

TO: Honorable Mayor Robert J. Lister and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: June 10, 2015
 Re: Adopted Annual Budget for Fiscal Year 2016

CC: All Department Heads and Reference Books

The City Council adopted resolution #12-2015, General Fund Expenditures in the amount of \$101,046,202 on June 8, 2015 as shown below.

**CITY COUNCIL'S ADOPTED
 APPROPRIATIONS JUNE 8, 2015**

MUNICIPAL	\$17,635,940
POLICE	\$9,617,688
FIRE	\$7,995,247
SCHOOL	\$43,236,310
COLLECTIVE BARGAINING	\$490,000
TRANSFER TO INDOOR POOL	\$150,000
NON-OPERATING	\$21,921,017
TOTAL	\$101,046,202

The FY 2016 Proposed Budget was submitted to the City Council on April 27, 2015. As a result of budget worksessions held, the City Council's adopted budget includes an increase of \$25,000 in the Operating Budget and a reduction of (\$412,500) in the Non-Operating Budget for a net reduction of (\$387,500) as follows:

	FY15 Budget	FY16 City Manager's Proposed Budget	FY16 City Council Adopted Budget	\$Change From FY16 Proposed Budget	\$Change From FY15 Budget	Change From FY Change
<i>OPERATING BUDGET:</i>						
General Government	17,126,460	17,635,940	17,635,940	-	509,480	2.97%
Police	9,354,354	9,592,688	9,617,688	25,000.00	263,334	2.82%
Fire	7,762,440	7,995,247	7,995,247	-	232,807	3.00%
School	41,806,896	43,236,310	43,236,310	-	1,429,414	3.42%
Collective Bargaining	92,790	490,000	490,000	-	397,210	428.07%
Transfer to Indoor Pool	150,000	150,000	150,000	-	0	0.00%
Total Operating Budget	76,292,940	79,100,185	79,125,185	25,000.00	2,832,245	3.71%
<i>NON-OPERATING EXPENDITURE:</i>						
Debt Related Costs/TANS	275,000	275,000	275,000	-	0	0.00%
Debt Service Payments	11,231,523	11,939,125	11,756,625	(182,500.00)	525,102	4.68%
Overlay	1,000,000	1,000,000	950,000	(50,000.00)	(50,000)	-5.00%
Property & Liability Ins	318,000	321,000	321,000	-	3,000	0.94%
County	4,764,174	5,002,383	5,002,383	-	238,209	5.00%
Contingency	250,000	250,000	250,000	-	0	0.00%
Rolling Stock	786,300	904,860	809,860	(95,000.00)	23,560	3.00%
IT Equipment Replacement	329,450	414,700	414,700	-	85,250	25.88%
Capital Outlay	1,600,000	1,850,000	1,765,000	(85,000.00)	165,000	10.31%
Municipal Complex Improvement	1,417,897	0	0	-	(1,417,897)	-100.00%
Other General Non-Operating	349,875	376,449	376,449	-	26,574	7.60%
Total Non-Operating Budget	22,322,219	22,333,517	21,921,017	(412,500)	(401,202)	-1.80%
Total Gross Budget	98,615,159	101,433,702	101,046,202	(387,500)	2,431,043	2.47%

The total reduction of (\$387,500) Capital Outlay is from the following Adjustments:

		Original Recommended	New Recommended	Tax Rate Effect
Operating Budget:				
1) Police Department				
	<u>Increase from Proposed Budget</u>	<u>25,000</u>	<u>9,617,688</u>	<u>9,642,688</u>
				\$0.01
Non-Operating Budget:				
2) Debt Service				
	Debt Service for Fire Heavy Rescue Unit	(142,500)		
	<u>Projected savings from Library Debt Refunding</u>	<u>(40,000)</u>		
	<u>Reduction from Proposed Budget</u>	<u>(182,500)</u>	<u>11,939,125</u>	<u>11,756,625</u>
				(\$0.04)
3) Rolling Stock				
	Public Works 2003 Pick-Up	(20,000)		
	Police Reduce Rolling Stock	(20,000)		
	Fire 2007 Tahoe	(40,000)		
	<u>School 2007 Sedan</u>	<u>(15,000)</u>		
	<u>Reduction from Proposed Budget</u>	<u>(95,000)</u>	<u>904,860</u>	<u>809,860</u>
				(\$0.02)
4) Overlay				
	<u>Reduction from Proposed Budget</u>	<u>(50,000)</u>	<u>1,000,000</u>	<u>950,000</u>
				(\$0.01)
5) Capital Outlay				
	II-21 Refurbish-Fire Boat #1	(60,000)		
	<u>II-33 land Acquisition</u>	<u>(25,000)</u>		
	<u>Reduction from Proposed Budget</u>	<u>(85,000)</u>	<u>1,850,000</u>	<u>1,765,000</u>
				(\$0.02)
	<u>Total Net Reduction from the Proposed Budget</u>	<u>(387,500)</u>		
				(\$0.09)

As a result of the amendments, the adopted FY16 budget will result in an estimated tax rate of \$18.49 per \$1,000 of valuation. This rate is an increase of 39¢ or 2.16% over FY15.

Tax Rate History

	Tax Rate	\$ Rate Increase
FY11	17.41	
FY12	17.27	(0.14)
FY13	17.55	0.28
FY14	17.91	0.36
FY15	18.10	0.19
FY16 Proposed	18.49	0.39
<u>Five-year average of 22 cents per year or 1.24% annually</u>		

FEE SCHEDULE

In Addition, the City Council adopted resolution # 11-2015- Municipal Fees which included two changes to the fee schedule from the original proposed budget.

- 1) Increase hourly rate at the High Hanover Parking Facility from \$1.00 to \$1.25
- 2) Increase validation stamps booklet from \$50.00 to \$75.00

The Attached sheet replaces page III-28 of the the FY16 Proposed Budget Document.

**City of Portsmouth
Fee Schedule
Parking / Transportation**

* (Indicates change from current fee)

Ordinance / Non-Ordinance Title	NOTES	Description	Fiscal Year Last Adjusted	FY 2014 Schedule	FY 2015 Schedule	Suggested FY 2016 Schedule
Chapter 6: Article XIII Section 1307						
Vendor from Motor Vehicle	FY 13-No permits issued	Vendor From Motor Vehicle Permit April 15- November 15	FY 10	\$5,000.00	\$5,000.00	Minimum Bid \$5,000.00
Non-Ordinance						
Valet Parking	FY 14 - 0 vendors \$0	Valet - from non High Occupancy Metered Parking Spaces	FY 10	\$10.00	\$10.00	space per day \$10.00
	FY 14 - 0 vendor \$0	Valet - from High Occupancy Metered Parking Spaces	FY 14	\$15.00	\$15.00	space per day \$15.00
	FY 14 - 3 permits issued \$1,500	Valet - from Commercial Loading Zone	FY 10	\$500.00	\$500.00	annually \$500.00
Chapter 7: Article I Section 114A						
Construction Permit	Revenue: FY 12 \$27,890 FY 13 \$71,392 FY 14 \$133,004	Temporary Metered Parking Space Permit	FY 13	\$30.00	\$30.00	Per Day \$30.00
Construction Permit		Temporary Metered Parking Space Permit	FY 16	N/A	N/A	High Occupancy Space Per Day * \$45.00
Chapter 7: Article III Section 321G						
Snow Emergency-Parking Ban		Resident Snow Ban Rate for Parking in High Hanover Parking Facility	FY 07	\$3.00	\$3.00	per Snow Ban Event \$3.00
Chapter 7: Article IV Section 402 C						
High Hanover Parking Garage	Hourly rate revenue: FY 12 \$1,338,958 FY 13 \$1,318,963 FY 14 \$1,464,658 Monthly pass revenue: FY12 \$595,950 FY 13 \$756,815 FY 14 \$778,645 Pass Reinstatement revenue: FY 12 \$2,865 FY 13 \$3,265 FY 14 \$3,905 Monthly passes as of Dec 14 as follows: 361 - \$135 per month (24 hr passes) 387 - \$110 per month (day passes) 0 - \$65 per month (night passes) 100 on waiting list	Rates	FY 14	\$1.00	\$1.00	Hourly Rate * \$1.25
			FY 13	Free	Free	Resident-Sunday Free
			FY 15	\$50.00	\$65.00	Monthly Pass Nighttime (7pm-7am) \$65.00
			FY 15	\$80.00	\$110.00	Monthly Pass Daytime (7am-7pm) \$110.00
			FY 15	\$100.00	\$135.00	Monthly Pass 24 hr \$135.00
			FY 03	\$50.00	\$50.00	per booklet of 100 validation stamps * \$75.00
			FY 11	\$15.00	\$15.00	Lost Ticket Fee/Max Daily rate \$15.00
			FY 08	\$35.00	\$35.00	Garage Pass Deposit * \$100.00
			FY 08	\$15.00	\$15.00	Pass Reinstatement Fee-Leaseholders \$15.00
			FY 02	\$3.00	\$3.00	Special Event Parking * \$5.00
		Electric Vehicle Reserved parking	FY 13	\$1.25	\$1.25	Per Hour Charge \$1.25
Chapter 7: Article IV Section 408						
Boat launch	FY 14- 0 permits issued	Peirce Island Overnight Boat Launch Parking	FY 10	\$5.00	\$5.00	Nightly \$5.00
Chapter 7: Article VI Section 604						
Truck Loading/Unloading Zones	FY 14 - 77 permits issued for \$1,925	Commercial Loading Zone Permit	FY 10	\$25.00	\$25.00	Annually * \$40.00

GENERAL FUND BUDGET SUMMARY-FY 2016 - ADOPTED JUNE 8, 2015

	FY14 BUDGET	FY15 Budget	FY16 City Manager Recommended	%	\$\$	FY16 City Council 8-Jun-15	FY16 %	FY16 \$\$
				Change	Change		Change	Change
OPERATING BUDGET								
General Government	16,686,628	17,126,460	17,635,940	2.97%	509,480	17,635,940	2.97%	509,480
Police	9,174,659	9,354,354	9,592,688	2.55%	238,334	9,617,688	2.82%	263,334
Fire	7,531,078	7,762,440	7,995,247	3.00%	232,807	7,995,247	3.00%	232,807
School	39,820,958	41,806,896	43,236,310	3.42%	1,429,414	43,236,310	3.42%	1,429,414
Collective Bargaining	0	92,790	490,000	428.07%	397,210	490,000	428.07%	397,210
Transfer to Indoor Pool	150,000	150,000	150,000	0.00%	0	150,000	0.00%	0
Total Operating Budget	73,363,323	76,292,940	79,100,185	3.68%	2,807,245	79,125,185	3.71%	2,832,245
NON-OPERATING EXPENSE								
Debt Related Costs/TANS	350,000	275,000	275,000	0.00%	0	275,000	0.00%	0
Debt Service Payments	10,483,686	11,231,523	11,939,125	6.30%	707,602	11,756,625	4.68%	525,102
Overlay	950,000	1,000,000	1,000,000	0.00%	0	950,000	-5.00%	(50,000)
Property & Liability Ins	414,000	318,000	321,000	0.94%	3,000	321,000	0.94%	3,000
County	4,540,274	4,764,174	5,002,383	5.00%	238,209	5,002,383	5.00%	238,209
Contingency	250,000	250,000	250,000	0.00%	0	250,000	0.00%	0
Rolling Stock	766,892	786,300	904,860	15.08%	118,560	809,860	3.00%	23,560
IT Equipment Replacement	312,250	329,450	414,700	25.88%	85,250	414,700	25.88%	85,250
Capital Outlay	1,365,000	1,600,000	1,850,000	15.63%	250,000	1,765,000	10.31%	165,000
Municipal Complex Improvements	0	1,417,897	0	-100.00%	(1,417,897)	0	-100.00%	(1,417,897)
Other General Non-Operating	289,712	349,875	376,449	7.60%	26,574	376,449	7.60%	26,574
Total Non-Operating Budget	19,721,814	22,322,219	22,333,517	0.05%	11,298	21,921,017	-1.80%	(401,202)
Total Gross Budget	93,085,137	98,615,159	101,433,702	2.86%	2,818,543	101,046,202	2.47%	2,431,043
REVENUES								
Municipal	10,278,418	11,851,986	12,280,240	3.61%	428,254	12,280,240	3.61%	428,254
School	5,523,700	5,623,900	5,790,750	2.97%	166,850	5,790,750	2.97%	166,850
State Revenues	1,357,975	1,355,333	1,433,427	5.76%	78,094	1,433,427	5.76%	78,094
State Revenues-School Building Aid	1,770,305	1,770,305	1,836,305	3.73%	66,000	1,836,305	3.73%	66,000
<i>Use of Fund Balance: Unassigned</i>								
Planning Department Supplemental Approp	150,000	0	0		0	0		0
Fire Department Supplemental Approp	97,000	0	0		0	0		0
Employee Contracts Supplemental Approp	0	555,500	0	-100.00%	(555,500)	0	-100.00%	(555,500)
Budget Process	0	200,000	0	-100.00%	(200,000)	0	-100.00%	(200,000)
<i>Use of Fund Balance: Committed</i>								
Property Appraisal	73,500	73,500	73,500	0.00%	0	73,500	0.00%	0
Debt/ Bond Proceeds	100,000	0	0		0	0		0
Debt Service Reserve	1,500,000	1,500,000	1,500,000	0.00%	0	1,500,000	0.00%	0
Use of Bond Premium	0	1,417,897	0	-100.00%	(1,417,897)	0	-100.00%	(1,417,897)
Total	20,850,898	24,348,421	22,914,222	-5.89%	(1,434,199)	22,914,222	-5.89%	(1,434,199)
BUDGETED PROPERTY TAX LEVY	72,234,239	74,266,738	78,519,480	5.73%	4,252,742	78,131,980	5.20%	3,865,242
War Service Credits	549,500	531,500	531,500	0.00%	0	531,500	0.00%	0
Adequate Education Formula	(9,744,008)	(10,129,725)	(10,484,350)	3.50%	(354,625)	(10,484,350)	3.50%	(354,625)
State Education Tax	9,744,008	10,129,725	10,484,350	3.50%	354,625	10,484,350	3.50%	354,625
ASSESSED VALUATION WITH UTILITIES	4,096,603,575	4,182,368,805	4,277,368,805	2.27%	95,000,000	4,277,368,805	2.27%	95,000,000
ASSESSED VALUATION NO UTILITIES	3,917,159,080	4,010,764,710	4,105,764,710	2.37%	95,000,000	4,105,764,710	2.37%	95,000,000
MUNICIPAL TAX RATE	14.28	14.41	14.86	3.13%	0.45	14.77	2.50%	0.36
COUNTY TAX RATE	1.14	1.16	1.17	0.82%	0.01	1.17	0.82%	0.01
STATE EDUCATION TAX RATE	2.49	2.53	2.55	0.75%	0.02	2.55	0.75%	0.02
COMBINED TAX RATE	17.91	18.10	18.58	2.65%	0.48	18.49	2.16%	0.39