

TO: Honorable Mayor Thomas G. Ferrini and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: June 25, 2009
 Re: Adopted Annual Budget for Fiscal Year 2010
 CC: All Department Heads and Reference Books

The City Council adopted resolution #1-2009, General Fund Expenditures in the amount of \$84,038,736 on June 22, 2009 as shown below.

**CITY COUNCIL'S ADOPTED
 APPROPRIATIONS JUNE 22, 2009**

MUNICIPAL	15,546,895
POLICE	8,613,059
FIRE	6,814,861
SCHOOL	36,062,771
COLLECTIVE BARGAINING	1,248,606
CONTINGENCY	
NON-OPERATING	15,752,544
TOTAL	84,038,736

The FY 2010 Proposed Budget was submitted to the City Council on April 11, 2009.

As a result of various City Council work sessions with departments, and the approval of six collective bargaining agreements which included a wage freeze for FY10, a total reduction of \$707,423 was made from the proposed budget.

	FY09	FY10 Proposed Budget	FY09 Adopted Budget	Change From FY10 Proposed Budget	Change From FY09 Adopted Budget	% Change from FY09 Budget
OPERATING EXPENDITURES:						
Municipal	15,549,199	15,546,895	15,546,895	-	(2,304)	-0.01%
Police	8,613,059	8,737,660	8,613,059	(124,601)	0	0.00%
Fire	6,814,861	6,814,861	6,814,861	-	0	0.00%
School	35,505,754	36,291,193	36,062,771	(228,422)	557,017	1.57%
Collective Bargaining Cont.	450,000	1,503,006	1,248,606	(254,400)	798,606	
Total Operating	\$ 66,932,873	\$ 68,893,615	68,286,192	(607,423)	1,353,319	2.02%
NON-OPERATING EXPENDITURES:						
Debt Related Expenses/TANS	350,000	350,000	350,000	-	0	0.00%
Debt Service Payments	7,511,734	8,156,496	8,156,496	-	644,762	8.58%
Overlay	1,000,000	1,000,000	900,000	(100,000)	(100,000)	-10.00%
Capital Outlay	1,035,500	800,000	800,000	-	(235,500)	-22.74%
County	3,700,000	3,825,800	3,825,800	-	125,800	3.40%
Contingency	300,000	300,000	300,000	-	0	0.00%
Other General Non-Operating	1,604,131	1,420,248	1,420,248	-	(183,883)	-11.46%
Total Non-Operating	15,501,365	15,852,544	15,752,544	(100,000)	251,179	1.62%
Total Budget	\$ 82,434,238	\$ 84,746,159	84,038,736	(707,423)	1,604,498	1.95%

The reductions are as follows.

Police Department reduction	(124,601)
School Department reduction	(228,422)
Reduction in Overlay	(100,000)
Collective Bargaining Contingency:	
Portsmouth Management Association (PMA)	(107,600)
Supervisory Management Alliance's (SMA)	(17,200)
School Contracts:	(129,600)
Portsmouth Association of Clericals	
Custodial Supervisors'	
Portsmouth School Administrator's	
Portsmouth Paraprofessionals Association	

The proposed budget of \$84,746,159 would have resulted in a tax increase of 30¢ for a rate of \$17.28 per \$1,000 of valuation.

The reduction of \$707,423.00 will reduce the tax increase from 30¢ to 11¢ resulting in a tax rate of \$17.09.

TAX RATE

FY09	FY10 Proposed	FY10 City Council Approved	Change from Proposed	Change From FY09	% Change From FY09
16.98	17.28	17.09	(0.19)	0.11	0.65%

The following summary page attached replaces page 53 of your proposed FY10 budget document.

GENERAL FUND BUDGET SUMMARY - FY 2010

CITY MANAGER PROPOSED BUDGET

FY10 BUDGET AS ADOPTED BY CITY COUNCIL JUNE 22, 2009

	FY 08/09 BUDGET	FY 09/10 Proposed Budget	% Change	\$\$ Change	FY 09/10 Revised Budget	% Change	\$\$ Change
OPERATING BUDGET							
Municipal	15,549,199	15,546,895	-0.01%	(2,304)	15,546,895	-0.01%	(2,304)
Police	8,613,059	8,737,660	1.45%	124,601	8,613,059	0.00%	0
Fire	6,814,861	6,814,861	0.00%	0	6,814,861	0.00%	0
School	35,505,754	36,291,193	2.21%	785,439	36,062,771	1.57%	557,017
Collective Bargaining Contingency FY09	450,000	450,000	0.00%	0	450,000	0.00%	0
Collective Bargaining Contingency FY10		1,053,006		1,053,006	798,606		798,606
Total Operating Budget	66,932,873	68,893,615	2.93%	1,960,742	68,286,192	2.02%	1,353,319
NON-OPERATING EXPENSE							
Debt Related Expenses/TANS	350,000	350,000	0.00%	0	350,000	0.00%	0
Debt Service Payments	7,511,734	8,156,496	8.58%	644,762	8,156,496	8.58%	644,762
Overlay	1,000,000	1,000,000	0.00%	0	900,000	-10.00%	(100,000)
Capital Outlay	1,035,500	800,000	-22.74%	(235,500)	800,000	-22.74%	(235,500)
County	3,700,000	3,825,800	3.40%	125,800	3,825,800	3.40%	125,800
Contingency	300,000	300,000	0.00%	0	300,000	0.00%	0
Other General Non-Operating	1,604,131	1,420,248	-11.46%	(183,883)	1,420,248	-11.46%	(183,883)
Total Non-Operating Budget	15,501,365	15,852,544	2.27%	351,179	15,752,544	1.62%	251,179
Total Gross Budget	82,434,238	84,746,159	2.80%	2,311,921	84,038,736	1.95%	1,604,498
REVENUES							
Municipal	10,644,962	10,592,433	-0.49%	(52,529)	10,592,433	-0.49%	(52,529)
School	4,510,500	4,610,500	2.22%	100,000	4,610,500	2.22%	100,000
State Revenues	2,957,188	2,354,687	-20.37%	(602,501)	2,354,687	-20.37%	(602,501)
State Transition Aid		222,611		222,611	222,611		222,611
Use of Reserve for property Appraisal	73,500	73,500	0.00%	0	73,500	0.00%	0
Use of Reserve for Debt/ Bond Premiums	1,500,000	1,360,614	-9.29%	(139,386)	1,360,614	-9.29%	(139,386)
Use of Fund Balance for Collective Bargaining		1,053,006		1,053,006	1,053,006		1,053,006
Total	19,686,150	20,267,351	2.95%	581,201	20,267,351	2.95%	581,201
BUDGETED PROPERTY TAX LEVY	62,748,088	64,478,808	2.76%	1,730,720	63,771,385	1.63%	1,023,297
Total Property Tax Commitment	63,182,919	64,478,808	2.05%	1,295,889	63,771,385	0.93%	588,466
War Service Credits	603,500	603,500	0.00%	0	603,500	0.00%	0
Adequate Education Formula	(8,669,658)	(8,447,047)	-2.57%	222,611	(8,447,047)	-2.57%	222,611
State Education Tax	8,669,658	8,447,047	-2.57%	(222,611)	8,447,047	-2.57%	(222,611)
Total Property Taxes Assessed	63,786,419	65,082,308	2.03%	1,295,889	64,374,885	0.92%	588,466
Taxes Due State	0	0	0.00%	0	0	0.00%	0
ASSESSED VALUATION WITH UTILITIES	3,781,039,963	3,791,039,963	0.26%	10,000,000	3,791,039,963	0.26%	10,000,000
ASSESSED VALUATION NO UTILITIES	3,607,856,910	3,617,856,910	0.28%	10,000,000	3,617,856,910	0.28%	10,000,000
MUNICIPAL TAX RATE	13.63	13.93	2.20%	0.30	13.74	0.83%	0.11
COUNTY TAX RATE	0.95	1.01	6.23%	0.06	1.01	6.23%	0.06
STATE EDUCATION TAX RATE	2.40	2.34	-2.68%	(0.06)	2.34	-2.68%	(0.06)
COMBINED TAX RATE	16.98	17.28	1.77%	0.30	17.09	0.65%	0.11