Revenues</b>	<b>104,967,043</b>	<b>3,915,384</b>	<b>9,845,288</b>	<b>16,170,454</b>	<b>134,898,169</b>
<b>Expenditures</b>					
City Council	33,536				33,536
City Manager	322,209				322,209
Human Resources	2,581,363				2,581,363
City Clerk	250,436				250,436
Elections	63,213				63,213
Legal	585,446				585,446
Finance	2,152,408				2,152,408
General Administrative/Coll Bargaining	1,487,380				1,487,380
Planning	774,258				774,258
Inspection	469,568				469,568
Public Health	152,891				152,891
Public Works	6,376,183	3,723,195	9,600,288	14,930,454	34,630,120
Public Library	1,765,809				1,765,809
Recreation	838,681				838,681
Senior Services	152,900				152,900
Community Development		158,189			158,189
Economic Development		263,397			263,397
Public Welfare	328,514				328,514
Outside Social Services	154,540				154,540
Emergency Management	11,837				11,837
Police Department	9,936,918				9,936,918
Fire Department	8,230,100				8,230,100
School Department	44,684,084				44,684,084
Indoor Pool	150,000				150,000
Non-Operating	23,464,769				23,464,769
<b>Total Expenditures</b>	<b>104,967,043</b>	<b>4,144,781</b>	<b>9,600,288</b>	<b>14,930,454</b>	<b>133,642,566</b>
FY 17 Net Increase (Decrease) in Unassigned Fund Balance/ Unrestricted Net Position	-	(229,397)	245,000	1,240,000	1,255,603
Estimated:					
Unassigned/Unrestricted Net Position Fund Balance - Beginning FY 17	12,509,745	4,496,893	7,452,272	19,382,902	43,841,812
Fund Balance - Ending FY 17	12,509,745	4,267,496	7,697,272	20,622,902	45,097,415

\*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 2015-2017**

	<b>ESTIMATED REVENUES FY 15</b>	<b>ACTUAL REVENUES FY 15</b>	<b>ESTIMATED REVENUES FY 16</b>	<b>ESTIMATED REVENUES FY 17</b>	<b>% CHANGE</b>	<b>\$\$ CHANGE</b>
<b>Local Fees, Licenses, Permits</b>						
Other Fees	11,000	6,484	11,000	11,000	0.0%	-
Other Licenses	36,000	27,618	36,000	36,000	0.0%	-
Planning Board	65,000	66,816	65,000	65,000	0.0%	-
Board of Adjustments	42,000	33,408	42,000	42,000	0.0%	-
Site Review	40,000	55,558	40,000	40,000	0.0%	-
Building Permits-Portsmouth	240,000	387,868	250,000	275,000	10.0%	25,000
Building Permits-Pease	40,000	36,350	40,000	45,000	12.5%	5,000
Electrical Permits-Portsmouth	60,000	95,488	70,000	75,000	7.1%	5,000
Electrical Permits-Pease	15,000	18,440	15,000	15,000	0.0%	-
Plumbing Permits-Portsmouth	70,000	141,035	80,000	90,000	12.5%	10,000
Plumbing Permits-Pease	20,000	28,020	20,000	20,000	0.0%	-
Sign Permits	5,000	4,730	6,000	6,000	0.0%	-
Police Alarms	25,000	38,000	25,000	25,000	0.0%	-
Burning Permits	750	1,600	750	1,000	33.3%	250
Excavation Permit	30,000	48,025	30,000	35,000	16.7%	5,000
Flagging Permit	3,000	15,000	10,000	11,000	10.0%	1,000
Solid Waste	30,000	30,834	30,000	30,000	0.0%	-
Outdoor Pool	25,000	27,979	25,000	25,000	0.0%	-
Recreation Department	160,000	234,332	190,000	200,000	5.3%	10,000
Boat Ramp Fees	13,000	7,810	10,000	10,000	0.0%	-
Food Permits	60,000	75,330	60,000	70,000	16.7%	10,000
<b>Total Local Fees, Licenses and Permits</b>	<b>990,750</b>	<b>1,380,724</b>	<b>1,055,750</b>	<b>1,127,000</b>	<b>6.7%</b>	<b>71,250</b>
<b>Other Local Sources</b>						
Timber Tax	500	219	500	500	0.0%	-
Payments in Lieu of Taxes	88,500	142,828	88,500	100,000	13.0%	11,500
Municipal Agent Fees	63,000	70,392	63,000	65,000	3.2%	2,000
Motor Vehicle Permits	3,400,000	3,854,985	3,600,000	3,800,000	5.6%	200,000
Title Applications	9,000	8,971	9,000	9,000	0.0%	-
Boat Registrations	2,500	8,840	2,500	5,000	100.0%	2,500
PDA Airport District	2,200,000	2,299,072	2,200,000	2,350,000	6.8%	150,000
Water/Sewer Overhead	1,040,482	1,040,482	1,104,652	1,142,454	3.4%	37,802
Sale of Municipal Property	5,000	41,960	5,000	5,000	0.0%	-
Misc Revenue	90,000	43,213	90,000	90,000	0.0%	-
Bond Premium	-	358,492	-	-	0.0%	-
Transfers from Other Funds	-	-	-	-	0.0%	-
Dog Licenses	10,000	16,481	11,000	12,000	9.1%	1,000
Marriage Licenses	2,200	2,436	2,200	2,200	0.0%	-
Certificates-Birth and Death-Marriage	17,000	30,381	17,000	20,000	17.6%	3,000
Rental of City Property	26,581	57,371	26,581	56,000	110.7%	29,419
Rental City Hall Complex	53,668	54,156	56,752	33,616	-40.8%	(23,136)
Cable Franchise Fee	360,000	360,000	360,000	360,000	0.0%	-
Hand Gun Permits	500	1,280	500	500	0.0%	-
Police Outside Detail	100,000	188,749	120,000	125,000	4.2%	5,000
Fire Alarms	60,000	60,265	60,000	60,000	0.0%	-
Ambulance Fees-Portsmouth	640,000	825,642	680,000	720,000	5.9%	40,000
Welfare Dept Reimbursements	15,000	14,068	15,000	15,000	0.0%	-
<b>Total Other Local Sources</b>	<b>8,183,931</b>	<b>9,480,282</b>	<b>8,512,185</b>	<b>8,971,270</b>	<b>5.4%</b>	<b>459,085</b>
<b>Parking Revenues</b>						
Parking Meter Fees	1,650,000	1,808,020	1,765,500	2,155,000	22.1%	389,500
Parking Metered Space Rental	40,000	120,745	50,000	70,000	40.0%	20,000
Parking Meter-In Dash	40,000	85,834	50,000	85,000	70.0%	35,000
Parking Garage Revenue	1,950,000	1,803,655	1,850,000	2,025,000	9.5%	175,000
Garage Space Passes	960,000	1,115,888	1,000,000	1,050,000	5.0%	50,000
Vaughan St Parking Lot	15,000	18,750	15,000	15,000	0.0%	-
Parking Validation	6,000	14,075	10,000	-	-100.0%	(10,000)
Pass Reinstatement	1,500	3,380	2,000	2,500	25.0%	500
Parking Violations	780,000	746,593	700,000	715,000	2.1%	15,000
Immobilization Administration Fee	12,000	22,435	12,000	15,000	25.0%	3,000
Summons Admin Fee	5,000	925	5,000	3,000	-40.0%	(2,000)
<b>Total Parking Revenues</b>	<b>5,459,500</b>	<b>5,740,301</b>	<b>5,459,500</b>	<b>6,135,500</b>	<b>12.4%</b>	<b>676,000</b>
<b>Transfer to Parking and Transportation</b>	<b>(3,047,195)</b>	<b>(3,047,195)</b>	<b>(3,047,195)</b>	<b>(3,723,195)</b>	<b>22.2%</b>	<b>(676,000)</b>
<b>General Fund Parking Revenues</b>	<b>2,412,305</b>	<b>2,693,106</b>	<b>2,412,305</b>	<b>2,412,305</b>	<b>0.00%</b>	<b>-</b>
<b>Interest &amp; Penalties</b>						
Interest on Taxes	230,000	289,805	250,000	230,000	-8.0%	(20,000)
Interest on Investments	35,000	111,198	50,000	85,000	70.0%	35,000
<b>Total Interest &amp; Penalties</b>	<b>265,000</b>	<b>401,004</b>	<b>300,000</b>	<b>315,000</b>	<b>5.0%</b>	<b>15,000</b>

CITY OF PORTSMOUTH  
GENERAL FUND  
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES  
FOR FISCAL YEARS 2015-2017

	ESTIMATED REVENUES FY 15	ACTUAL REVENUES FY 15	ESTIMATED REVENUES FY 16	ESTIMATED REVENUES FY 17	% CHANGE	\$ CHANGE
<b>School Revenues</b>						
Tuition	5,612,650	6,009,441	5,779,500	5,975,000	3.4%	195,500
Other Sources	11,250	20,693	11,250	11,250	0.0%	-
<b>Total School Revenues</b>	<b>5,623,900</b>	<b>6,030,134</b>	<b>5,790,750</b>	<b>5,986,250</b>	<b>3.4%</b>	<b>195,500</b>
<b>State Revenues</b>						
Shared Rev Block Grant	-	-	-	-	0.0%	-
Rooms and Meals Tax	946,823	1,025,926	1,025,926	1,032,926	0.7%	7,000
Highway Block Grant	367,405	375,294	367,405	417,405	13.6%	50,000
State Aid-Land Fill	41,105	41,106	40,096	39,087	-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	820,083	820,083	0.0%	-
<b>Total State Revenues</b>	<b>3,125,638</b>	<b>3,212,632</b>	<b>3,269,732</b>	<b>3,325,723</b>	<b>1.7%</b>	<b>55,991</b>
Use of Unassigned Fund Balance-Budgetary Process	200,000	200,000	-	-	0.0%	-
Use of Unassigned Fund Balance-Employee Contracts Supplemental Approp	555,500	555,500	-	-	0.0%	-
Use of Unassigned Fund Balance-Middle School Upgrades	-	-	650,000	-	-100.0%	(650,000)
Use of Bond Premium - City Hall Improvements	1,417,897	1,417,897	-	-	0.0%	-
Use of Reserve for Property Appraisal	73,500	73,500	73,500	73,500	0.0%	-
Use of Reserve for Debt	1,500,000	1,500,000	1,500,000	1,700,000	13.3%	200,000
<b>Budgeted Property Tax Levy</b>	<b>74,266,738</b>	<b>75,120,750</b>	<b>78,131,980</b>	<b>81,055,995</b>	<b>3.7%</b>	<b>2,924,015</b>
<b>Total General Fund Revenues</b>	<b>98,615,159</b>	<b>102,065,528</b>	<b>101,696,202</b>	<b>104,967,043</b>	<b>3.2%</b>	<b>3,270,841</b>

**GENERAL FUND REVENUE SUMMARY**

Municipal	11,851,986	13,955,116	12,280,240	12,825,575	4.4%	545,335
School Revenues	5,623,900	6,030,134	5,790,750	5,986,250	3.4%	195,500
State Revenues	3,125,638	3,212,632	3,269,732	3,325,723	1.7%	55,991
Use of Unassigned Fund Balance-Budgetary Process	200,000	200,000	-	-	-	-
Use of Unassigned Fund Balance-Employee Contracts Supplemental /	555,500	555,500	-	-	-	-
Use of Unassigned Fund Balance-Middle School Upgrades	-	-	650,000	-	-	(650,000)
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 Reserve for Debt	1,500,000	1,500,000	1,500,000	1,700,000	13.3%	200,000
<b>Budgeted Property Tax Levy</b>	<b>74,266,738</b>	<b>75,120,750</b>	<b>78,131,980</b>	<b>81,055,995</b>	<b>3.7%</b>	<b>2,924,015</b>
<b>Total General Fund Revenues</b>	<b>98,615,159</b>	<b>102,065,528</b>	<b>101,696,202</b>	<b>104,967,043</b>	<b>3.2%</b>	<b>3,270,841</b>

## 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

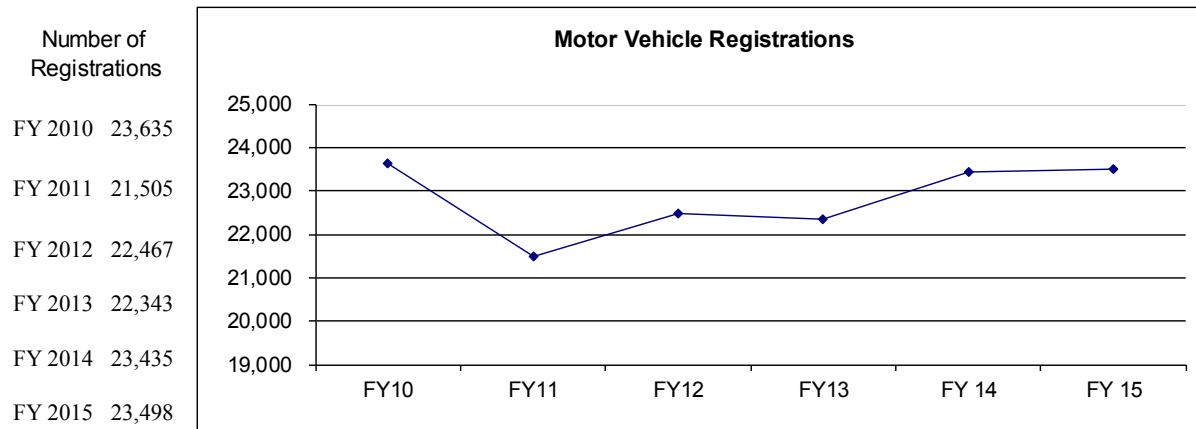
The following are descriptions of general fund revenues, budget to actual trends (graphed) for major revenue sources along with the methodology used to forecast the major revenues.

### 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.

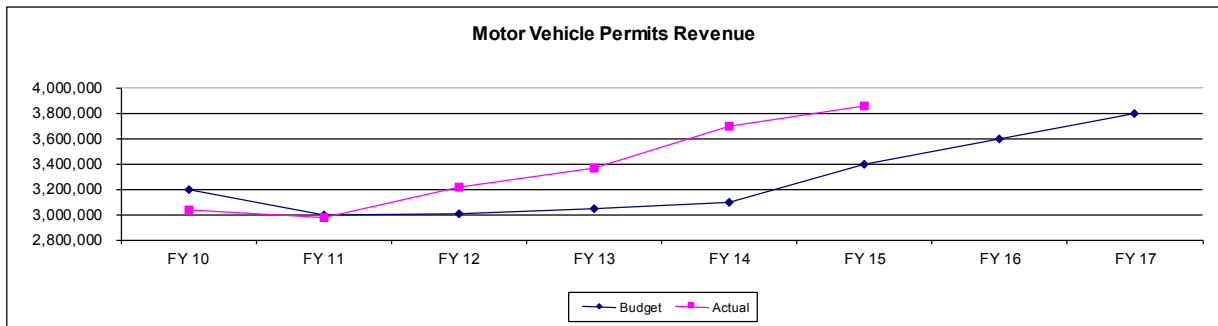
### Other Local Sources:

- **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:



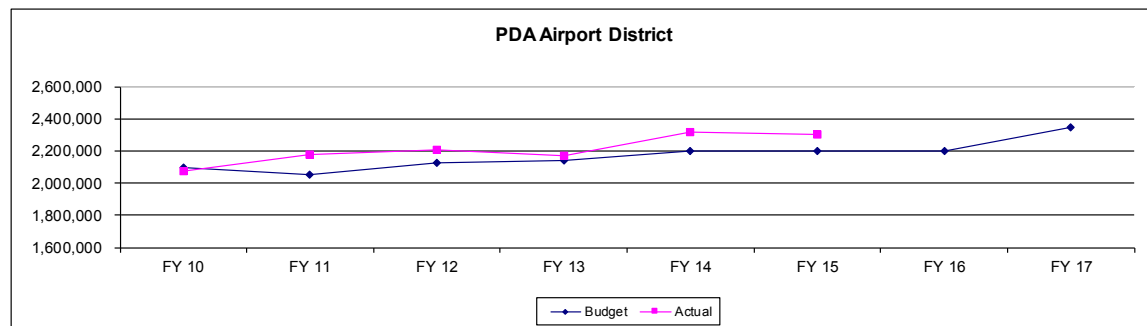
The state statute sets the Motor Vehicle fee as follows:

- 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 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	3,200,000	3,000,000	3,010,000	3,050,000	3,100,000	3,400,000	3,600,000	3,800,000
Actual	3,034,075	2,972,901	3,214,455	3,366,472	3,695,866	3,854,985		

- **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. 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. The City Council voted November 16, 2015 to accept a partial waiver of the Municipal Service Fee on the property occupied by the General Services Administration (GSA). The GSA will pay \$0.75 per square foot versus payment based on value.



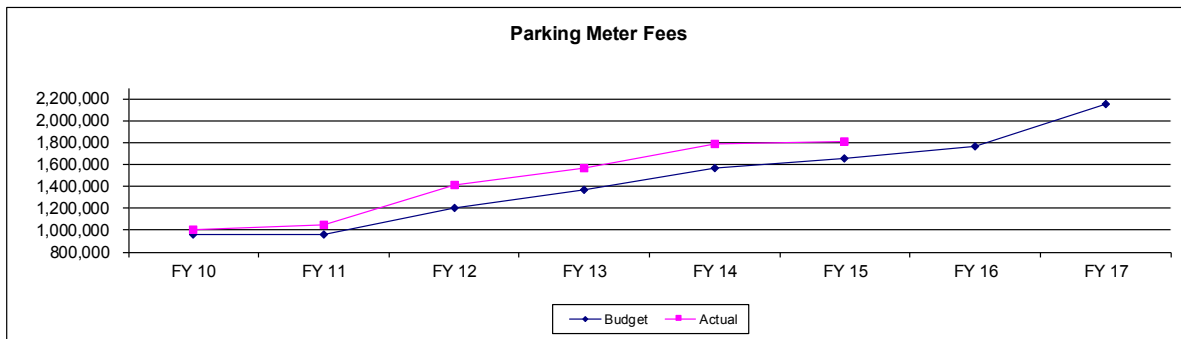
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	2,100,000	2,050,000	2,125,000	2,140,000	2,200,000	2,200,000	2,200,000	2,350,000
Actual	2,072,657	2,173,887	2,208,316	2,173,505	2,314,841	2,299,072		



- **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 - \$50 is collected for issuing a Marriage License with \$43 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 15 was \$108,551.
- **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.

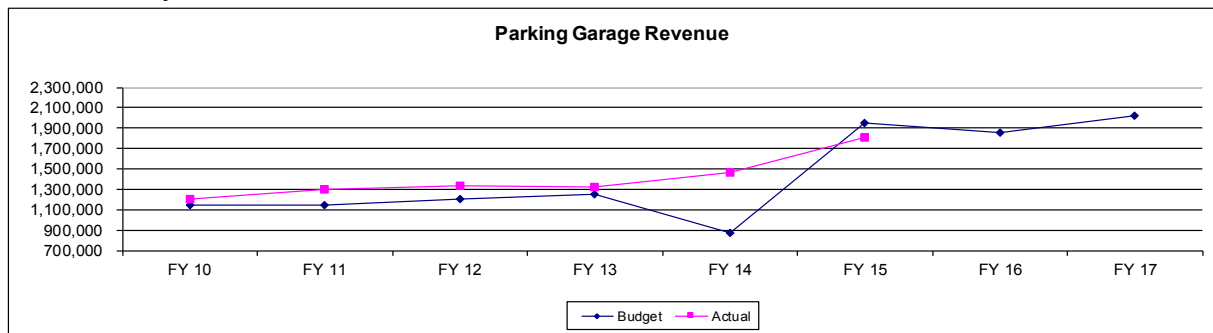
**Parking Revenue:**

- **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 \$45 for High Occupancy 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 \$1.25 per hour or \$1.75 per hour in high occupancy spaces. Rates were last increased in September 2015. 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.



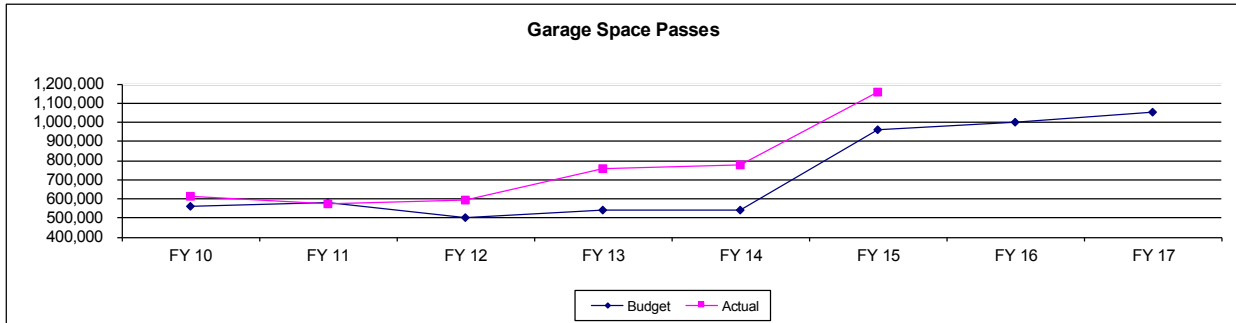
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	960,000	960,000	1,200,922	1,370,000	1,561,800	1,650,000	1,765,500	2,155,000
Actual	1,007,637	1,047,931	1,414,886	1,561,217	1,790,038	1,808,020		

- **Parking Garage Revenue** – City Ordinance Chapter 7 - Revenue from non-pass customers in the High-Hanover Parking Facility. Rates per hour are \$1.25, up from \$1.00 per hour starting July 1, 2015, 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 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	1,140,000	1,140,000	1,200,000	1,250,000	876,250	1,950,000	1,850,000	2,025,000
Actual	1,199,995	1,295,818	1,338,959	1,318,963	1,464,658	1,803,655		

- **Garage Space Passes** – City Ordinance Chapter 7 - Monthly pass holder payments in the High-Hanover Parking Facility. The FY 17 fee schedule (see Appendix III) has proposed the elimination of the 12 hr day and night passes. A 24-hour pass costs \$135 per month. As of January 2016 there were 352- 24 hour passes and 394- 12-hour passes issued and 110 on the waiting list.



	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	560,000	580,000	500,000	540,000	540,000	960,000	1,000,000	1,050,000
Actual	614,260	571,648	595,950	756,815	778,000	1,158,888		

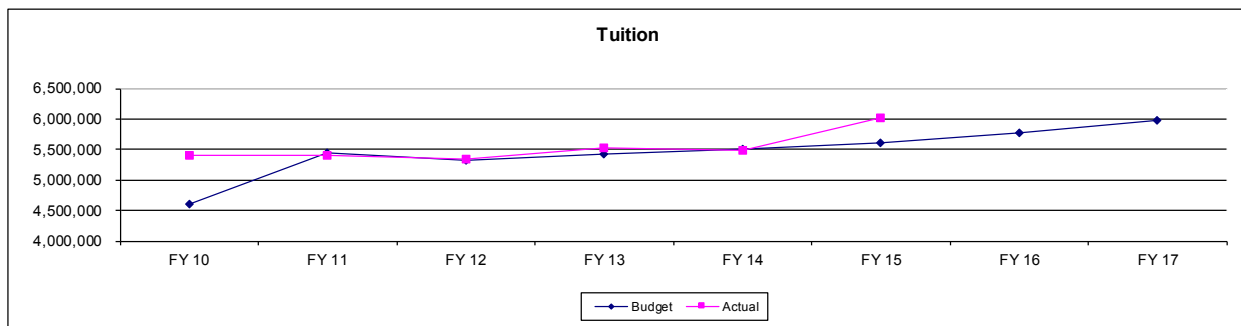
- **Parking Validation** - City Ordinance Chapter 7 – The FY 17 fee schedule (see Appendix III) has proposed the elimination of the validation stamps.
- **Pass Reinstatement** - City Ordinance Chapter 7 – An administration fee to reissue passes to leaseholders that have misplaced their original.
- **Parking Violations** - City Ordinance Chapter 7 – Payments received from violations of parking ordinances.
- **Immobilization Administration 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.

## 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 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	4,600,000	5,450,000	5,312,000	5,427,000	5,512,650	5,612,650	5,779,500	5,975,000
Actual	5,412,759	5,394,068	5,341,836	5,520,731	5,483,301	6,009,441		

- **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 78% while distributing 22%.

**State of NH**

**Rooms and Meals Tax Distribution History**

	FY 2011(1)	FY 2012(1)	FY 2013(1)	FY 2014(1)	FY 2015(2)	FY 2016(3)
Rooms & Meals Tax Revenue (Increase from previous FY)	\$228,291,000 12.19%	\$233,964,220 2.49%	\$253,979,816 8.55%	\$262,825,456 3.48%	\$274,600,560 4.48%	\$293,276,401 6.80%
Previous FY Rooms & Meals Tax Revenue	\$203,484,091	\$228,291,000	\$233,964,220	\$253,979,816	\$262,825,456	\$274,600,560
Increase/Decrease	-1.69%	12.19%	2.49%	8.55%	3.48%	4.48%
75 % of Increase In Revenues					0	
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	63,805,057
	<b>FY 2011(2)</b>	<b>FY 2012(2)</b>	<b>FY 2013(2)</b>	<b>FY 2014(1)</b>	<b>FY 2015(2)</b>	<b>FY 2016(3)</b>
Total Amount to be Distributed (Increase from previous FY)	58,805,057 0.00%	58,805,057 0.00%	58,805,057 0.00%	58,805,057 0.00%	63,805,057 8.50%	63,805,057 0.00%
<b><u>Distributed by Population</u></b>						
Total Population	1,324,795	1,317,208	1,318,211	1,321,218	1,323,459	1,326,813
Portsmouth	20,668	21,245	21,206	21,273	21,280	21,463
Portsmouth %	1.56%	1.61%	1.61%	1.61%	1.61%	1.62%
Portsmouth \$ Share	917,412	948,456	945,994	946,823	1,025,926	1,032,133
<b><u>Distribution % (Goal 60% State 40% Local)</u></b>						
(Per RSA 78-A:26)						
State of NH	74.24%	74.87%	76.85%	77.63%	76.76%	78.24%
<b>NH Communities</b>	<b>25.76%</b>	<b>25.13%</b>	<b>23.15%</b>	<b>22.37%</b>	<b>23.24%</b>	<b>21.76%</b>

(1) 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

(2) FY 2015 return to distribution method of FY 2009

(3) Per the New Hampshire Operating Budget adopted for FY 2016(HB 2) The State Treasurer shall fund the distribution of Meals and Rooms Tax at no more than the Fiscal Year 2015 levels.

**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 \$81,055,995 in the FY17 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 1<sup>st</sup> and June 1<sup>st</sup>.



Assessed Value	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
With Utilities	3,903,031,800	3,971,444,698	4,043,767,047	4,096,603,575	4,182,368,805	4,727,842,643
% change from previous FY	2.5%	1.8%	1.8%	1.3%	2.1%	13.0%
Without Utilities	3,721,242,300	3,803,608,220	3,870,081,052	3,917,159,080	4,010,764,710	4,535,259,027
% change from previous FY	2.4%	2.2%	1.7%	1.2%	2.4%	13.1%
State Equalized for Debt Limits	4,088,268,814	4,129,016,814	4,238,460,159	4,481,154,370	4,871,579,273	
% change from previous FY	-1.8%	1.0%	2.7%	5.7%	8.7%	
% of County Value	9.95%	9.96%	10.26%	10.64%	10.78%	11.08%
<b>Tax rate</b>						
Town Rate	8.50	8.42	8.55	8.72	8.80	8.07
Local School	5.40	5.34	5.49	5.56	5.61	5.33
State School	2.43	2.46	2.42	2.49	2.53	2.31
County	1.08	1.05	1.09	1.14	1.16	1.08
<b>Total Rate</b>	<b>17.41</b>	<b>17.27</b>	<b>17.55</b>	<b>17.91</b>	<b>18.10</b>	<b>16.79</b>
% change from previous FY	1.9%	-0.8%	1.6%	2.1%	1.1%	-7.2%

### PROPERTY TAXES

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	63,771,385	66,885,133	67,087,653	69,495,135	72,234,239	74,266,738	78,131,980	81,055,995
Actual	64,276,918	66,845,944	67,713,896	70,138,494	72,771,653	75,120,750		

**CITY OF PORTSMOUTH  
WATER FUND  
ESTIMATED AND ACTUAL REVENUES  
FOR FISCAL YEARS 2015-2017**

	<b>ESTIMATED REVENUES FY 15</b>	<b>ACTUAL REVENUES FY 15</b>	<b>ESTIMATED REVENUES FY 16</b>	<b>ESTIMATED REVENUES FY 17</b>	<b>% CHANGE</b>	<b>\$\$ CHANGE</b>
<b>WATER CONSUMPTION</b>						
<i>(includes minimum charges)</i>						
MUNICIPAL	175,172	180,286	194,862	210,537	8.0%	15,675
COMMERCIAL TYPE 1	2,717,772	3,003,090	3,249,467	3,362,166	3.5%	112,699
INDUSTRIAL TYPE 1	1,686,092	1,584,913	1,613,058	1,709,766	6.0%	96,708
RESIDENTIAL TYPE 1	2,854,947	2,622,907	2,748,600	2,738,911	-0.4%	(9,689)
<b>TOTAL WATER CONSUMPTION</b>	<b>7,433,983</b>	<b>7,391,196</b>	<b>7,805,987</b>	<b>8,021,380</b>	<b>2.8%</b>	<b>215,393</b>
<b>OTHER FEES</b>						
HYDRANT RENTAL INCOME	156,000	156,000	182,000	208,000	14.3%	26,000
METER FEES	733,000	723,448	698,000	701,120	0.0%	3,120
UTILITY REVENUE	49,272	52,912	53,830	67,970	0.0%	14,140
FIRE SERVICES	226,118	231,977	217,000	322,428	48.6%	105,428
JOB WORKED SERVICES	100,000	117,804	185,000	165,000	-10.8%	(20,000)
BACKFLOW TESTING	85,000	98,650	88,000	88,000	0.0%	-
SERVICE CHARGES-SPECIAL	28,000	30,626	31,000	31,000	0.0%	-
PENALTY INCOME	-	(39)	-	-	0.0%	-
CAPACITY USE SURCHARGE	80,000	11,685	80,000	150,000	87.5%	70,000
MISCELLANEOUS BILLING	10,000	9,115	10,000	20,000	100.0%	10,000
<b>TOTAL OTHER FEES</b>	<b>1,467,390</b>	<b>1,432,178</b>	<b>1,544,830</b>	<b>1,753,518</b>	<b>13.5%</b>	<b>208,688</b>
<b>STATE REVENUES</b>						
HOUSEHOLD HAZARDOUS WASTE	9,000	2,261	6,000	6,000	0.0%	-
ASSET MGT DRINKING WATER	-	15,000	-	-	-	-
<b>TOTAL STATE REVENUES</b>	<b>9,000</b>	<b>17,261</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>-</b>
<b>SPECIAL AGREEMENTS</b>						
STATE FORCE - 13455C MAPLE	-	37,759	-	-	0.0%	-
STATE FORCE - 13455D WOODBURY	-	926	-	-	0.0%	-
STRAWBERRY BANKE AGMT INTEREST	350	412	309	268	0.0%	(41)
AF - 3RD PARTY REVIEW HAVEN	-	22,290	-	-	-	-
AF - NEW HAVEN WELL	-	130,900	-	-	-	-
<b>TOTAL SPECIAL AGREEMENTS</b>	<b>350</b>	<b>192,286</b>	<b>309</b>	<b>268</b>	<b>0.0%</b>	<b>(41)</b>
<b>OTHER FINANCING SOURCES</b>						
INTEREST ON INVESTMENTS	3,000	15,049	20,000	20,000	0.0%	-
BOND PREMIUM AMORTIZATION	31,400	50	52,008	60,112	15.6%	8,104
ASSISTANCE PROGRAM-USE OF NET POSITION	50,000	50,000	-	-	0.0%	-
SALE OF MUNICIPAL PROPERTY	-	-	-	-	0.0%	-
OTHER MISCELLANEOUS REVENUE	-	25,826	-	-	0.0%	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>84,400</b>	<b>90,925</b>	<b>72,008</b>	<b>80,112</b>	<b>11.3%</b>	<b>8,104</b>
<b>TOTAL: FULL ACCRUAL REVENUES</b>	<b>8,995,123</b>	<b>9,123,845</b>	<b>9,429,134</b>	<b>9,861,278</b>	<b>4.6%</b>	<b>432,144</b>
<b>CASH REQUIREMENT ADJUSTMENTS</b>						
BOND PREMIUM AMORTIZATION	(31,400)	(31,400)	(52,008)	(60,112)	15.6%	(8,104)
SPECIAL AGREEMENT - CON EDISON	42,000	42,000	42,000	42,000	0.0%	-
SPECIAL AGREEMENT - STRAWBERRY BANKE	2,040	2,040	2,081	2,122	0.0%	41
<b>TOTAL CASH REQUIREMENT ADJUSTMENTS</b>	<b>12,640</b>	<b>12,640</b>	<b>(7,927)</b>	<b>(15,990)</b>	<b>101.7%</b>	<b>(8,063)</b>
<b>TOTAL WATER FUND</b>	<b>9,007,763</b>	<b>9,136,485</b>	<b>9,421,207</b>	<b>9,845,288</b>	<b>4.5%</b>	<b>424,081</b>



## 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:

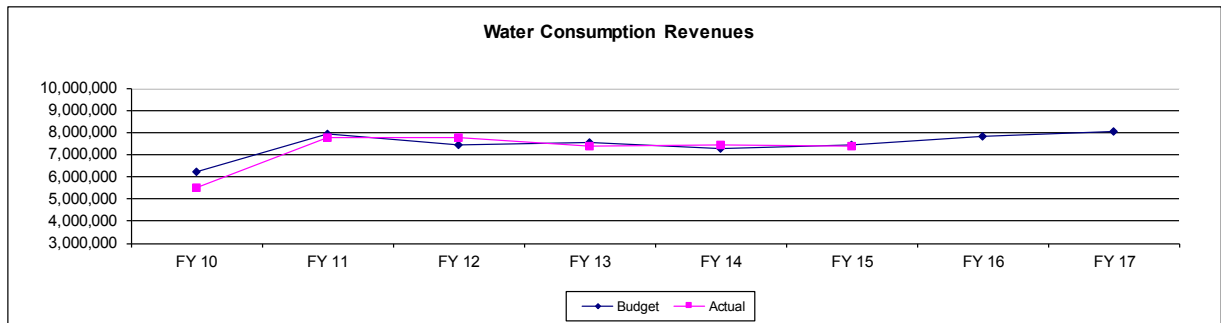
- 1) Water Consumption Revenues
- 2) Other Fees
- 3) State Revenues
- 4) Special Agreements
- 5) Other Financing Sources

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 FY17 will remain the same as FY16. 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 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	6,222,731	7,914,865	7,415,123	7,549,916	7,295,531	7,433,983	7,805,987	8,021,380
Actual	5,512,205	7,744,936	7,783,483	7,377,435	7,414,269	7,391,196		

## **Other Fees:**

- **Public Hydrant Fees** - Revenues generated for providing water for public fire service to all municipalities served by the Water Division. The \$175 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 FY17 to \$200.

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 1/2" 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 FY17 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
06/23/2015	Well, Pressure, Maplewood	\$162,073.90

- **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 FY17.

CITY OF PORTSMOUTH  
SEWER FUND  
ESTIMATED AND ACTUAL REVENUES  
FOR FISCAL YEARS 2015-2017

	ESTIMATED REVENUES FY 15	ACTUAL REVENUES FY 15	ESTIMATED REVENUES FY 16	ESTIMATED REVENUES FY 17	% CHANGE	\$\$ CHANGE
<b>SEWER CONSUMPTION</b>						
MUNICIPAL	203,955	181,488	183,281	170,000	-7.2%	(13,281)
OTHER UTILITIES WATER	394,078	409,398	427,736	402,223	-6.0%	(25,513)
COMMERCIAL TYPE 1	4,740,111	4,682,209	4,996,444	5,385,492	7.8%	389,048
INDUSTRIAL TYPE 1	3,076,476	2,987,534	3,120,623	3,127,758	0.2%	7,135
RESIDENTIAL TYPE 1	5,484,988	5,245,141	5,398,506	5,624,556	4.2%	226,050
<b>TOTAL SEWER CONSUMPTION</b>	<b>13,899,608</b>	<b>13,505,770</b>	<b>14,126,590</b>	<b>14,710,029</b>	<b>4.1%</b>	<b>583,439</b>
<b>MISCELLANEOUS FEES</b>						
JOB WORKED SERVICES	5,000	5,248	7,000	8,000	14.3%	1,000
SEPTAGE	145,000	143,647	150,000	165,000	10.0%	15,000
PENALTY INCOME	-	-	-	-	0.0%	-
PERMITS	2,500	1,500	2,500	2,500	0.0%	-
CAPACITY USE SURCHARGE	120,000	38,833	90,000	90,000	0.0%	-
MISCELLANEOUS	10,000	29,394	10,000	50,000	400.0%	40,000
<b>TOTAL MISCELLANEOUS FEES</b>	<b>282,500</b>	<b>218,621</b>	<b>259,500</b>	<b>315,500</b>	<b>21.6%</b>	<b>56,000</b>
<b>STATE REVENUES</b>						
HOUSEHOLD HAZARDOUS WASTE	-	2,261	-	-	0.0%	-
STATE AID GRANT PROGRAM	310,359	340,488	315,125	310,640	1.5%	(4,485)
<b>TOTAL STATE REVENUES</b>	<b>310,359</b>	<b>342,748</b>	<b>315,125</b>	<b>310,640</b>	<b>-1.4%</b>	<b>(4,485)</b>
<b>SPECIAL AGREEMENTS</b>						
REV FROM SPECIAL AGREEMENTS	27,375	54,817	47,005	46,479	71.7%	(526)
PEASE REIMBURSE SEWER LOAN	9,075	31,147	25,955	25,955	186.0%	-
<b>TOTAL SPECIAL AGREEMENTS</b>	<b>36,450</b>	<b>85,964</b>	<b>72,960</b>	<b>72,434</b>	<b>-0.7%</b>	<b>(526)</b>
<b>OTHER FINANCING SOURCES</b>						
INTEREST ON INVESTMENTS	3,000	42,505	50,000	50,732	1566.7%	732
ASSISTANCE PROGRAM-USE OF NET POSITION	50,000	50,000	-	-	0.0%	-
BOND PREMIUM AMORTIZATION	28,546	124,942	124,942	126,630	0.0%	1,688
USE OF UNRESTRICTED NET POSITION	-	-	-	-	0.0%	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>81,546</b>	<b>217,447</b>	<b>174,942</b>	<b>177,362</b>	<b>1.4%</b>	<b>2,420</b>
<b>TOTAL: FULL ACCRUAL REVENUES</b>	<b>14,610,463</b>	<b>14,370,550</b>	<b>14,949,117</b>	<b>15,585,965</b>	<b>4.3%</b>	<b>636,848</b>
<b>CASH REQUIREMENT ADJUSTMENTS</b>						
BOND PREMIUM AMORTIZATION	(28,546)	(124,942)	(124,942)	(126,630)	0.0%	(1,688)
USE OF BOND PREMIUM FOR DEBT PAYMENT			560,250	354,518		(205,732)
PEASE AID GRANT, PEASE PRINCIPAL	46,258	46,258	46,258	46,258	0.0%	-
PEASE PAYBACK TOWARDS DEBT	116,289	116,289	116,290	116,290	0.0%	-
SPECIAL AGREEMENT- L/T ACCTS REC	189,252	189,252	193,527	194,053	2.3%	526
<b>TOTAL CASH REQUIREMENT ADJUSTMENTS</b>	<b>323,253</b>	<b>226,857</b>	<b>791,383</b>	<b>584,489</b>	<b>-26.1%</b>	<b>(206,894)</b>
<b>TOTAL SEWER FUND</b>	<b>14,933,716</b>	<b>14,597,407</b>	<b>15,740,500</b>	<b>16,170,454</b>	<b>2.7%</b>	<b>429,954</b>

## Sewer Fund Revenue Descriptions and Trends

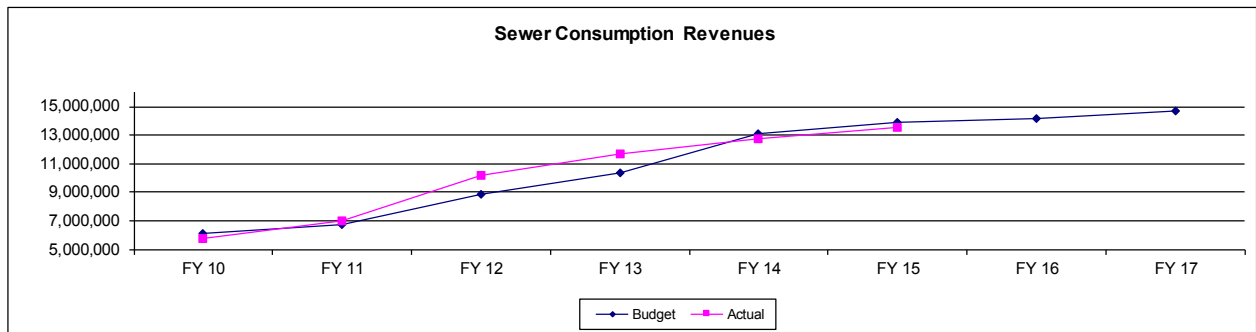
The City of Portsmouth Sewer Fund operates as a financially self-supporting enterprise fund. It is expected that revenues generated from rates, fees and retained earnings will sustain the cost of all operations and any debt service; no General Fund (tax) support is expected. Revenue sources for the City 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 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Budget	6,116,404	6,702,250	8,907,408	10,389,358	13,100,514	13,899,608	14,126,590	14,710,029
Actual	5,800,047	7,021,789	10,192,483	11,706,016	12,762,016	13,505,770		

## **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:**

- **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 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
12/14/2011	Peirce Island Treatment Plant	\$201,834.04
05/17/2012	Waste Water Treatment Plant	\$570,917.93
06/27/2013	Sewer LTCP	\$136,311.39
06/25/2014	PI and Pease WWTP	\$1,589,767.42
06/23/2015	Pease WWTP	\$33,765.40

- **Budgetary Use of Unrestricted Net Position** – The budgeted use of fund balance is typically used to stabilize rate increases from year to year. In FY17, the City will not be utilizing unrestricted net position.



**CITY OF PORTSMOUTH  
SPECIAL REVENUE FUNDS  
ESTIMATED AND ACTUAL REVENUES  
FOR FISCAL YEARS 2015-2017**

	<b>ESTIMATED REVENUES FY 15</b>	<b>ACTUAL REVENUES FY 15</b>	<b>ESTIMATED REVENUES FY 16</b>	<b>ESTIMATED REVENUES FY 17</b>	<b>%% CHANGE</b>	<b>\$\$ CHANGE</b>
<b>Community Development</b>						
CDBG Entitlement	98,836	101,774	110,463	103,307	-6.5%	(7,156)
Housing Rehab Program	51,402	51,390	82,778	53,282	-35.6%	(29,496)
PEDLP	1,600	1,526	1,600	1,600	0.0%	-
<b>Total Community Development</b>	<b>151,838</b>	<b>154,690</b>	<b>194,841</b>	<b>158,189</b>	<b>-18.8%</b>	<b>(36,652)</b>
<b>Urban Development Action Grant</b>						
UDAG Interest	36,000	33,970	34,000	34,000	0.0%	-
Use of Fund Balance-UDAG	324,755	266,100	260,758	229,397	-12.0%	(31,361)
<b>Total Economic Development-UDAG</b>	<b>360,755</b>	<b>300,070</b>	<b>294,758</b>	<b>263,397</b>	<b>-10.6%</b>	<b>(31,361)</b>
<b>Parking and Transportation</b>						
Portion of Total Parking Revenue	3,047,195	3,047,195	3,047,195	3,723,195	22.2%	676,000
Use of Fund Balance	-	-	948,468	-	-100.0%	(948,468)
<b>Total Parking and Transportation</b>	<b>3,047,195</b>	<b>3,047,195</b>	<b>3,995,663</b>	<b>3,723,195</b>	<b>-6.8%</b>	<b>(272,468)</b>
<b>Total Special Revenue Funds</b>	<b>3,559,788</b>	<b>3,501,955</b>	<b>4,485,262</b>	<b>4,144,781</b>	<b>-7.6%</b>	<b>(340,481)</b>

## 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.



# Debt Service

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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.

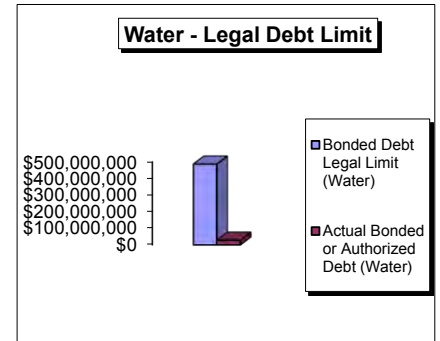
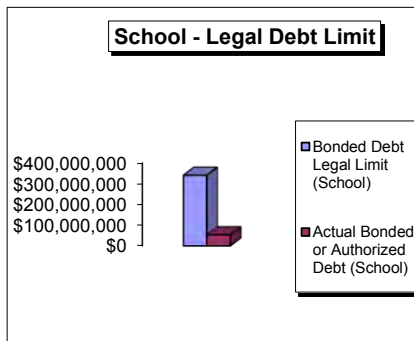
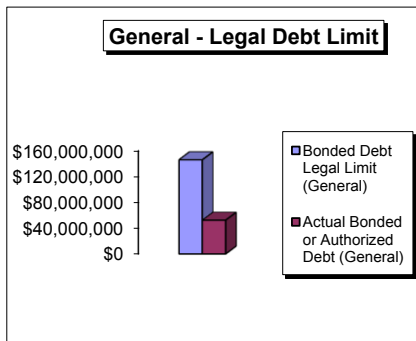
## **LONG TERM DEBT OUTSTANDING BALANCES (GENERAL, WATER, AND SEWER)**

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, 2015

Modified local assessed valuation	\$	4,204,972,105
Department of Revenue Administration inventory adjustment	\$	<u>666,607,168</u>
Equalized assessed valuation	\$	4,871,579,273
Adjustment: RSA 31-A	\$	<u>-</u>
<b>Base valuation for debt limit (1)</b>	<b>\$</b>	<b><u>4,871,579,273</u></b>

	<u>3.0% of base (General Debt)</u>	<u>7.0% of base (School Debt) (2)</u>	<u>10% of base (Water Fund) (3) (4)</u>
<b>Bonded debt limit -</b>	<u>\$146,147,378</u>	<u>\$341,010,549</u>	<u>\$487,157,927</u>
Gross bonded debt June 30	\$28,494,237	\$49,055,000	\$28,040,824
Less:			
Landfill (5)	\$884,237		
Sub-total	<u>\$27,610,000</u>	<u>\$49,055,000</u>	<u>\$28,040,824</u>
Authorized but unissued			
Commerce Way	\$1,600,000		
Deer Street Parking Facility	\$23,200,000		
Elementary School Upgrades		\$5,000,000	
New Franklin Energy Efficiency		\$25,000	
Total Authorized unissued	<u>\$24,800,000</u>	<u>\$5,025,000</u>	<u>\$0</u>
<b>Total debt applicable to limitation</b>	<b><u>\$52,410,000</u></b>	<b><u>\$54,080,000</u></b>	<b><u>\$28,040,824</u></b>
<b>% Debt used of limitation</b>	<b>36%</b>	<b>16%</b>	<b>6%</b>
Legal Debt Margin	<u><b>\$93,737,378</b></u>	<u><b>\$286,930,549</b></u>	<u><b>\$459,117,103</b></u>
Legal Debt Margin %	64%	84%	94%



- (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) Subject to a separate debt limit of 7% of the City's base valuation per RSA 33:4-a
- (3) Enterprise funds.
- (4) Subject to a separate debt limit of 10% of the City's base valuation per RSA 33:5-a.
- (5) Exempt per RSA 33:5-b.

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

			<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>
<b>ISSUED DEBT</b>									
<b>GENERAL FUND-Issued Debt</b>									
<b>General Government</b>									
<b>08/01/05 05 Improvements</b>	<b>3.95%</b>	<b>2,945,000</b>							
Principal-Last Pmt FY 16		10 Yr	290,000						
Interest			5,800						
<b>06/15/07 New Castle Ave/Seawall</b>	<b>4.00%</b>	<b>600,000</b>							
Principal-Last Pmt FY 17		10 Yr	60,000	60,000					
Interest			5,025	2,475					
<b>06/15/07 06 Improvements</b>	<b>4.00%</b>	<b>950,000</b>							
Principal-Last Pmt FY 17		10 Yr	95,000	95,000					
Interest			7,956	3,919					
<b>06/15/07 07 Improvements</b>	<b>4.00%</b>	<b>4,450,000</b>							
Principal-Last Pmt FY 17		10 Yr	445,000	445,000					
Interest			37,269	18,356					
<b>12/14/11 Fire Apparatus</b>	<b>1.26%</b>	<b>500,000</b>							
Principal-Last Pmt FY 17		5 YR	100,000	100,000					
Interest			7,500	2,500					
<b>06/15/08 08 Improvements</b>	<b>3.46%</b>	<b>2,500,000</b>							
Principal-Last Pmt FY 18		10 Yr	250,000	250,000	250,000				
Interest			28,750	19,375	10,000				
<b>11/18/98 Coakley OU-1 20 yr</b>		<b>3,605,773</b>							
Principal-Last Pmt FY 19		20 YR	180,289	180,289	180,289	180,289			
Interest-State recalculated interest starting in FY 15 saving \$62,049			6,130	4,597	3,065	1,532			
<b>06/15/09 09 Improvements</b>	<b>2.96%</b>	<b>3,500,000</b>							
Principal-Last Pmt FY 19		10 Yr	350,000	350,000	350,000	350,000			
Interest			70,000	52,500	35,000	17,500			
<b>05/15/10 10 Improvements</b>	<b>2.48%</b>	<b>1,800,000</b>							
Principal-Last Pmt FY 20		10 Yr	180,000	180,000	180,000	180,000	180,000		
Interest			38,700	31,500	24,300	16,200	8,100		
<b>07/01/00 Coakley OU-2 20 yr</b>		<b>652,330</b>							
Principal-Last Pmt FY 20		20 YR	32,617	32,617	32,617	32,617	32,617		
Interest-State recalculated interest starting in FY 15 saving \$14,961			1,663	1,331	998	665	333		
<b>12/14/11 11 Improvements</b>	<b>1.91%</b>	<b>6,400,000</b>							
Principal-Last Pmt FY 22		10 YR	640,000	640,000	640,000	640,000	640,000	640,000	640,000
Interest			169,600	137,600	112,000	96,000	76,800	48,000	16,000
<b>06/27/13 13 Improvements</b>	<b>1.69%</b>	<b>2,267,000</b>							
Principal-Last Pmt FY 23		10 YR	230,000	225,000	225,000	225,000	225,000	225,000	225,000
Interest			54,150	47,250	40,500	33,750	27,000	20,250	13,500
<b>06/25/14 14 Improvements</b>	<b>1.78%</b>	<b>5,750,000</b>							
Principal-Last Pmt FY 24		10 YR	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Interest			241,500	212,750	184,000	155,250	143,750	115,000	86,250
<b>06/23/15 15 Improvements</b>	<b>2.10%</b>	<b>3,475,000</b>							
Principal-Last Pmt FY 25		10 YR	350,000	350,000	350,000	350,000	350,000	345,000	345,000
Interest			129,164	118,100	104,100	90,100	76,100	62,100	55,200
<b>06/23/15 Library-Refunded</b>	<b>2.09%</b>	<b>3,685,000</b>							
Principal-Last Pmt FY 26		10 YR	350,000	350,000	350,000	345,000	340,000	340,000	330,000
Interest			77,759	109,850	95,850	81,950	68,250	58,050	49,700
<b>06/15/08 Fire Station 2 Replacement</b>	<b>3.94%</b>	<b>3,650,000</b>							
Principal-Last Pmt FY 28		20 YR	185,000	185,000	185,000	180,000	180,000	180,000	180,000
Interest			94,175	87,238	80,300	72,900	66,150	58,950	51,750
<b>06/15/08 Fire Station 2 Land</b>	<b>3.94%</b>	<b>1,300,000</b>							
Principal-Last Pmt FY 28		20 YR	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Interest			33,800	31,363	28,925	26,325	23,888	21,288	18,688
<b>06/15/09 Fire Station 2 Replacement</b>	<b>3.84%</b>	<b>1,500,000</b>							
Principal-Last Pmt FY 29		20 YR	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Interest			44,531	40,781	37,031	33,281	29,531	26,906	24,281
<b>Total General Fund-Gen Gov Issued Debt Principal Due</b>			<b>4,452,905</b>	<b>4,157,905</b>	<b>3,457,905</b>	<b>3,197,905</b>	<b>2,662,617</b>	<b>2,445,000</b>	<b>2,435,000</b>
<b>Total General Fund-Gen Gov Issued Debt Interest Due</b>			<b>1,053,473</b>	<b>921,484</b>	<b>756,069</b>	<b>625,454</b>	<b>519,901</b>	<b>410,544</b>	<b>315,369</b>
<b>Total General Fund-Gen Gov Issued Debt</b>			<b>5,506,378</b>	<b>5,079,390</b>	<b>4,213,974</b>	<b>3,823,359</b>	<b>3,182,518</b>	<b>2,855,544</b>	<b>2,750,369</b>

GENERAL FUND

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

			<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>
<b>Schools</b>									
<b>10/21/14 15 School Building Improvemen</b>	<b>2.09%</b>	<b>375,000</b>							
Principal-Last Pmt FY 18		3 Yr	122,502	125,062	127,436				
Interest			7,838	5,277	2,904				
<b>06/15/08 08 School Building Improvemen</b>	<b>3.46%</b>	<b>500,000</b>							
Principal-Last Pmt FY 18		10 Yr	50,000	50,000	50,000				
Interest			5,750	3,875	2,000				
<b>05/15/10 10 School Building Improvemen</b>	<b>2.48%</b>	<b>500,000</b>							
Principal-Last Pmt FY 20		10 Yr	50,000	50,000	50,000	50,000	50,000		
Interest			10,750	8,750	6,750	4,500	2,250		
<b>06/27/13 13 School Building Improvemen</b>	<b>1.69%</b>	<b>500,000</b>							
Principal-Last Pmt FY 23		10 Yr	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest			12,000	10,500	9,000	7,500	6,000	4,500	3,000
<b>05/17/12 High School Renovations-Refunding</b>	<b>1.78%</b>	<b>17,325,000</b>							
Principal-Last Pmt FY 23		10 YR	1,770,000	1,745,000	1,720,000	1,700,000	1,690,000	1,680,000	1,665,000
Interest			509,400	439,100	369,800	301,400	233,600	166,200	99,300
<b>06/23/15 15 School Building Improvemen</b>	<b>2.10%</b>	<b>750,000</b>							
Principal-Last Pmt FY 25		10 Yr	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Interest			27,867	25,500	22,500	19,500	16,500	13,500	12,000
<b>05/15/10 Middle School Renovation</b>	<b>3.34%</b>	<b>15,000,000</b>							
Principal-Last Pmt FY 30		20 YR	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Interest			427,500	397,500	367,500	333,750	300,000	266,250	243,750
<b>12/14/11 Middle School Renovation</b>	<b>3.00%</b>	<b>22,500,000</b>							
Principal-Last Pmt FY 32		20 YR	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Interest			687,656	631,406	586,406	558,281	524,531	473,906	417,656
<b>06/25/14 Middle School Renovation</b>	<b>2.87%</b>	<b>3,300,000</b>							
Principal-Last Pmt FY 34		20 YR	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Interest			136,950	128,700	120,450	112,200	108,900	100,650	92,400
<b>Total General Fund-School Issued Debt Principal Due</b>			<b>4,157,502</b>	<b>4,135,062</b>	<b>4,112,436</b>	<b>3,915,000</b>	<b>3,905,000</b>	<b>3,845,000</b>	<b>3,830,000</b>
<b>Total General Fund-School Issued Debt Interest Due</b>			<b>1,825,710</b>	<b>1,650,608</b>	<b>1,487,310</b>	<b>1,337,131</b>	<b>1,191,781</b>	<b>1,025,006</b>	<b>868,106</b>
<b>Total General Fund-School Issued Debt</b>			<b>5,983,212</b>	<b>5,785,671</b>	<b>5,599,746</b>	<b>5,252,131</b>	<b>5,096,781</b>	<b>4,870,006</b>	<b>4,698,106</b>
<b>Total General Fund- Issued Debt Principal Due</b>			<b>8,610,407</b>	<b>8,292,967</b>	<b>7,570,341</b>	<b>7,112,905</b>	<b>6,567,617</b>	<b>6,290,000</b>	<b>6,265,000</b>
<b>Total General Fund-Issued Debt Interest Due</b>			<b>2,879,184</b>	<b>2,572,093</b>	<b>2,243,379</b>	<b>1,962,585</b>	<b>1,711,683</b>	<b>1,435,550</b>	<b>1,183,475</b>
<b>Total General Fund-Issued Debt</b>			<b>11,489,591</b>	<b>10,865,060</b>	<b>9,813,720</b>	<b>9,075,491</b>	<b>8,279,299</b>	<b>7,725,550</b>	<b>7,448,475</b>
<b>Issued Debt Related Revenues</b>									
GF	Use of Unused Bond Proceeds								
GF	Coakley Landfill State Aid		(40,096)	(39,087)	(38,077)	(37,067)			
GF	Use of Debt Reserve		(1,500,000)	(1,700,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
GF	School Building Aid (High School 55%)		(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)
GF	School Building Aid on \$22.5m (Middle School 40%)		(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)	(451,210)
GF	School Building Aid on \$3.3m (Middle School Estimate 40%)		(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)
	<b>Total Issued Debt Related Revenues-General Fund</b>		<b>(3,376,401)</b>	<b>(3,575,392)</b>	<b>(3,374,382)</b>	<b>(3,373,372)</b>	<b>(3,336,305)</b>	<b>(3,336,305)</b>	<b>(3,336,305)</b>
	<b>Total Net Issued Debt-General Fund</b>		<b>8,113,189</b>	<b>7,289,669</b>	<b>6,439,338</b>	<b>5,702,118</b>	<b>4,942,994</b>	<b>4,389,245</b>	<b>4,112,170</b>

**GENERAL FUND**

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

		<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>
<b><u>GENERAL FUND-Projected Future Debt</u></b>								
Allocation to Debt reserve								
Council reduction 06/08/15 anticipation of Library refunding		(40,000)						
Issued and Refunding Difference Budgeted vs actual		78,284						
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	5,000,000	93,750	432,813	423,438	414,063	404,688	395,313	385,938
<b><u>Authorized 04/06/15</u></b>								
5 yr 3.75% FIRE ENGINE #4	600,000	11,250	140,250	135,750	131,250	126,750	122,250	
10 yr 3.75% SCHOOL FACILITIES CAPITAL IMPROVEMENTS	500,000	9,375	67,813	65,938	64,063	62,188	60,313	58,438
10 yr 3.75% BICYCLE/PEDESTRIAN PLAN IMPLEMENTATION	1,000,000	18,750	135,625	131,875	128,125	124,375	120,625	116,875
10 yr 3.75% CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM	800,000	15,000	108,500	105,500	102,500	99,500	96,500	93,500
10 yr 3.75% ISLINGTON STREET NEW SIDEWALK	250,000	4,688	33,906	32,969	32,031	31,094	30,156	29,219
10 yr 3.75% MARKET STREET GATEWAY IMPROVEMENTS	550,000	10,313	74,594	72,531	70,469	68,406	66,344	64,281
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
10 yr 3.75% ISLINGTON STREET-STREETScape IMPROVEMENTS	500,000	9,375	67,813	65,938	64,063	62,188	60,313	58,438
<b><u>Authorized 08/17/15</u></b>								
<b>Total FY 16 New Bonding</b>	<b>7,200,000</b>							
5 yr 3.75% FIRE RESCUE #3	400,000		7,500	93,500	90,500	87,500	84,500	81,500
20 yr 3.75% FIRE STATION THREE REHABILITATION	610,000		11,438	82,731	80,444	78,156	75,869	73,581
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	5,000,000		93,750	432,813	423,438	414,063	404,688	395,313
10 yr 3.75% CHESTNUT AREA IMPROVEMENTS	200,000		3,750	27,125	26,375	25,625	24,875	24,125
10 yr 3.75% MULTI-PURPOSE RECREATION FIELD (FMR. STUMP DUMP)	1,750,000		54,250	237,344	230,781	224,219	217,656	211,094
10 yr 3.75% OUTDOOR POOL UPGRADES	500,000		9,375	67,813	65,938	64,063	62,188	60,313
10 yr 3.75% CITYWIDE FACILITIES CAPITAL IMPROVEMENTS	1,000,000		18,750	135,625	131,875	128,125	124,375	120,625
10 yr 3.75% MCDONOUGH ST AREA IMPROVEMENTS	400,000		7,500	54,250	52,750	51,250	49,750	48,250
10 yr 3.75% PEASE ROADWAY IMPROVEMENTS	2,500,000		46,875	339,063	329,688	320,313	310,938	301,563
10 yr 3.75% BANFIELD ROAD IMPROVEMENTS	500,000		9,375	67,813	65,938	64,063	62,188	60,313
<b>Total FY 17 New Bonding</b>	<b>12,860,000</b>							
20 yr 3.75% ELEMENTARY SCHOOL UPGRADES	5,000,000			93,750	432,813	423,438	414,063	404,688
10 yr 3.75% RECREATION STUDY: NEW FIELD CONSTRUCTION	1,000,000			18,750	135,625	131,875	128,125	124,375
10 yr 3.75% MAPLEWOOD AVE COMPLETE STREET	750,000			14,063	101,719	98,906	96,094	93,281
10 yr 3.75% CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM	800,000			15,000	108,500	105,500	102,500	99,500
10 yr 3.75% NORTH POND MULTI USE PATH	1,500,000			28,125	203,438	197,813	192,188	186,563
10 yr 3.75% NEW FRANKLIN/WOODBURY CORRIDOR IMPROVEMENTS	500,000			9,375	67,813	65,938	64,063	62,188
10 yr 3.75% MARKET STREET GATEWAY IMPROVEMENTS	550,000			10,313	74,594	72,531	70,469	68,406
10 yr 3.75% STREET PAVING, MANAGEMENT AND REHABILITATION	3,000,000			56,250	406,875	395,625	384,375	373,125
10 yr 3.75% ISLINGTON STREET-STREETScape IMPROVEMENTS	2,500,000			46,875	339,063	329,688	320,313	310,938
10 yr 3.75% PEVERLY HILL ROAD IMPROVEMENTS	1,000,000			18,750	135,625	131,875	128,125	124,375
<b>Total FY 18 New Bonding</b>	<b>16,600,000</b>							

**GENERAL FUND**



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

		<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>
5 yr 3.75%	FIRE ENGINE #6	600,000			11,250	140,250	135,750	131,250
10 yr 3.75%	SCHOOL FACILITIES CAPITAL IMPROVEMENTS	500,000			9,375	67,813	65,938	64,063
20 yr 3.75%	ELEMENTARY SCHOOL UPGRADES	5,000,000			93,750	432,813	423,438	414,063
10 yr 3.75%	RECREATION STUDY: NEW FIELD CONSTRUCTION	1,000,000			18,750	135,625	131,875	128,125
10 yr 3.75%	RECYCLING & SOLID WASTE TRANSFER STATION	1,000,000			18,750	135,625	131,875	128,125
10 yr 3.75%	MARKET SQUARE UPGRADES	1,000,000			18,750	135,625	131,875	128,125
	<b>Total FY 19 New Bonding</b>	<b>9,100,000</b>						
20 yr 3.75%	POLICE STATION	10,000,000				187,500	865,625	846,875
10 yr 3.75%	CITYWIDE FACILITIES CAPITAL IMPROVEMENTS	1,000,000				18,750	135,625	131,875
10 yr 3.75%	CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM	800,000				15,000	108,500	105,500
10 yr 3.75%	STREET PAVING, MANAGEMENT AND REHABILITATION	3,000,000				56,250	406,875	395,625
10 yr 3.75%	PEASE-ROADWAY REHABILITATIONS	750,000				18,750	135,625	131,875
	<b>Total FY 20 New Bonding</b>	<b>15,550,000</b>						
10 yr 3.75%	FIRE LADDER #2	1,000,000					18,750	135,625
20 yr 3.75%	INDOOR RECREATION FACILITY	2,000,000					37,500	271,250
10 yr 3.75%	PUBLIC SAFETY RECRODS MGT/COMPUTER AIDED DI	500,000					9,375	116,875
10 yr 3.75%	LAFAYETTE RD/ANDREW JARVIS INTERSECTION	750,000					14,063	101,719
10 yr 3.75%	PEIRCE ISLAND BRIDGE REPLACEMENT	1,600,000					30,000	217,000
10 yr 3.75%	JUNKINS AVENUE	1,100,000					20,625	149,188
	<b>Total FY 21 New Bonding</b>	<b>6,950,000</b>						
10 yr 3.75%	SCHOOL FACILITIES CAPITAL IMPROVEMENTS	500,000						9,375
10 yr 3.75%	OUTDOOR POOL UPGRADES	400,000						7,500
10 yr 3.75%	CITYWIDE SIDEWALK RECONSTRUCTION PROGRAM	800,000						15,000
10 yr 3.75%	ELWYN RD AREA BIKE AND PED IMPROVEMENTS	980,000						18,375
10 yr 3.75%	STREET PAVING, MANAGEMENT AND REHABILITATION	3,000,000						56,250
10 yr 3.75%	PEASE-ROADWAY REHABILITATIONS	750,000						18,750
10 yr 3.75%	MAPLEWOOD AVE CULVERT REPLACEMENT	3,800,000						71,250
	<b>Total FY 22 New Bonding</b>	<b>10,230,000</b>						
	<b>Total Projected Future Debt (FY16-FY22)</b>	<b>78,490,000</b>						
	<b>Total General Fund-Projected Future Debt</b>	<b>267,034</b>	<b>1,730,750</b>	<b>3,278,888</b>	<b>5,065,350</b>	<b>6,106,875</b>	<b>7,434,338</b>	<b>8,175,081</b>

**GENERAL FUND**

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

	<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>
<b><u>Future Debt Related Revenues</u></b>							
<b>Total Future Debt Related Revenues-General Fund</b>	-	-	-	-	-	-	-
<b>Total Net Projected Future Debt-General Fund</b>	267,034	1,730,750	3,278,888	5,065,350	6,106,875	7,434,338	8,175,081
<b>Total Gross Issued and Projected Debt-General Fund</b>	11,756,625	12,595,810	13,092,608	14,140,841	14,386,174	15,159,888	15,623,556
<b>Total Debt Related Revenues Actual and Projected</b>	(3,376,401)	(3,575,392)	(3,374,382)	(3,373,372)	(3,336,305)	(3,336,305)	(3,336,305)
<b>Total Net Issued and Projected Debt-General Fund</b>	8,380,223	9,020,419	9,718,226	10,767,468	11,049,869	11,823,583	12,287,251

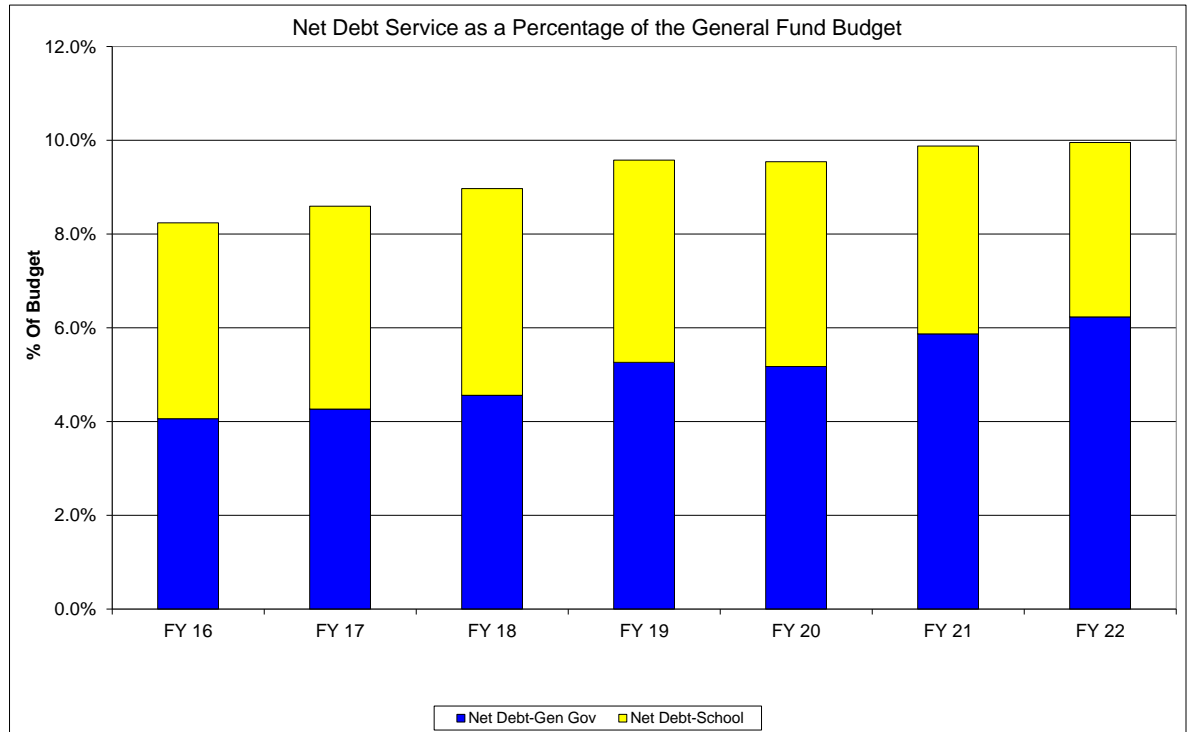
**GENERAL FUND**

**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**

	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
Total Gen Fund Without Debt Service	89,939,577	92,371,233	95,280,927	98,282,276	101,378,167	104,571,580	107,865,584
<small>(increase 3.15% in FY 18 and beyond)</small>							
Existing Debt Service-School	5,983,212	5,785,671	5,599,746	5,252,131	5,096,781	4,870,006	4,698,106
Existing Debt Service-Gen Gov	5,506,378	5,079,390	4,213,974	3,823,359	3,182,518	2,855,544	2,750,369
Projected Debt Service-School	103,125	594,375	1,015,938	1,437,500	1,805,000	1,763,750	1,731,875
Projected Debt Service-Gen Gov	163,909	1,136,375	2,262,950	3,627,850	4,301,875	5,670,588	6,443,206
<b>Total Gross Debt Service</b>	<b>11,756,625</b>	<b>12,595,810</b>	<b>13,092,608</b>	<b>14,140,841</b>	<b>14,386,174</b>	<b>15,159,888</b>	<b>15,623,556</b>
Debt Service Related Revenues-Schools	(1,836,305)	(1,836,305)	(1,836,305)	(1,836,305)	(1,836,305)	(1,836,305)	(1,836,305)
Debt Service Related Revenues-Gen Gov	(1,540,096)	(1,739,087)	(1,538,077)	(1,537,067)	(1,500,000)	(1,500,000)	(1,500,000)
Net Debt-School	4,250,032	4,543,741	4,779,378	4,853,326	5,065,476	4,797,451	4,593,676
Net Debt-Gen Gov	4,130,191	4,476,678	4,938,847	5,914,142	5,984,393	7,026,131	7,693,575
<b>Total Net Debt</b>	<b>8,380,223</b>	<b>9,020,419</b>	<b>9,718,226</b>	<b>10,767,468</b>	<b>11,049,869</b>	<b>11,823,583</b>	<b>12,287,251</b>
Total Projected General Fund Budget	101,696,202	104,967,043	108,373,534	112,423,116	115,764,342	119,731,467	123,489,141
Percentage Net Debt-School of Budget	4.18%	4.33%	4.41%	4.32%	4.38%	4.01%	3.72%
Percentage Net Debt-Gen Gov of Budget	4.06%	4.26%	4.56%	5.26%	5.17%	5.87%	6.23%
<b>Total Percentage Net Debt Service of Budget:</b>	<b>8.24%</b>	<b>8.59%</b>	<b>8.97%</b>	<b>9.58%</b>	<b>9.55%</b>	<b>9.88%</b>	<b>9.95%</b>



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

	<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>
<b><u>ISSUED DEBT</u></b>							
<b><u>PARKING/TRANSPORTATION FUND-Issued Debt</u></b>	<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>
<b>Total Parking/Trans Fund Issued Debt Principal Due</b>	-	-	-	-	-	-	-
<b>Total Parking/Trans Fund Issued Debt Interest Due</b>	-	-	-	-	-	-	-
<b>Total Parking/TransFund-Issued Debt</b>	-	-	-	-	-	-	-
<b><u>PROJECTED FUTURE DEBT:</u></b>							
<b><u>PARKING/TRANSPORTATION FUND- Projected Future Debt</u></b>	<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>
20 yr 3.50% <u>PARKING FACILITY - DOWNTOWN LOCATION</u> <u>Authorized 05/04/15</u>	23,200,000	169,925	232,000	1,972,000	1,931,400	1,890,800	1,850,200
HIGH HANOVER UPGRADES	5,000,000			93,750	678,125	659,375	640,625
<b>Total Parking/Transportation Fund-Projected Future Debt</b>	-	<b>169,925</b>	<b>232,000</b>	<b>2,065,750</b>	<b>2,609,525</b>	<b>2,550,175</b>	<b>2,490,825</b>
<b><u>Future Debt Related Revenues</u></b>	<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>
<b>Total Future Debt Related Revenues-Parking/Transportation Fund</b>	-	-	-	-	-	-	-
<b>Total Net Projected Future Debt-Parking/Transportation Fund</b>	-	169,925	232,000	2,065,750	2,609,525	2,550,175	2,490,825
<b>Total Net Issued and Projected Debt-Parking/Transportation Fund</b>	-	169,925	232,000	2,065,750	2,609,525	2,550,175	2,490,825

**WATER FUND**

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

	<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>
<b><u>ISSUED DEBT</u></b>							
<b><u>WATER FUND-Issued Debt</u></b>							
<b>05/15/02 Upgrade Motor Control Center</b> 3.98% <b>300,000</b>							
Principal-Last Pmt FY 22	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Interest	4,175	3,579	2,982	2,386	1,790	1,193	597
<b>05/15/02 Corrosion Control Program</b> 3.80% <b>288,000</b>							
Principal-Last Pmt FY 22	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Interest	3,831	3,284	2,736	2,189	1,642	1,095	548
<b>11/01/02 Constitution Avenue</b> 3.70% <b>4,800,000</b>							
Principal-Last Pmt FY 23	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Interest	71,117	62,228	53,338	44,448	35,559	26,669	17,780
<b>12/01/02 Spinney Tank</b> 3.73% <b>1,162,560</b>							
Principal-Last Pmt FY 23	58,128	58,128	58,128	58,128	58,128	58,128	58,128
Interest	17,337	15,170	13,003	10,836	8,669	6,502	4,335
<b>06/01/08 Madbury Treatment Plant-Desig</b> 2.49% <b>2,000,000</b>							
Principal-Last Pmt FY 28	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Interest	45,344	41,856	38,368	34,880	31,392	27,904	24,416
<b>01/15/09 Madbury Treatment Plant</b> 3.85% <b>16,000,000</b>							
Principal-Last Pmt FY 29	845,000	845,000	845,000	840,000	840,000	840,000	840,000
Interest	499,500	457,250	415,000	372,750	330,750	301,350	271,950
<b>02/01/12 Madbury Treatment Plant</b> 2.72% <b>5,000,000</b>							
Principal-Last Pmt FY 32	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest	115,600	108,800	102,000	95,200	88,400	81,600	74,800
<b>06/25/14 Hobbs Hill Water Tank</b> 2.87% <b>3,500,000</b>							
Principal-Last Pmt FY 34	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Interest	145,250	136,500	127,750	119,000	115,500	106,750	98,000
<b>06/23/15 FY 15 Water Improvements</b> 2.99% <b>4,800,000</b>							
Principal-Last Pmt FY 35	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Interest	164,267	158,400	148,800	139,200	129,600	120,000	115,200
<b>Total Water Fund Issued Debt Principal Due</b>	<b>1,937,528</b>	<b>1,937,528</b>	<b>1,937,528</b>	<b>1,932,528</b>	<b>1,932,528</b>	<b>1,932,528</b>	<b>1,932,528</b>
<b>Total Water Fund Issued Debt Interest Due</b>	<b>1,066,421</b>	<b>987,067</b>	<b>903,977</b>	<b>820,889</b>	<b>743,302</b>	<b>673,063</b>	<b>607,626</b>
<b>Total Water Fund-Issued Debt</b>	<b>3,003,949</b>	<b>2,924,595</b>	<b>2,841,505</b>	<b>2,753,417</b>	<b>2,675,830</b>	<b>2,605,591</b>	<b>2,540,154</b>
<b><u>PROJECTED FUTURE DEBT:</u></b>							
<b><u>WATER FUND-Projected Future Debt</u></b>							
Issued Difference Budgeted vs actual	15,733						
<b>20 yr</b> FY16-Stage Two Disinfection By-Produ      3.75% <b>2,400,000 (3,600,000)</b>		315,000	308,250	301,500	294,750	288,000	281,250
<b>20 yr</b> FY16-Water System Pressure and Sto      3.75% <b>500,000</b>		43,750	42,813	41,875	40,938	40,000	39,063
<b>20 yr</b> FY16-New Castle Water Lines Improve      3.75% <b>3,000,000</b>		56,250	109,688	104,063	98,438	92,813	87,188
<b>20 yr</b> FY17-Annual Waterline Replacement      3.75% <b>1,500,000</b>		28,125	129,844	127,031	124,219	121,406	118,594
<b>20 yr</b> FY17-Water System Pressure and Sto      3.75% <b>750,000</b>		14,063	64,922	63,516	62,109	60,703	59,297
<b>20 yr</b> FY18-Annual Waterline Replacement      3.75% <b>2,000,000</b>			37,500	173,125	169,375	165,625	161,875
<b>20 yr</b> FY18-Water System Pressure and Sto      3.75% <b>500,000</b>			9,375	43,281	42,344	41,406	40,469
<b>20 yr</b> FY20-Reservoir Management      3.75% <b>500,000</b>					9,375	43,281	42,344
<b>Total Projected</b> <b>8,750,000</b>							
<b>Total Water Fund-Projected Future Debt</b>	<b>15,733</b>	<b>457,188</b>	<b>702,391</b>	<b>854,391</b>	<b>841,547</b>	<b>853,234</b>	<b>830,078</b>
<b>Total Issued and Projected Debt Water Fund</b>	<b>3,019,682</b>	<b>3,381,783</b>	<b>3,543,896</b>	<b>3,607,808</b>	<b>3,517,377</b>	<b>3,458,825</b>	<b>3,370,232</b>

**WATER FUND**

**SEWER FUND**

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

	<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>
<b>ISSUED DEBT</b>							
<b>SEWER FUND-Issued Debt</b>							
<b>12/21/00 Pease WWTP</b>	<b>6,586,836</b>						
Principal-Last Pmt FY 20	321,450	321,450	321,450	321,450	321,450		
Interest-State recalculated interest starting in FY 15 total saving \$226,950	16,394	13,115	9,836	6,558	3,279		
<b>06/11/02 Sewer Projects Phase 1</b>	<b>4,931,361</b>						
Principal-Last Pmt FY 22	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	23,473	20,120	16,767	13,413	10,060	6,707	3,353
<b>09/12/12 SSES - State Street 1.94%</b>	<b>1,500,000</b>						
Principal-Last Pmt FY 23	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	14,284	12,244	10,203	8,162	6,122	4,081	2,041
<b>05/04/05 Sewer Projects Phase 2</b>	<b>8,898,110</b>						
Principal-Last Pmt FY 25	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	83,197	74,878	66,558	58,238	49,918	41,599	33,279
<b>12/01/08 Sewer Projects Phase 3</b>	<b>5,508,137</b>						
Principal-Last Pmt FY 28	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	85,211	78,656	72,102	65,547	58,992	52,437	45,883
<b>12/01/08 Lower Court Street Loan</b>	<b>688,562</b>						
Principal-Last Pmt FY 28	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	10,652	9,833	9,013	8,194	7,375	6,555	5,736
<b>01/01/11 Rye Line Pump Station Upgrades</b>	<b>1,069,714</b>						
Principal-Last Pmt FY 30	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	20,731	19,349	17,967	16,585	15,203	13,821	12,439
<b>01/01/11 201 Facilities Plan Updates</b>	<b>1,000,000</b>						
Principal-Last Pmt FY 30	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	19,380	18,088	16,796	15,504	14,212	12,920	11,628
<b>12/16/11 LTCP Bartlett St. Area Sewer Ext</b>	<b>5,290,233</b>						
Principal-Last Pmt FY 31	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	110,799	103,874	96,949	90,024	83,099	76,174	69,249
<b>12/14/11 P.I.W.W.T.P. Prel. Eng and LTCP Imp 3.00%</b>	<b>3,000,000</b>						
Principal-Last Pmt FY 32	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest	91,688	84,188	78,188	74,438	69,938	63,188	55,688
<b>03/19/12 LTCP Contract #3B and Cass St Area 2.31%</b>	<b>8,000,000</b>						
Principal-Last Pmt FY 32	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest	218,500	202,500	186,500	170,500	154,500	138,500	122,500
<b>06/27/13 LTCP Contract #3C Lincoln Area 2.66%</b>	<b>3,929,000</b>						
Principal-Last Pmt FY 33	200,000	200,000	200,000	195,000	195,000	195,000	195,000
Interest	107,310	101,310	95,310	89,310	83,460	77,610	71,760
<b>06/01/14 LTCP Contract #3C 2.38%</b>	<b>5,595,874</b>						
Principal-Last Pmt FY 33	279,794	279,794	279,794	279,794	279,794	279,794	279,794
Interest	168,816	159,438	150,059	140,680	131,302	121,923	112,544
<b>06/25/14 Peirce Island WWTP 2.87%</b>	<b>10,000,000</b>						
Principal-Last Pmt FY 34	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Interest	415,000	390,000	365,000	340,000	330,000	305,000	280,000
<b>06/25/14 Pease WWTP 2.87%</b>	<b>3,500,000</b>						
Principal-Last Pmt FY 34	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Interest	145,250	136,500	127,750	119,000	115,500	106,750	98,000
<b>06/23/15 Pease WWTP 2.99%</b>	<b>1,000,000</b>						
Principal-Last Pmt FY 35	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest	34,222	33,000	31,000	29,000	27,000	25,000	24,000
Total Interest savings from State recalculation FY 15 - FY 31	\$1,539,384						
<b>Total Sewer Fund Issued Debt Principal Due</b>	<b>3,595,593</b>	<b>3,595,593</b>	<b>3,595,593</b>	<b>3,590,593</b>	<b>3,590,593</b>	<b>3,269,142</b>	<b>3,269,142</b>
<b>Total Sewer Fund Issued Debt Interest Due</b>	<b>1,564,907</b>	<b>1,457,091</b>	<b>1,349,997</b>	<b>1,245,153</b>	<b>1,159,958</b>	<b>1,052,264</b>	<b>948,099</b>
<b>Total Sewer Fund-Issued Debt</b>	<b>5,160,500</b>	<b>5,052,684</b>	<b>4,945,590</b>	<b>4,835,745</b>	<b>4,750,551</b>	<b>4,321,407</b>	<b>4,217,241</b>
<b>Issued Debt Related Revenues</b>							
	<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>
SEWER Pease Development Authority	(142,246)	(137,054)	(131,863)	(126,672)	(121,481)		
SEWER Pease WWTP-State Aid C-595	(101,353)	(100,370)	(99,386)	(98,402)	(97,420)		
SEWER Phase I-State Aid	(81,012)	(80,006)	(79,000)	(77,994)	(76,989)	(75,983)	(74,977)
SEWER Phase 2-State Aid C-706	(158,431)	(155,935)	(153,439)	(150,943)	(148,448)	(145,952)	(143,455)
<b>Total Issued Debt Related Revenues-Sewer Fund</b>	<b>(483,042)</b>	<b>(473,365)</b>	<b>(463,688)</b>	<b>(454,011)</b>	<b>(444,338)</b>	<b>(221,935)</b>	<b>(218,432)</b>
<b>Total Net Issued Debt-Sewer Fund</b>	<b>4,677,458</b>	<b>4,579,319</b>	<b>4,481,902</b>	<b>4,381,734</b>	<b>4,306,213</b>	<b>4,099,472</b>	<b>3,998,809</b>

**SEWER FUND**

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

<b>SEWER FUND-Projected Future Debt</b>				<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
10 yr	FY15-Fleet Street Utilities Upgrade	3.75%	<b>500,000</b>		68,750	66,875	65,000	63,125	61,250	59,375
10 yr	FY15-Lafayette Rd Pumping Stator	3.75%	<b>500,000</b>		68,750	66,875	65,000	63,125	61,250	59,375
20 yr	FY16-Lafayette Rd Pumping Stator	3.75%	<b>3,000,000</b>		262,500	256,875	251,250	245,625	240,000	234,375
<b>Authorized 08/17/15</b>										
20 yr	FY17-P.I.W.W.T.P. Upgrades	3.75%	<b>75,000,000</b>		388,765	421,084	362,839	476,114	5,059,807	5,289,885
10 yr	FY17-Goose Bay Drive Sewer	3.75%	<b>500,000</b>		9,375	67,813	65,938	64,063	62,188	60,313
10 yr	FY18-Union Street Sewer	3.75%	<b>500,000</b>			9,375	67,813	65,938	64,063	62,188
20 yr	FY18-Pease WWTP Upgrades	3.75%	<b>5,600,000</b>			105,000	484,750	474,250	463,750	453,250
20 yr	FY17-Annual Sewer Line Replacem	3.75%	<b>2,500,000</b>		46,875	216,406	211,719	207,031	202,344	197,656
20 yr	FY18-Annual Sewer Line Replacem	3.75%	<b>2,500,000</b>			46,875	216,406	211,719	207,031	202,344
10 yr	FY17-Pumping Station Upgrades	3.75%	<b>400,000</b>		7,500	54,250	52,750	51,250	49,750	48,250
10 yr	FY19-Pumping Station Upgrades	3.75%	<b>400,000</b>				7,500	54,250	52,750	51,250
10 yr	FY21-Pumping Station Upgrades	3.75%	<b>400,000</b>						7,500	54,250
20 yr	FY20-Long Term Control Plan	3.75%	<b>3,000,000</b>					56,250	259,688	254,063
20 yr	FY19-Mechanic St. Pumping Stator	3.75%	<b>8,000,000</b>					150,000	692,500	677,500
Total Projected					<b>102,800,000</b>					
<b>Total Sewer Fund-Projected Future Debt</b>				<b>-</b>	<b>852,515</b>	<b>1,311,428</b>	<b>1,850,964</b>	<b>2,182,739</b>	<b>7,483,870</b>	<b>7,704,073</b>
<b>Future Debt Related Revenues</b>				<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
No Anticipated Revenues for New Debt				-	-	-	-	-	-	-
<b>Total Future Debt Related Revenues-Sewer Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Projected Future Debt-Sewer Fund</b>				<b>-</b>	<b>852,515</b>	<b>1,311,428</b>	<b>1,850,964</b>	<b>2,182,739</b>	<b>7,483,870</b>	<b>7,704,073</b>
<b>Total Gross Issued and Projected Debt-Sewer</b>				<b>5,160,500</b>	<b>5,905,199</b>	<b>6,257,017</b>	<b>6,686,709</b>	<b>6,933,291</b>	<b>11,805,276</b>	<b>11,921,314</b>
<b>Total Net Issued and Projected Debt-Sewer Fund</b>				<b>4,677,458</b>	<b>5,431,834</b>	<b>5,793,329</b>	<b>6,232,698</b>	<b>6,488,953</b>	<b>11,583,341</b>	<b>11,702,882</b>



**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				
	Principal	Interest			Principal	Interest			Principal	Interest			
<b>FY 17</b>	1	4,157,905	921,484	17%	17%	4,135,062	1,650,608	9%	9%	8,292,967	2,572,093	12%	12%
<b>FY 18</b>	2	3,457,905	756,069	14%	32%	4,112,436	1,487,310	9%	18%	7,570,341	2,243,379	11%	23%
<b>FY 19</b>	3	3,197,905	625,454	13%	45%	3,915,000	1,337,131	9%	27%	7,112,905	1,962,585	10%	33%
<b>FY 20</b>	4	2,662,617	519,901	11%	56%	3,905,000	1,191,781	9%	36%	6,567,617	1,711,683	10%	43%
<b>FY 21</b>	5	2,445,000	410,544	10%	66%	3,845,000	1,025,006	9%	44%	6,290,000	1,435,550	9%	52%
<b>FY 22</b>	6	2,435,000	315,369	10%	76%	3,830,000	868,106	9%	53%	6,265,000	1,183,475	9%	61%
<b>FY 23</b>	7	1,790,000	227,631	7%	84%	3,815,000	719,681	8%	61%	5,605,000	947,313	8%	69%
<b>FY 24</b>	8	1,560,000	156,044	6%	90%	2,115,000	615,806	5%	66%	3,675,000	771,850	5%	75%
<b>FY 25</b>	9	985,000	89,371	4%	94%	2,115,000	544,556	5%	71%	3,100,000	633,928	4%	79%
<b>FY 26</b>	10	635,000	49,826	3%	97%	2,040,000	467,681	5%	75%	2,675,000	517,508	4%	83%
<b>FY 27</b>	11	320,000	30,265	1%	98%	2,040,000	392,400	5%	80%	2,360,000	422,665	3%	86%
<b>FY 28</b>	12	320,000	16,788	1%	100%	2,040,000	322,059	5%	84%	2,360,000	338,847	3%	90%
<b>FY 29</b>	13	75,000	3,188	0%	100%	2,040,000	248,663	5%	89%	2,115,000	251,850	3%	93%
<b>FY 30</b>	14					2,040,000	172,688	5%	94%	2,040,000	172,688	3%	96%
<b>FY 31</b>	15					1,290,000	93,900	3%	96%	1,290,000	93,900	2%	98%
<b>FY 32</b>	16					1,290,000	42,300	3%	99%	1,290,000	42,300	2%	100%
<b>FY 33</b>	17					165,000	13,200	0%	100%	165,000	13,200	0%	100%
<b>FY 34</b>	18					165,000	6,600	0%	100%	165,000	6,600	0%	100%
<b>FY 35</b>	19												
<b>Totals</b>		<b>24,041,332</b>	<b>4,121,934</b>			<b>44,897,498</b>	<b>11,199,478</b>			<b>68,938,830</b>	<b>15,321,412</b>		
Revenue		(15,314,231)				(20,282,882)				(35,597,113)			
<b>Net Debt</b>		<b>8,727,101</b>				<b>24,614,616</b>				<b>33,341,717</b>			

Fiscal Year	Water Fund				Sewer Fund				Total City of Portsmouth				
	Principal	Interest			Principal	Interest			Principal	Interest			
<b>FY 17</b>	1	1,937,528	987,067	7%	7%	3,595,593	1,457,091	8%	8%	13,826,088	5,016,251	10%	10%
<b>FY 18</b>	2	1,937,528	903,977	7%	15%	3,595,593	1,349,997	8%	15%	13,103,462	4,497,353	9%	19%
<b>FY 19</b>	3	1,932,528	820,889	7%	22%	3,590,593	1,245,153	8%	23%	12,636,026	4,028,627	9%	28%
<b>FY 20</b>	4	1,932,528	743,302	7%	30%	3,590,593	1,159,958	8%	31%	12,090,737	3,614,943	9%	36%
<b>FY 21</b>	5	1,932,528	673,063	7%	37%	3,269,142	1,052,264	7%	38%	11,491,670	3,160,877	8%	45%
<b>FY 22</b>	6	1,932,528	607,626	7%	44%	3,269,142	948,099	7%	45%	11,466,670	2,739,200	8%	53%
<b>FY 23</b>	7	1,903,128	535,286	7%	52%	2,872,531	844,433	6%	51%	10,380,659	2,327,032	7%	60%
<b>FY 24</b>	8	1,605,000	464,090	6%	58%	2,872,531	751,662	6%	57%	8,152,531	1,987,602	6%	66%
<b>FY 25</b>	9	1,605,000	401,852	6%	64%	2,872,531	662,391	6%	63%	7,577,531	1,698,170	5%	71%
<b>FY 26</b>	10	1,605,000	340,214	6%	70%	2,427,626	571,619	5%	68%	6,707,626	1,429,341	5%	76%
<b>FY 27</b>	11	1,605,000	278,726	6%	76%	2,427,626	487,980	5%	73%	6,392,626	1,189,371	5%	80%
<b>FY 28</b>	12	1,605,000	220,288	6%	82%	2,427,626	417,059	5%	79%	6,392,626	976,194	5%	85%
<b>FY 29</b>	13	1,505,000	160,100	6%	88%	2,117,791	339,201	5%	83%	5,737,791	751,151	4%	89%
<b>FY 30</b>	14	665,000	103,400	3%	91%	2,117,791	268,624	5%	88%	4,822,791	544,711	3%	92%
<b>FY 31</b>	15	665,000	82,100	3%	93%	2,014,305	197,218	4%	92%	3,969,305	373,218	3%	95%
<b>FY 32</b>	16	665,000	60,500	3%	96%	1,749,794	128,050	4%	96%	3,704,794	230,850	3%	98%
<b>FY 33</b>	17	415,000	38,900	2%	97%	1,199,794	74,806	3%	98%	1,779,794	126,906	1%	99%
<b>FY 34</b>	18	415,000	23,800	2%	99%	725,000	30,500	2%	100%	1,305,000	60,900	1%	100%
<b>FY 35</b>	19	240,000	8,400	1%	100%	50,000	1,750	0%	100%	290,000	10,150	0%	100%
<b>Totals</b>		<b>26,103,296</b>	<b>7,453,580</b>			<b>46,785,604</b>	<b>11,987,855</b>			<b>141,827,730</b>	<b>34,762,847</b>		
Revenue						(2,691,158)				(38,288,271)			
<b>Net Debt</b>		<b>26,103,296</b>				<b>44,094,446</b>				<b>103,539,459</b>			

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