

FY2020 City Council Budget Work Session



Wednesday, November 28, 2018
Eileen Dondero Foley Council Chamber

City Council Budget Work Session

Agenda

- Introduction
- Preliminary FY20 Operating Budget
- Discussion
- Next Steps



The Operating Budget

Expenditures Associated with the Day-to-Day Operations and Services provided by:

General Government Departments

Police Department

Fire Department

School Department

Building the FY20 Budget

Balancing a stable and predictable Budget while addressing City Wide Goals and Objectives.

Very Preliminary FY20 Operating Budget

Review Proforma:

- ✓ Preliminary budget for current level of services
- ✓ Preliminary budget addressing new initiatives

-Operating Budget-
Key Factors Impacting the FY20 Budget



16 Collective Bargaining Units

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

Police	Expires
Ranking Officers Association	6/30/2019
Portsmouth Patrolman Association	6/30/2019
Civilians	6/30/2019

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

School	Expires
Principals/Directors	6/30/2019
Association of Portsmouth's Teachers	6/30/2019
Clerical Employees	6/30/2019
Custodial	6/30/2020
Cafeteria	6/30/2020
Paraprofessionals	6/30/2020
Custodial Supervisors	6/30/2019

12 unsettled contracts for FY20

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-CAMBRIDGE-NEWTON, MA-NH)

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	2.86%
FY 20	3.50% Estimated Nov to Nov

Social Security COLA
for 2019 is 2.8%

2% Floor for COLA Per Collective
Bargaining Agreements

10 Year Average **1.83%** FY 2020 salaries use 2%

FY 2020 & 2021 New Hampshire Retirement Rates

Retirement appropriation are affected by:

- Change in Retirement Rate
- COLA Adjustments
- Step Increases

	FY19 Rates	FY20 Rates	Rate Change	% Change
GROUP I				
Employees	11.38%	11.17%	-0.21%	-1.8%
Teachers	17.36%	17.80%	0.44%	2.5%
GROUP II				
Police	29.43%	28.43%	-1.00%	-3.4%
Fire	31.89%	30.09%	-1.80%	-5.6%

Health Insurance Stabilization Fund

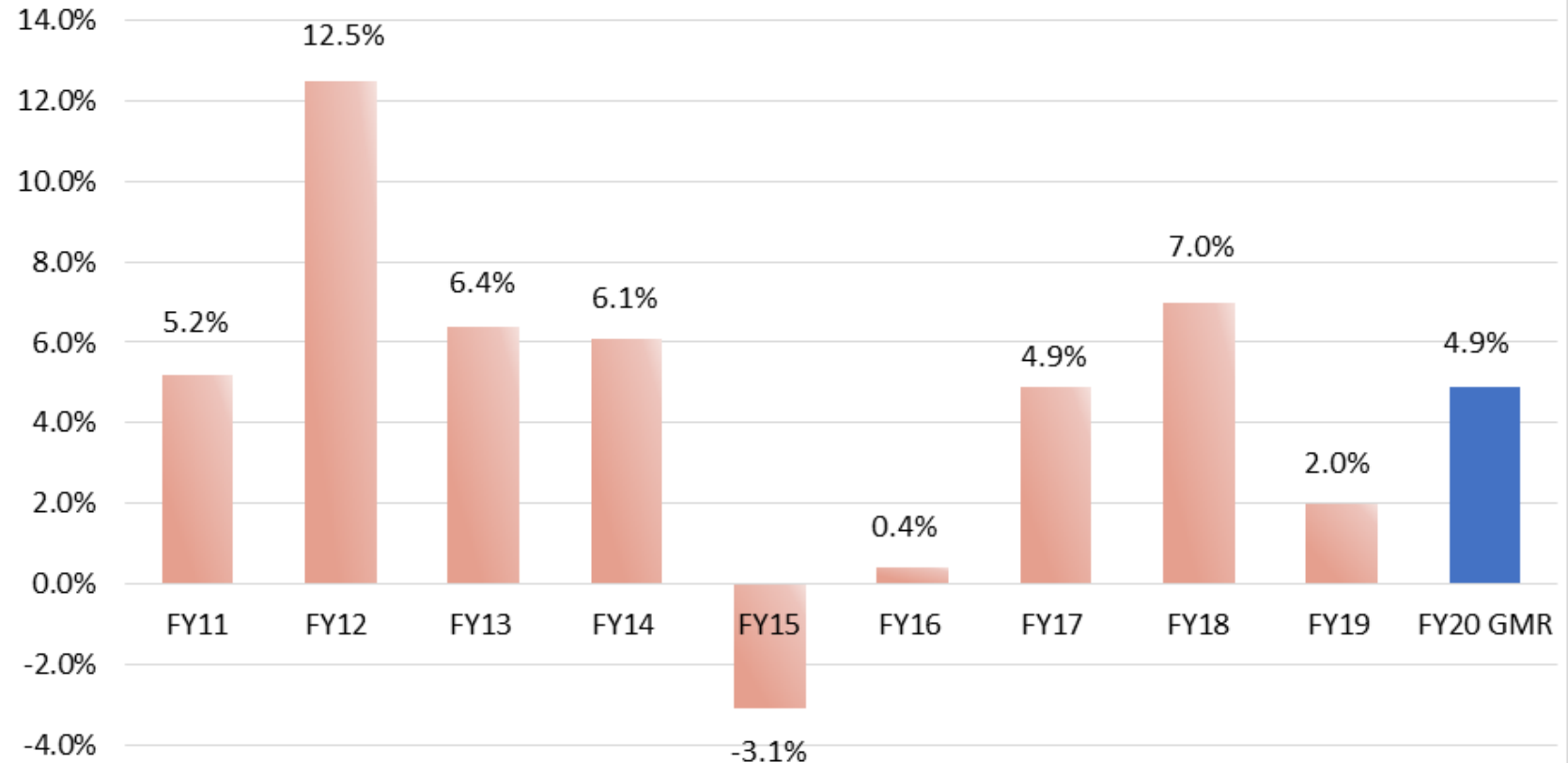
Per the Policy the annual appropriation amount for each department is determined by the 10-year rolling average increase of Health Insurance rates provided by HealthTrust.

Percentage of Employees on:

HealthTrust - 45%

SchoolCare - 55%

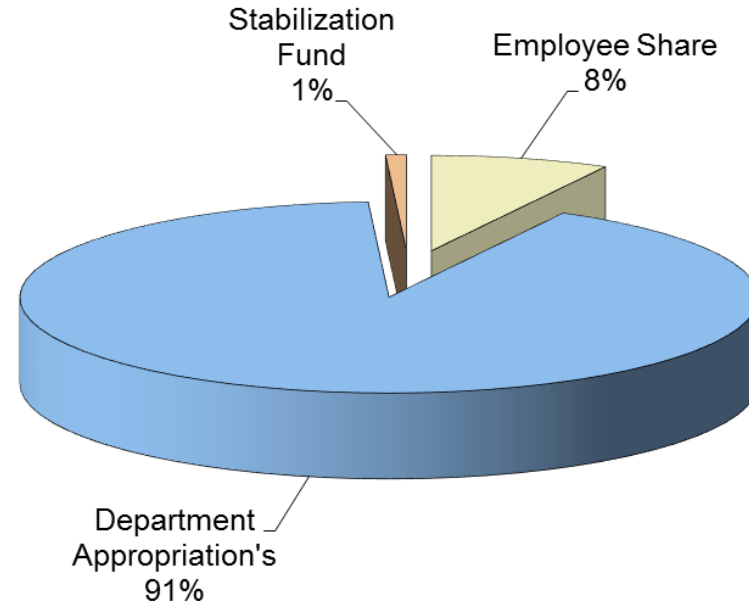
HEALTHTRUST 10 YEAR PREMIUM RATE CHANGE HISTORY



The GMR makes the 10-year average rate increase 4.63%

Health Insurance Appropriation

Total Premium - \$13.9 million
 Employee Contribution \$1.1 million or 8%
 City Contribution \$12.8 million or 92%



HEALTH INSURANCE BUDGET @ 10 Year Avg					
	FY19 Budget	FY20 Budget Increase @ 4.63%	FY20 Budget	FY20 Estimated City Cost	Stabilization Fund
General Government	2,012,230	93,166	2,105,396	2,400,815	(295,419)
Police Department	1,658,908	76,807	1,735,715	1,818,396	(82,681)
Fire Department	1,346,054	62,322	1,408,376	1,119,013	289,363
School	7,157,959	331,414	7,489,373	7,526,398	(37,025)
Total General Fund	12,175,151	563,709	12,738,860	12,864,622	(125,762)

Worker's Compensation- Increase due to Recent Legislation

SB 541 states: An ACT establishing a fund to reimburse costs associated with firefighters who have cancer.

HB 407: preventive medical treatment started after an identified critical exposure or unprotected exposure in order to prevent infection and the development of disease.

	FY19 BUDGET	FY20 PRELIMINARY BUDGET	\$ CHANGE	% CHANGE
GENERAL GOVERNMENT	168,110	176,811	8,701	5.2%
POLICE	204,441	171,274	(33,167)	-16.2%
FIRE	184,460	306,213	121,753	66.0%
SCHOOL	168,110	110,189	(57,921)	-34.5%
TOTAL	\$725,121	\$764,487	\$39,366	5.4%

*Preliminary Budget by
Department*

General Government

FY20 Current Level of Services

Major Impacts

➤ Retirement	(\$10,229)
➤ Health Insurance	\$93,168
➤ Pavement Maintenance	\$33,000
➤ Recycling Costs	\$70,000
➤ Events (<i>personnel</i>)	\$30,000
➤ Facilities Maintenance	\$20,000
➤ Elections (<i>personnel</i>)	\$31,600
➤ Assessing:	
➤ Computer Software	\$65,000
➤ Contracted Services	\$90,000
<u>Total</u>	<u>\$422,539</u>

FY20 Initiatives

➤ Road - Signs/Lines	\$10,000
➤ Parks/Cemeteries	\$50,000
➤ Weed Control Equipment	\$20,000
➤ Additional Staff DPW:	\$71,517
➤ 1 FTE - Heavy Equipment Operator	
➤ .25FTE - Administrative Assistant	
➤ HR Assistant	\$67,888
➤ IT – Contracted Services	\$150,000
<u>Total</u>	<u>\$369,405</u>

General Government

	FY19 Budget	\$ Change	FY20 Preliminary Budget	% Change	FY20 Initiatives	FY20 Adjusted Preliminary Budget	% Change
Salaries - Full and Part time	8,769,709	129,963	8,899,672	1.5%	111,671	9,011,343	2.8%
Overtime	349,500	30,000	379,500	8.6%	-	379,500	8.6%
Longevity	61,015	5,040	66,055	8.3%	-	66,055	8.3%
Retirement	948,703	(10,229)	938,474	-1.1%	12,474	950,948	0.2%
Health Insurance	2,012,230	93,166	2,105,396	4.6%	-	2,105,396	4.6%
Leave @ Termination	250,000	-	250,000	0.0%	-	250,000	0.0%
Workers' Compensation	168,110	8,701	176,811	5.2%	-	176,811	5.2%
*Other Benefits	942,833	15,641	958,474	1.7%	15,260	973,734	3.3%
	13,502,100	272,282	13,774,382	2.0%	139,405	13,913,787	3.0%
Electricity	669,400	-	669,400	0.0%	-	669,400	0.0%
Natural Gas	152,000	-	152,000	0.0%	-	152,000	0.0%
Gasoline	180,000	-	180,000	0.0%	-	180,000	0.0%
Welfare Assistance/Outside Services	365,474	-	365,474	0.0%	-	365,474	0.0%
Pavement Maintenance	100,000	33,000	133,000	33.0%	-	133,000	33.0%
Recycling	140,000	70,000	210,000	50.0%	-	210,000	50.0%
Contracted Services	1,112,227	112,245	1,224,472	10.1%	210,000	1,434,472	29.0%
Other Operating	2,963,911	157,659	3,121,570	5.3%	20,000	3,141,570	6.0%
Transfer to Stormwater	260,067	7,000	267,067	2.7%	-	267,067	2.7%
	5,943,079	379,903	6,322,982	6.4%	230,000	6,552,982	10.3%
Total	19,445,179	652,185	\$20,097,364	3.35%	369,405	\$20,466,769	5.3%
Collective Bargaining		190,739	190,739		2,654	193,393	
PMA, SMA, 1386	19,445,179	842,924	\$20,288,103	4.33%	372,059	\$20,660,162	6.25%
Expire 6/30/2019					1,214,983		

* Other Benefits: SS, med, LTD, Insurance stipend, dental Ins, Clothing Allowance

Police Department

FY20 Current Level of Services

Major Impacts

➤ Workers' Compensation	(\$33,167)
➤ Retirement	(\$19,743)
➤ Health Insurance	\$76,807
➤ Training	\$20,000
<i>Sig + Dept Trng + PERF</i>	
➤ Over Time	\$29,280
<i>Dept wide Spring Training Community Relations</i>	
➤ Maintenance Agreements	\$41,520
<i>Motorola / Internet Highway/ Generator</i>	

Total \$114,697

FY20 Initiatives

➤ Additional Staff	
➤ (1) Police Officer	\$70,500
➤ (1) Detective	\$70,500
➤ (1) Crime Analyst	\$51,981
➤ (0.5) Evidence Tech	\$29,932
➤ (0.5) ACO – PT to FT	\$23,944

Total \$246,857

Police Department

	FY19 Budget	\$ Change	FY20 Preliminary Budget	% Change	FY20 Initiatives	FY20 Adjusted Preliminary Budget	% Change
Salaries - Full and Part time	5,752,326	104,808	5,857,134	1.8%	186,364	6,043,498	5.1%
Overtime	542,632	29,280	571,912	5.4%	-	571,912	5.4%
Longevity, Holiday, Certification Stipend	351,593	4,122	355,715	1.2%	6,484	362,199	3.0%
Retirement	1,673,438	(19,743)	1,653,695	-1.2%	38,173	1,691,868	1.1%
Health Insurance	1,658,908	76,807	1,735,715	4.6%	-	1,735,715	4.6%
Leave @ Termination	130,203	-	130,203	0.0%	-	130,203	0.0%
Workers' Compensation	204,441	(33,167)	171,274	-16.2%	-	171,274	-16.2%
*Other Benefits	368,141	7,520	375,661	2.0%	15,836	391,497	6.3%
Transfer from Parking & Transportation	(60,000)	-	(60,000)	0.0%	-	-60,000	0.0%
	10,621,682	169,627	10,791,309	1.6%	246,857	11,038,166	3.9%
Gasoline	55,759	6,673	62,432	12.0%	-	62,432	12.0%
Contracted Services	37,701	1,130	38,831	3.0%	-	38,831	3.0%
Other Operating	565,087	95,283	660,370	16.9%	-	660,370	16.9%
	658,547	103,086	761,633	15.7%	-	761,633	15.7%
Total	11,280,229	272,713	\$11,552,942	2.42%	246,857	\$11,799,799	4.61%
Collective Bargaining		154,752	154,752		4,768	159,520	
Ranking Officers, Patrolman, Civilians	11,280,229	427,465	\$11,707,694	3.79%	251,625	\$11,959,319	6.02%
Expire 6/30/2019					679,090		

* Other Benefits: SS, med, LTD, Insurance stipend, dental Ins, Clothing Allowance

Fire Department

FY20 Current Level of Services

Major Impacts

➤ Workers' Compensation	\$121,753
➤ Health Insurance	\$62,322
➤ Retirement	(\$90,560)
➤ Other Benefits	\$11,870

Total **\$105,385**

FY20 Initiatives

➤ Additional Staff	\$314,672
➤ (3) Fire Fighters	
➤ (1) Fire Prevention Officer	

Total **\$314,672**

Fire Department

	FY19 Budget	\$ Change	FY20 Preliminary Budget	% Change	FY20 Initiatives	FY20 Adjusted Preliminary Budget	% Change
Salaries - Full and Part time	3,779,751	6,855	3,786,606	0.2%	205,831	3,992,437	5.6%
Overtime	689,500	-	689,500	0.0%	-	689,500	0.0%
Longevity, Holiday, Certification Stipend	454,465	11,841	466,306	2.6%	23,989	490,295	7.9%
Retirement	1,564,945	(90,560)	1,474,385	-5.8%	69,877	1,544,262	-1.3%
Health Insurance	1,346,054	62,322	1,408,376	4.6%	-	1,408,376	4.6%
Leave @ Termination	70,084	-	70,084	0.0%	-	70,084	0.0%
Workers' Compensation	184,460	121,753	306,213	66.0%	-	306,213	66.0%
*Other Benefits	325,000	13,440	338,440	4.1%	14,975	353,415	8.7%
Transfer from Parking & Transportation	(25,000)	-	(25,000)	0.0%	-	(25,000)	0.0%
	8,389,259	125,651	8,514,910	1.5%	314,672	8,829,582	5.2%
Electricity	55,000	-	55,000	0.0%	-	55,000	0.0%
Natural Gas	36,070	1,082	37,152	3.0%	-	37,152	3.0%
Gasoline	58,000	-	58,000	0.0%	-	58,000	0.0%
Contracted Services	38,325	-	38,325	0.0%	-	38,325	0.0%
Other Operating	389,651	6,460	396,111	1.7%	-	396,111	1.7%
	577,046	7,542	584,588	1.3%	-	584,588	1.3%
Total	8,966,305	133,193	\$9,099,498	1.5%	314,672	\$9,414,170	5.0%
Collective Bargaining		100,289	100,289		6,078	106,367	
Fire Officers, Firefighters	8,966,305	233,482	\$9,199,787	2.60%	320,750	\$9,520,537	6.18%
Expire 6/30/19					554,232		

* Other Benefits: SS, med, LTD, Insurance stipend, dental Ins, Clothing Allowance

School Department

FY20 Current Level of Services

Major Impacts

➤ Workers' Compensation	(\$57,921)
➤ Retirement	\$51,171
➤ Health	\$331,414
➤ Dental	\$103,164
➤ Transportation	\$48,327
➤ Reduction from Parking & Transportation	\$50,000
<u>Total</u>	<u>\$526,155</u>

FY20 Initiatives

➤ Staffing	
➤ Student Assistant Counselor	\$87,815
<i>Loss of grant</i>	
➤ Elementary World Language	\$68,150
➤ 1:1 Chromebooks	\$93,320
<i>For two additional grades</i>	
<u>Total</u>	<u>\$249,285</u>

School Department

	FY19 Budget	\$ Change	FY20 Preliminary Budget	% Change	FY20 Initiatives	FY20 Adjusted Preliminary Budget	% Change
Salaries - FT & PT (Includes longevity)	26,081,506	39,313	26,120,819	0.2%	124,324	26,245,143	0.6%
Overtime	68,935	27,574	96,509	40.0%	-	96,509	40.0%
Retirement	4,154,950	51,171	4,206,121	1.2%	22,130	4,228,251	1.8%
Health Insurance	7,157,959	331,414	7,489,373	4.6%	-	7,489,373	4.6%
Leave @ Termination	300,000	-	300,000	0.0%	-	300,000	0.0%
Workers' Compensation	168,110	(57,921)	110,189	-34.5%	-	110,189	-34.5%
Professional Development	258,534	4,171	262,705	1.6%	-	262,705	1.6%
*Other Benefits	2,650,861	172,246	2,823,107	6.5%	9,511	2,832,618	6.9%
	40,840,855	567,968	41,408,823	1.4%	155,965	41,564,788	1.8%
Electricity	765,943	(5,460)	760,483	-0.7%	-	760,483	-0.7%
Natural Gas	340,353	(15,900)	324,453	-4.7%	-	324,453	-4.7%
Fuel Oil	786	(286)	500	-36.4%	-	500	-36.4%
Gasoline	12,500	250	12,750	2.0%	-	12,750	2.0%
Tuition	940,269	18,805	959,074	2.0%	-	959,074	2.0%
Transportation	1,300,147	48,327	1,348,474	3.7%	-	1,348,474	3.7%
Transfer from Parking & Transportation	(100,000)	50,000	(50,000)	-50.0%	-	-50,000	-50.0%
Property & Liability	125,913	(17,098)	108,815	-13.6%	-	108,815	-13.6%
Other Operating	3,859,370	57,891	3,917,261	1.5%	93,320	4,010,581	3.9%
	7,245,281	136,529	7,381,810	1.9%	93,320	7,475,130	3.2%
Total	48,086,136	704,497	\$48,790,633	1.47%	249,285	\$49,039,918	1.98%
Collective Bargaining - Administrators, Teachers, Clericals, Custodial Supervisors Expire 6/30/2019		701,387	701,387		3,119	704,506	
	48,086,136	1,405,884	\$49,492,020	2.92%	252,404	\$49,744,424	3.45%
					1,658,288		

* Other Benefits: SS, med, LTD, Insurance stipend, dental Ins, Clothing Allowance

Total Operating Preliminary Budget

	FY19 Budget	\$ Change	FY20 Preliminary Budget	% Change	FY20 Initiatives	FY20 Adjusted Preliminary Budget	% Change
Salaries - Full and Part time	44,383,292	280,939	44,664,231	0.6%	628,190	45,292,421	2.0%
Overtime	1,650,567	86,854	1,737,421	5.3%	-	1,737,421	5.3%
Longevity, Holiday, Cert Stipend/Prof De	1,125,607	25,174	1,150,781	2.2%	30,473	1,181,254	4.9%
Retirement	8,342,036	(69,361)	8,272,675	-0.8%	142,654	8,415,329	0.9%
Health Insurance	12,175,151	563,709	12,738,860	4.6%	-	12,738,860	4.6%
Leave @ Termination	750,287	-	750,287	0.0%	-	750,287	0.0%
Workers' Compensation	725,121	39,366	764,487	5.4%	-	764,487	5.4%
*Other Benefits	4,286,835	208,847	4,495,682	4.9%	55,582	4,551,264	6.2%
Police/Fire Services - Parking Fund	(85,000)	-	(85,000)	0.0%	-	(85,000)	0.0%
Total Contractual Obligations	73,353,896	1,135,528	74,489,424	1.55%	856,899	75,346,323	2.72%
Utilities	2,325,811	(13,641)	2,312,170	-0.6%	-	2,312,170	-0.6%
Welfare Assistance/Outside Services	365,474	-	365,474	0.0%	-	365,474	0.0%
Pavement Maintenance	100,000	33,000	133,000	33.0%	-	133,000	33.0%
Recycling	140,000	70,000	210,000	50.0%	-	210,000	50.0%
Transfer to Stormwater	260,067	7,000	267,067	2.7%	-	267,067	2.7%
Tuition	940,269	18,805	959,074	2.0%	-	959,074	2.0%
Transportation	1,300,147	48,327	1,348,474	3.7%	-	1,348,474	3.7%
Contracted Services	1,188,253	113,375	1,301,628	9.5%	210,000	1,511,628	27.2%
Transfer from Parking - School	(100,000)	50,000	(50,000)	-50.0%	-	(50,000)	-50.0%
Other Operating	7,903,932	300,195	8,204,127	3.8%	113,320	8,317,447	5.2%
Total Other	14,423,953	627,060	15,051,013	4.35%	323,320	15,374,333	6.59%
Transfers Indoor Pool	150,000	-	150,000	0.0%	-	150,000	0.0%
Transfer to Prescott Park	60,000	30,000	90,000	50.0%	-	90,000	50.0%
Total Operating	87,987,849	1,792,588	\$89,780,437	2.0%	1,180,219	\$90,960,656	3.38%
Collective Bargaining		1,147,167	1,147,167		16,619	1,163,786	
	87,987,849	2,939,755	\$90,927,604	3.34%	1,196,838	\$92,124,442	4.70%
					4,136,593		

* Other Benefits: SS, med, LTD, Insurance stipend, dental Ins, Clothing Allowance



Budget Discussion