

# Joint Budget Committee

## Presentation

- Preliminary FY19 Budget
- Discussion



December 13, 2017

# KEY FACTORS IMPACTING THE FY19 BUDGET

## **Operating Budget**

- Contractual Obligations
- COLA
- Retirement
- Leave at Termination
- Health Insurance
- Workers' Compensation
- Other operating

## **Non-Operating Budget**

- Debt Service
- Capital Outlay
- Rockingham County Tax Obligation
- Overlay
- Rolling Stock – Vehicle and Equipment
- Property and Liability

# 16 Collective Bargaining Units

General Government	Expires
Professional Management Association (PMA)	6/30/2018
Supervisory Management Alliance (SMA)	6/30/2018
AFSCME Local 1386B Library & Clericals	6/30/2020
AFSCME Local 1386 Public Works	6/30/2019

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

Fire	Expires
Fire Officers Association	6/30/2019
FireFighter Association	6/30/2019

School	Expires
Principals/Directors	6/30/2018
Association of Portsmouth's Teachers	6/30/2018
Clerical Employees	6/30/2018
Custodial	6/30/2020
Cafeteria	6/30/2020
Paraprofessionals	6/30/2020
Custodial Supervisors	6/30/2018

9 unsettled contracts for FY19

# Cost of Living Adjustment - COLA

Collective Bargaining Agreements state the COLA adjustment percentage shall be determined by the rolling ten (10) year average of the November-November Boston-Brockton-Nashua CPI.

CONSUMER PRICE INDEX - CPI-U (NOV. TO NOV. BOSTON-BROCKTON-NASHUA)	
FY 10	0.72%
FY 11	1.82%
FY 12	0.64%
FY 13	2.90%
FY 14	2.00%
FY 15	0.92%
FY 16	1.60%
FY 17	0.84%
FY 18	1.26%
FY 19	2.70% Estimated Nov to Nov
<b>10 Year Average</b>	<b>1.54%</b> FY 2019 salaries use 2%

2% Floor for COLA Per Collective Bargaining Agreements

# FY 19 New Hampshire Retirement Rates

## No Change in Rates

Retirement appropriation will be affected by increase in salaries due to:

- COLA Adjustments
- Step Increases

## GROUP I

Employees	11.38%
Teachers	17.36%

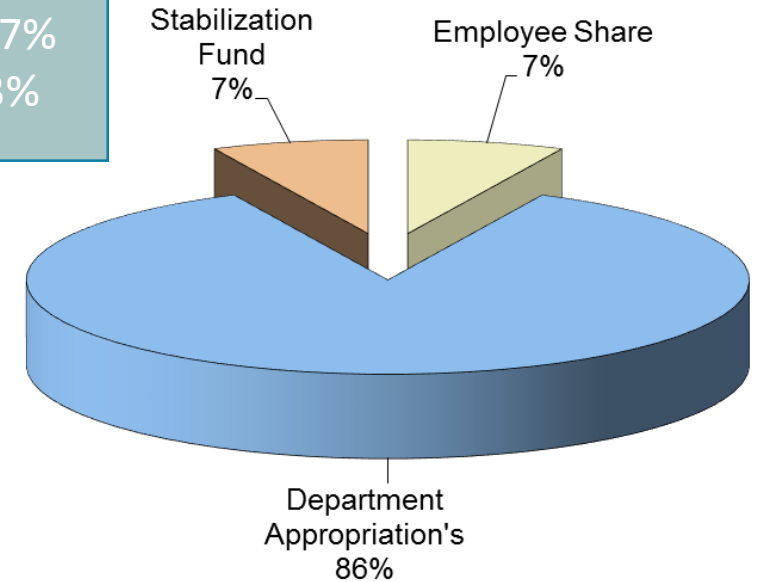
## GROUP II

Police	29.43%
Fire	31.89%

# Health Insurance Appropriation

Total Premium - \$14.2 million  
 Employee Contribution \$1 million or 7%  
 City Contribution \$13.2 million or 93%

General Government, Police, Fire, and School Department use the 10-year rolling average of 5.47% to increase the health insurance appropriation



## HEALTH INSURANCE

	FY18 Budget	FY19 Budget Increase @ 5.47%	FY19 Budget	FY19 Estimated City Cost	Health Ins Stabilization Fund
General Government	1,907,870	104,360	2,012,230	2,228,845	(216,615)
Police Department	1,643,982	89,926	1,733,908	1,727,672	6,236
Fire Department	1,276,243	69,870	1,346,113	1,120,207	225,906
School	6,786,725	371,234	7,157,959	8,171,953	(1,013,994)
<b>Total General Fund</b>	<b>\$11,614,820</b>	<b>\$635,391</b>	<b>\$12,250,211</b>	<b>\$13,248,677</b>	<b>(\$998,466)</b>

*Leave at  
Termination  
Compensation owed  
to an employee upon  
termination*

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

Proposed FY19 Appropriation

General Government	\$250,000
Police Department	\$155,000
Fire Department	\$70,084
School Department	<u>\$400,000</u>
Total	\$875,000

# Workers' Compensation

	FY18 BUDGET	FY19 PRELIMINARY BUDGET	\$ CHANGE	% CHANGE
GENERAL GOVERNMENT	162,455	168,684	6,229	3.8%
POLICE	193,944	204,441	10,497	5.4%
FIRE	175,906	184,460	8,554	4.9%
SCHOOL	159,542	168,110	8,568	5.4%
TOTAL	\$691,847	\$725,695	\$33,848	4.9%



*Preliminary Budget by  
Department*

# General Government

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change	Major Impacts
Salaries - Full and Part time	8,524,849	150,561	8,675,410	1.8%	<ul style="list-style-type: none"> <li>COLA, Health, Dental, Retirement increases</li> <li>Other Operating Expenses – Legal Fees</li> </ul>
Overtime	355,500	7,110	362,610	2.0%	
Longevity	57,365	5,430	62,795	9.5%	
Retirement	928,170	17,798	945,968	1.9%	
Health Insurance	1,907,870	104,360	2,012,230	5.5%	
Leave @ Termination	250,000	0	250,000	0.0%	
Workers' Compensation	162,455	6,229	168,684	3.8%	
Other Benefits ( <i>ss, med, dental, insurance reimbursement</i> )	917,283	17,936	935,219	2.0%	
	13,103,492	309,425	13,412,917	2.4%	
Electricity	734,400	-	734,400	0.0%	
Natural Gas	150,000	-	150,000	0.0%	
Gasoline	180,000	2,000	182,000	1.1%	
Other Operating	4,665,219	175,000	4,840,219	3.8%	
	5,729,619	177,000	5,906,619	3.1%	
<b>Total</b>	<b>18,833,111</b>	<b>486,425</b>	<b>19,319,536</b>	<b>2.6%</b>	
<b>Collective Bargaining</b>	<b>-</b>	<b>112,258</b>	<b>112,258</b>		
<b>PMA, SMA, NON-UNION 6/30/17</b>	<b>18,833,111</b>	<b>598,683</b>	<b>19,431,794</b>	<b>3.18%</b>	

# Police Department

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
Salaries - Full and Part time	5,514,194	154,156	5,668,350	2.8%
Overtime	532,073	0	532,073	0.0%
Longevity, Holiday, Certification Stipend	366,249	(24,052)	342,197	-6.6%
Retirement	1,614,868	32,336	1,647,204	2.0%
Health Insurance	1,643,982	89,926	1,733,908	5.5%
Leave @ Termination	155,203	0	155,203	0.0%
Workers' Compensation	193,944	10,497	204,441	5.4%
Other Benefits <i>(ss, med, dental, insurance reimbursement)</i>	360,559	7,509	368,068	2.1%
Police Services - Parking Fund	(80,000)	40,000	(40,000)	-50.0%
	<b>10,301,072</b>	<b>310,372</b>	<b>10,611,444</b>	<b>3.0%</b>
Gasoline	54,208	1,627	55,835	3.0%
Other Operating	569,881	17,099	586,980	3.0%
	<b>624,089</b>	<b>18,726</b>	<b>642,815</b>	<b>3.0%</b>
<b>Total</b>	<b>10,925,161</b>	<b>329,098</b>	<b>11,254,259</b>	<b>3.01%</b>
<b>Collective Bargaining</b>		<b>167,907</b>	<b>167,907</b>	
<b>Ranking Officers, Patrolman, Civilians - 6/30/18</b>	<b>10,925,161</b>	<b>497,005</b>	<b>11,422,166</b>	<b>4.55%</b>

## Major Impact

- Salaries/Benefits
  - 2 Officers were funded and hired 6 months after fiscal year
- Health, Dental, & Retirement increases
- Reduction from Parking & Transportation \$40,000

# Fire Department

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
Salaries - Full and Part time	3,716,179	63,571	3,779,750	1.7%
Overtime	666,500	17,000	683,500	2.6%
Longevity, Holiday, Certification Stipend	453,534	931	454,465	0.2%
Retirement	1,537,354	25,677	1,563,031	1.7%
Health Insurance	1,276,243	69,810	1,346,053	5.5%
Leave @ Termination	70,084	0	70,084	0.0%
Workers' Compensation	175,906	8,554	184,460	4.9%
Other Benefits <i>(ss, med, dental, insurance reimbursement)</i>	303,433	6,231	309,664	2.1%
Transfer from Parking & Transportation	(50,000)	25,000	(25,000)	-50.0%
	<b>8,149,233</b>	<b>216,774</b>	<b>8,366,007</b>	<b>2.7%</b>
Electricity	55,000	0	55,000	0.0%
Natural Gas	35,020	1,051	36,071	3.0%
Gasoline	58,000	0	58,000	0.0%
Other Operating	387,834	52,392	440,226	13.5%
	<b>535,854</b>	<b>53,443</b>	<b>589,297</b>	<b>10.0%</b>
<b>Total</b>	<b>8,685,087</b>	<b>270,217</b>	<b>8,955,304</b>	<b>3.1%</b>

## Major Impacts

*All Contracts  
Settled through  
6/30/2019*

- COLA, Health, Dental, Retirement increases
- Reduction from Parking & Transportation \$25,000

# School Department

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
Salaries - Full and Part time (Includes longevity)	25,429,259	912,022	26,341,281	3.6%
Overtime	60,253	3,049	63,302	5.1%
Retirement	4,088,106	153,119	4,241,225	3.7%
Health Insurance	6,786,725	371,234	7,157,959	5.5%
Leave @ Termination	400,000	-	400,000	0.0%
Workers' Compensation	159,542	8,568	168,110	5.4%
Professional Development	269,185	5,000	274,185	1.9%
Other Benefits <i>(ss,med, dental, insurance reimbursement)</i>	2,577,858	106,825	2,684,683	4.1%
	<b>39,770,928</b>	<b>1,559,817</b>	<b>41,330,745</b>	<b>3.9%</b>
Electricity	832,943	-	832,943	0.0%
Natural Gas	382,353	-	382,353	0.0%
Fuel Oil	786	-	786	0.0%
Gasoline	13,000	-	13,000	0.0%
Tuition	940,269	68,000	1,008,269	7.2%
Transportation	1,281,214	25,056	1,306,270	2.0%
Transfer from Parking & Transportation	(150,000)	50,000	(100,000)	-33.3%
Property & Liability	139,820	(13,900)	125,920	-9.9%
Other Operating	3,362,216	171,699	3,533,915	5.1%
	<b>6,802,601</b>	<b>300,855</b>	<b>7,103,456</b>	<b>4.4%</b>
<b>Total</b>	<b>46,573,529</b>	<b>1,860,672</b>	<b>48,434,201</b>	<b>4.0%</b>
<b>Collective Bargaining - Administrators, Teachers, Clericals, Custodial Supervisors - 6/30/18</b>	<b>46,573,529</b>	<b>609,700</b>	<b>609,700</b>	<b>5.30%</b>

## Major Impact

- Health, Dental, & Retirement increases
- Special Education Tuition Costs
- Maintenance costs associated with the High School and Middle School
- Transportation Costs
  - Reduction from Parking & Transportation
  - Increase in Contractual costs for services

# Total Operating Preliminary Budget

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
General Government	18,833,111	486,425	19,319,536	2.6%
Police Department	10,925,161	329,098	11,254,259	3.0%
Fire Department	8,685,087	270,217	8,955,304	3.1%
School Department	46,573,529	1,860,672	48,434,201	4.0%
Transfer to Indoor Pool	150,000	-	150,000	0.0%
Transfer to Prescott Park	30,479	10,000	40,479	32.8%
<b>Total</b>	<b>85,197,367</b>	<b>2,956,412</b>	<b>88,153,779</b>	<b>3.5%</b>
<b>Collective Bargaining</b>	<b>-</b>	<b>889,865</b>	<b>889,865</b>	
<b>General Government, Police, School</b>	<b>85,197,367</b>	<b>3,846,277</b>	<b>89,043,644</b>	<b>4.5%</b>

# Non-Operating Preliminary Budget

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
Debt Related Expenses	275,000	-	275,000	0.0%
Debt Service	13,085,154	1,213,758	14,298,912	9.3%
Contingency	250,000	50,000	300,000	20.0%
Overlay	950,000	50,000	1,000,000	5.3%
County Tax	5,466,000	362,972	5,828,972	6.6%
Property & Liability	363,376	-	363,376	0.0%
Rolling Stock	761,900	181,820	943,720	23.9%
IT Equipment Replacement	650,658	315,750	966,408	48.5%
Other Non-Operating	491,317	95,574	586,891	19.5%
Capital Outlay	1,985,000	195,000	2,180,000	9.8%
<b>PRELIMINARY NON-OPERATING BUDGET</b>	<b>24,278,405</b>	<b>2,464,874</b>	<b>26,743,279</b>	<b>10.2%</b>

**Total  
Preliminary  
FY19  
Budget**

	FY18 Budget	\$ Change	FY19 Preliminary Budget	% Change
General Government	18,833,111	486,425	19,319,536	2.6%
Police Department	10,925,161	329,098	11,254,259	3.0%
Fire Department	8,685,087	270,217	8,955,304	3.1%
School Department	46,573,529	1,860,672	48,434,201	4.0%
Transfer to Indoor Pool	150,000	-	150,000	0.0%
Transfer to Prescott Park	30,479	10,000	40,479	32.8%
<b><i>PRELIMINARY OPERATING BUDGET</i></b>	<b><i>85,197,367</i></b>	<b><i>2,956,412</i></b>	<b><i>88,153,779</i></b>	<b><i>3.5%</i></b>
Debt Related Expenses	275,000	-	275,000	0.0%
Debt Service	13,085,154	1,213,758	14,298,912	9.3%
Contingency	250,000	50,000	300,000	20.0%
Overlay	950,000	50,000	1,000,000	5.3%
County Tax	5,466,000	362,972	5,828,972	6.6%
Property & Liability	363,376	-	363,376	0.0%
Rolling Stock	761,900	181,820	943,720	23.9%
IT Equipment Replacement	650,658	315,750	966,408	48.5%
Other Non-Operating	491,317	95,574	586,891	19.5%
Capital Outlay	1,985,000	195,000	2,180,000	9.8%
<b><i>PRELIMINARY NON-OPERATING BUDGET</i></b>	<b><i>24,278,405</i></b>	<b><i>2,464,874</i></b>	<b><i>26,743,279</i></b>	<b><i>10.2%</i></b>
<b>Total</b>	<b>109,475,772</b>	<b>5,421,286</b>	<b>114,897,058</b>	<b>5.0%</b>
<b>Collective Bargaining</b>	<b>-</b>	<b>889,865</b>	<b>889,865</b>	
	<b>109,475,772</b>	<b>6,311,151</b>	<b>115,786,923</b>	<b>5.8%</b>



# Discussion

