

TO: Honorable Mayor Steve Marchand and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: June 30, 2006
 Re: Adopted Annual Budget for Fiscal Year 2007

CC: All Department Heads and Reference Books

At the City Council meeting on June 19, 2006, Resolutions #1-2006, General Fund Expenditures in the amount of \$76,268,386 was adopted, which amends the City Manager's Proposed FY07 budget. The adopted annual appropriations and revenues as well as the changes from the proposed budget are described below.

CITY COUNCIL'S ADOPTED APPROPRIATIONS JUNE 19, 2006	REVISSED ESTIMATED REVENUES
MUNICIPAL	14,596,083
POLICE	7,830,154
FIRE	6,126,861
SCHOOL	32,472,916
NON-OPERATING	15,242,372
TOTAL	76,268,386

OPERATING EXPENDITURES

	FY06 Budget	City Manager Recommended	Amendment	Change from Proposed FY07 Budget	Change from FY06 Budget	% Change from FY06 Budget
Municipal	13,872,895	14,636,933	14,596,083	(40,850)	723,188	5.21%
Police	7,420,295	7,921,165	7,830,154	(91,011)	409,859	5.52%
Fire	5,791,006	6,226,861	6,126,861	(100,000)	335,855	5.80%
School	30,751,492	33,672,916	32,472,916	(1,200,000)	1,721,424	5.60%
	<u>57,835,688</u>	<u>62,457,875</u>	<u>61,026,014</u>	<u>(1,431,861)</u>	<u>3,190,326</u>	<u>5.52%</u>

NON-OPERATING EXPENDITURES

Non-Operating	15,269,541	15,542,372	15,242,372	(300,000)	(27,169)	-0.18%
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Decrease in Capital Outlay (see below)

TOTAL EXPENDITURES	<u>73,105,229</u>	<u>78,000,247</u>	<u>76,268,386</u>	<u>(1,731,861)</u>	<u>3,163,157</u>	<u>4.33%</u>
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Decrease Capital Outlay

*Furnishings and equipment for new Library	(50,000)
* McIntyre Federal Office Building-Phase I	(25,000)
* Land Acquisition	(25,000)
*Reclamation of former stump dump	(25,000)
*City Hall servers Upgrade/Replacement	(10,000)
*Citywide Work Station replacement	(10,000)
*City complex pedestrian way improvements	(25,000)
*Islington St/Spinney Rd interection safety improvements	(25,000)
*Peirce Island bridge repair	(25,000)
*Traffic calming/upgrades: Ocean Road	(80,000)

Total Change in Expenditures (1,731,861)

REVENUES

Increase Use of Reserve for Debt	500,000
Total Change in Revenues	<u>500,000</u>

NET CHANGE FROM PROPOSED BUDGET (2,231,861)

TAX RATE

FY06	PROPOSED FY07	CITY COUNCIL APPROVED	CHANGE FROM PROPOSED	CHANGE FROM FY06	% CHANGE FROM FY06
17.60	19.01	18.30	(0.71)	0.70	3.98%

The following summary pages are attached and should be filed with your proposed FY07 budget documents.

Budget Summary page 39
Department Summary page 40
Revenues page 41-42
General Fund Capital Outlay Summary

RESULTS OF CITY COUNCIL ADOPTED BUDGET JUNE 19, 2006

CITY MANAGER RECOMMENDED FY07 BUDGET

	FY 05/06 BUDGET	FY 06/07 Budget	%	\$\$
			Change	Change
OPERATING BUDGET				
Municipal	13,872,895	14,636,933	5.51%	764,038
Police	7,420,295	7,921,165	6.75%	500,870
Fire	5,791,006	6,226,861	7.53%	435,855
School	30,751,492	33,672,916	9.50%	2,921,424
Total	57,835,688	62,457,875	7.99%	4,622,187
NON-OPERATING EXPENSE				
Tax Anticipation Note Interest	400,000	400,000	0.00%	0
Debt Service Payments	7,402,012	7,330,930	-0.96%	(71,082)
Overlay	800,000	800,000	0.00%	0
Capital Outlay	1,170,000	1,500,000	28.21%	330,000
County	3,680,000	3,680,000	0.00%	0
Contingency	400,000	400,000	0.00%	0
Other General Non-Operating	1,417,529	1,431,442	0.98%	13,913
Capital-Library	0	0.00	0.00%	0
Total	15,269,541	15,542,372	1.79%	272,831
Total Gross Budget	73,105,229	78,000,247	6.70%	4,895,018
REVENUES				
Municipal/State	13,458,758	13,747,835	2.15%	289,077
School	3,850,000	3,950,000	2.60%	100,000
Use of Fund Balance	0	0	0.00%	0
Use of Reserve for property Appraisal	73,500	73,500	0.00%	0
Use of Reserve for Debt	1,500,000	1,000,000	-33.33%	(500,000)
Total	18,882,258	18,771,335	-0.59%	(110,923)
BUDGETED PROPERTY TAX LEVY	54,222,971	59,228,912	9.23%	5,005,941
COMBINED TAX RATE	17.60	19.01	8.01%	1.41

CITY COUNCIL ADOPTED FY 2007 BUDGET 06/19/06

FY 06/07 Budget	\$\$ Change from Proposed FY07 Budget	%	%	\$\$
		Change from FY 2006 Budget	Change from FY 2006 Budget	Change from FY 2006 Budget
14,596,083	(40,850)	5.21%		723,188
7,830,154	(91,011)	5.52%		409,859
6,126,861	(100,000)	5.80%		335,855
32,472,916	(1,200,000)	5.60%		1,721,424
61,026,014	(1,431,861)	5.52%		3,190,326
400,000	0	0.00%		0
7,330,930	0	-0.96%		(71,082)
800,000	0	0.00%		0
1,200,000	(300,000)	2.56%		30,000
3,680,000	0	0.00%		0
400,000	0	0.00%		0
1,431,442	0	0.98%		13,913
0	0	0.00%		0
15,242,372	(300,000)	-0.18%		(27,169)
76,268,386	(1,731,861)	4.33%		3,163,157
13,747,835	0	2.15%		289,077
3,950,000	0	2.60%		100,000
0	0			0
73,500	0	0.00%		0
1,500,000	500,000	0.00%		0
19,271,335	500,000	2.06%		389,077
56,997,051	(2,231,861)	5.12%		2,774,080
18.30	(0.71)	3.98%		0.70

GENERAL FUND EXPENDITURES BY DEPARTMENT

	FY05/06 BUDGET	FY 06/07 CITY MANAGER RECOMMENDED	\$\$ CHANGE	% CHANGE	FY 06/07 CITY COUNCIL ADOPTED	\$\$ CHANGE From Fiscal Year 06	% CHANGE
OPERATING BUDGET							
MUNICIPAL							
GENERAL GOVERNMENT							
CITY COUNCIL	32,121	36,621	4,500	14.01%	32,121	0	0.00%
CITY MANAGER	230,605	238,679	8,074	3.50%	238,679	8,074	3.50%
HUMAN RESOURCES	1,969,107	2,172,667	203,560	10.34%	2,172,667	203,560	10.34%
CITY CLERK	163,617	171,638	8,021	4.90%	171,638	8,021	4.90%
ELECTIONS	35,071	43,780	8,709	24.83%	43,780	8,709	24.83%
LEGAL	459,607	434,876	(24,731)	-5.38%	434,876	(24,731)	-5.38%
FINANCE/ACCOUNTING	1,516,478	1,573,916	57,438	3.79%	1,537,566	21,088	1.39%
OTHER GENERAL GOVERNMENT							
GENERAL ADMINISTRATION	844,947	827,006	(17,941)	-2.12%	827,006	(17,941)	-2.12%
REGULATORY SERVICES							
PLANNING	419,581	462,160	42,579	10.15%	462,160	42,579	10.15%
INSPECTION DEPT	319,314	332,087	12,773	4.00%	332,087	12,773	4.00%
PUBLIC HEALTH	98,573	103,151	4,578	4.64%	103,151	4,578	4.64%
PUBLIC WORKS	4,972,694	5,246,728	274,034	5.51%	5,246,728	5,246,728	105.51%
COMMUNITY SERVICES							
PUBLIC LIBRARY	1,272,858	1,368,399	95,541	7.51%	1,368,399	95,541	7.51%
RECREATION	1,013,808	1,086,440	72,632	7.16%	1,086,440	72,632	7.16%
PUBLIC WELFARE	326,790	344,981	18,191	5.57%	344,981	18,191	5.57%
OUTSIDE SOCIAL SERVICES	192,223	188,304	(3,919)	-2.04%	188,304	(3,919)	-2.04%
					0		
EMERGENCY MANANGEMENT	5,500	5,500	0	0.00%	5,500	0	0.00%
MUNICIPAL SUB-TOTAL	13,872,894	14,636,933	764,039	5.51%	14,596,083	723,189	5.21%
POLICE DEPARTMENT	7,420,295	7,921,165	500,870	6.75%	7,830,154	409,859	5.52%
FIRE DEPARTMENT	5,791,007	6,226,861	435,854	7.53%	6,126,861	335,854	5.80%
SCHOOL DEPARTMENT	30,751,492	33,672,916	2,921,424	9.50%	32,472,916	1,721,424	5.60%
SUB-TOTAL	43,962,794	47,820,942	3,858,148	8.78%	46,429,931	2,467,137	5.61%
TOTAL OPERATING	57,835,688	62,457,875	4,622,187	7.99%	61,026,014	3,190,326	5.52%
NON-OPERATING							
TAX ANTICIPATION NOTES	400,000	400,000	0	0.00%	400,000	0	0.00%
DEBT SERVICE PAYMENTS	7,402,012	7,330,930	(71,082)	-0.96%	7,330,930	(71,082)	-0.96%
OVERLAY	800,000	800,000	0	0.00%	800,000	0	0.00%
CAPITAL OUTLAY	1,170,000	1,500,000	330,000	28.21%	1,200,000	30,000	2.56%
COUNTY TAX	3,680,000	3,680,000	0	0.00%	3,680,000	0	0.00%
CONTINGENCY	400,000	400,000	0	0.00%	400,000	0	0.00%
OTHER GENERAL NON-OPERATING	1,417,529	1,431,442	13,913	0.98%	1,431,442	13,913	0.98%
SUB-TOTAL	15,269,541	15,542,372	272,831	1.79%	15,242,372	(27,169)	-0.18%
TOTAL GROSS BUDGET	73,105,229	78,000,247	4,895,018	6.70%	76,268,386	3,163,157	4.33%

**CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2005-2007**

	BUDGETED REVENUES FY 05	ACTUAL REVENUES FY 05	BUDGETED REVENUES FY 06	ESTIMATED REVENUES FY 07	% CHANGE	\$\$ CHANGE
Local Fees, Licenses, Permits						
Other Fees	9,000	14,035	10,000	11,000	10.0%	1,000
Other Licenses	30,000	42,955	35,000	36,000	2.9%	1,000
Planning Board	23,500	26,513	24,000	25,000	4.2%	1,000
Board of Adjustments	25,000	27,920	26,000	26,000	0.0%	-
Site Review	40,000	37,828	40,000	40,000	0.0%	-
Building Permits-Portsmouth	110,000	253,941	140,000	170,000	21.4%	30,000
Building Permits-Pease	21,000	26,380	21,000	21,000	0.0%	-
Electrical Permits-Portsmouth	30,000	99,210	40,000	50,000	25.0%	10,000
Electrical Permits-Pease	5,000	8,160	7,000	7,000	0.0%	-
Plumbing Permits-Portsmouth	36,000	85,378	40,000	45,000	12.5%	5,000
Plumbing Permits-Pease	5,000	15,920	7,000	7,000	0.0%	-
Sign Permits	2,500	4,520	3,000	3,000	0.0%	-
Police Alarms	25,000	15,660	25,000	20,500	-18.0%	(4,500)
Burning Permits	600	388	600	500	-16.7%	(100)
Excavation Permit	12,000	12,750	12,000	11,500	-4.2%	(500)
Solid Waste	15,000	20,156	20,000	20,000	0.0%	-
Outdoor Pool	12,000	11,788	12,000	12,000	0.0%	-
Recreation Department	150,000	163,767	160,000	160,000	0.0%	-
Indoor Pool	90,000	82,065	80,000	80,000	0.0%	-
Boat Ramp Fees	6,000	7,630	6,000	6,000	0.0%	-
Food Permits	48,000	48,305	50,000	56,000	12.0%	6,000
Total Local Fees, Licenses and Permits	695,600	1,005,269	758,600	807,500	6.4%	48,900
Other Local Sources						
Timber Tax	500	191	500	500	0.0%	-
Payments in Lieu of Taxes	160,000	137,888	160,000	160,000	0.0%	-
Municipal Agent Fees	52,000	52,103	52,000	52,000	0.0%	-
Motor Vehicle Permits	3,400,000	3,555,120	3,400,000	3,450,000	1.5%	50,000
Title Applications	11,000	11,326	11,500	11,500	0.0%	-
Boat Registration	4,200	4,968	4,200	5,000	19.0%	800
PDA Airport District	1,550,000	1,751,599	1,700,000	1,700,000	0.0%	-
Water/Sewer Overhead	730,688	729,688	770,875	806,351	4.6%	35,476
Sale of Municipal Property	5,000	66,506	5,000	5,000	0.0%	-
Misc Revenue	90,000	90,890	90,000	90,000	0.0%	-
Dog Licenses	8,000	9,271	8,500	8,500	0.0%	-
Marriage Licenses	2,100	2,191	2,500	2,500	0.0%	-
Certificates-Birth and Death-Marriage	15,000	23,392	17,000	18,000	5.9%	1,000
Rental of City Property	600	5,034	602	602	0.0%	-
Rental City Hall Complex	103,500	100,169	109,195	103,325	-5.4%	(5,870)
Cable Franchise Fee	250,000	282,231	280,000	282,000	0.7%	2,000
Hand Gun Permits	750	530	750	500	-33.3%	(250)
Police Outside Detail	90,000	42,626	90,000	90,000	0.0%	-
Fire Alarms	25,000	25,380	25,000	25,000	0.0%	-
Ambulance Fees-Portsmouth	400,000	509,899	410,000	420,000	2.4%	10,000
Welfare Dept Reimbursements	15,000	18,579	20,000	20,000	0.0%	-
Total Other Local Sources	6,913,338	7,419,581	7,157,622	7,250,778	1.3%	93,156
Parking Revenues						
Parking Meter Fees	1,100,000	950,319	1,000,000	970,000	-3.0%	(30,000)
Parking Garage Revenue	1,200,000	1,176,864	1,120,000	1,150,000	2.7%	30,000
Garage Space Leases	422,000	492,180	460,000	500,000	8.7%	40,000
Parking Validation	-	7,740	4,000	5,000	25.0%	1,000
Pass Reinstatement	-	2,750	500	1,000	100.0%	500
Parking Violations	1,055,000	950,377	950,000	925,000	-2.6%	(25,000)
Boot Removal Fee	5,000	10,700	7,000	8,000	14.3%	1,000
Summons Admin Fee	8,000	22,790	9,000	10,000	11.1%	1,000
Total Parking Revenues	3,790,000	3,613,719	3,550,500	3,569,000	0.5%	18,500

**CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2005-2007**

	BUDGETED REVENUES FY 05	ACTUAL REVENUES FY 05	BUDGETED REVENUES FY 06	ESTIMATED REVENUES FY 07	% CHANGE	\$\$ CHANGE
Interest & Penalties						
Interest on Taxes	160,000	165,131	160,000	140,000	-12.5%	(20,000)
Interest on Investments	225,000	353,336	300,000	500,000	66.7%	200,000
Total Interest & Penalties	385,000	518,466	460,000	640,000	39.1%	180,000
School Revenues						
Tuition	3,700,000	3,576,385	3,800,000	3,900,000	2.6%	100,000
Other Sources	50,000	43,425	50,000	50,000	0.0%	-
Total School Revenues	3,750,000	3,619,810	3,850,000	3,950,000	2.6%	100,000
State Revenues						
Shared Rev Block Grant	657,154	657,154	657,154	657,154	0.0%	-
Rooms and Meals Tax	620,000	695,623	696,000	760,000	9.2%	64,000
Highway Block Grant	333,807	348,562	342,377	347,225	1.4%	4,848
State Aid-Land Fill	51,201	51,202	50,192	49,183	-2.0%	(1,009)
Bonded Debt-School	1,016,250	1,016,250	1,016,250	1,016,222	0.0%	(28)
Total State Revenues	2,678,412	2,768,791	2,761,973	2,829,784	2.5%	67,811
Transfer to Fund 17	(1,008,226)	(1,008,226)	(1,229,937)	(1,349,227)	9.7%	(119,290)
Use of Fund Balance	1,000,000	1,000,000	0	0	-99.0%	(0)
Use of Reserve for Property Appraisal	-	-	73,500	73,500	0.0%	-
Use of Reserve for Debt	1,000,000	1,000,000	1,500,000	1,500,000	0.0%	-
Budgeted Property Tax Levy	50,468,078	50,715,557	54,222,971	56,997,051	5.1%	2,774,080
Total General Fund Revenues	69,672,202	70,652,968	73,105,229	76,268,386	4.3%	3,163,157

GENERAL FUND REVENUE SUMMARY

Municipal/State Revenues	13,454,124	14,317,601	13,458,758	13,747,835	2.1%	289,077
School Revenues	3,750,000	3,619,810	3,850,000	3,950,000	2.6%	100,000
Use of Fund Balance	1,000,000	1,000,000	0	0		(0)
Use of Reserve for Tax Appraisal	-	-	73,500	73,500	0.0%	-
Use of Reserve for Debt	1,000,000	1,000,000	1,500,000	1,500,000	0.0%	-
Budgeted Property Tax Levy	50,468,078	50,715,557	54,222,971	56,997,051	5.1%	2,774,080
Total General Fund Revenues	69,672,202	70,652,968	73,105,229	76,268,386	4.3%	3,163,157

**Capital Improvements
Fiscal Year 2007
Taken from Capital Improvement Plan 2007-2012**

CIP PAGE	BUDGET BOOK PAGE		Originally Proposed Capital Outlay FY 07	\$300,000 Reduction	FY 07 Capital Outlay as approved by City Council June 19, 2006
65	II-30	FURNISHINGS AND EQUIPMENT FOR NEW LIBRARY	\$350,000	(\$50,000)	\$300,000
66	II-31	MCINTYRE FEDERAL OFFICE BUILDING-PHASE I	\$25,000	(\$25,000)	\$0
67	II-32	LAND ACQUISITION	\$25,000	(\$25,000)	\$0
77	II-38	RECLAMATION OF FORMER STUMP DUMP	\$25,000	(\$25,000)	\$0
90	II-49	CITY HALL SERVERS UPGRADE/REPLACEMENT	\$40,000	(\$10,000)	\$30,000
91	II-50	CITYWIDE WORK STATION REPLACEMENT	\$50,000	(\$10,000)	\$40,000
104	II-59	CITY COMPLEX PEDESTRIAN WAY IMPROVEMENTS	\$25,000	(\$25,000)	\$0
111	II-61	ISLINGTON ST/SPINNEY RD INTERSECTION SAFETY IMPROVEMENTS	\$75,000	(\$25,000)	\$50,000
119	II-64	PEIRCE ISLAND BRIDGE: REPAIR RAILS	\$75,000	(\$25,000)	\$50,000
131	II-71	TRAFFIC CALMING/UPGRADES: OCEAN RD	\$80,000	(\$80,000)	\$0
46	II-20	MUNICIPAL FIRE ALARM SYSTEM: REPAIRS AND IMPROVEMENTS	\$25,000		\$25,000
47	II-21	TURNOUT GEAR REPLACEMENT	\$10,000		\$10,000
49	II-22	BIO-MEDICAL EQUIPMENT	\$7,000		\$7,000
50	II-23	SELF CONTAINED BREATHING APPARATUS	\$6,500		\$6,500
51	II-24	POLICE RADIO SYSTEM-ENCRYPTION MODULES	\$10,000		\$10,000
53	II-25	AUTOMATED EXTERNAL DEFIBRILLATOR	\$7,000		\$7,000
59	II-28	INDOOR TRAINING RANGE	\$19,000		\$19,000
63	II-29	SCHOOL DEPARTMENT BUILDING RENOVATION-PHASE-II	\$25,000		\$25,000
68	II-33	HISTORIC MARKERS	\$10,000		\$10,000
70	II-34	PLANNING DEPARTMENT MASTER PLAN PLANNING PROCESS	\$100,000		\$100,000
72	II-36	OPEN SPACE PUBLIC ACCESS IMPROVEMENTS-SAGAMORE CREEK	\$25,000		\$25,000
78	II-37	HISTORIC CEMETERY IMPROVEMENTS	\$10,000		\$10,000
79	II-40	MUNICIPAL COMPLEX SITE IMPROVEMENTS	\$25,000		\$25,000
80	II-41	COOLING TOWER/SOUND UPGRADES/SAND REPLACEMENT-MUNICIPAL	\$100,000		\$100,000
81	II-42	AERIAL PHOTOGRAPHY	\$25,000		\$25,000
82	II-43	STORM WATER MASTER PLAN	\$40,000		\$40,000
89	II-48	TELEVISION STUDIO	\$30,000		\$30,000
99	II-56	GREATER PORTSMOUTH TRANSPORTATION MGT ASSOC (GPTM)	\$10,000		\$10,000
103	II-58	MARKET ST EXTENSION BIKE/PED IMPROVEMENTS	\$39,750		\$39,750
112	II-62	TRAFFIC SIGNAL EVALUATION AND REPLACEMENT-CITYWIDE	\$50,000		\$50,000
118	II-63	SAGAMORE AVE/SAGAMORE CREEK BRIDGE REPLACEMENT	\$16,000		\$16,000
127	II-67	CHESTNUT ST IMPROVEMENTS-AFRICAN BURIAL GROUND	\$50,000		\$50,000
128	II-68	GATEWAY IMPROVEMENTS-EXIT 7	\$25,000		\$25,000
133	II-72	CITYWIDE SIGN INVENTORY AND GIS APPLICATION	\$15,000		\$15,000
134	II-73	CITYWIDE TREE REPLACEMENT PROGRAM	\$20,000		\$20,000
		CAPITAL OUTLAY CONTINGENCY	\$29,750		\$29,750
Totals			\$1,500,000	(\$300,000)	\$1,200,000