

City of

Portsmouth

New Hampshire



Popular Annual Financial Report (PAFR) Fiscal Year 2021

(July 1, 2020 - June 30, 2021)

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Popular Annual Financial Report

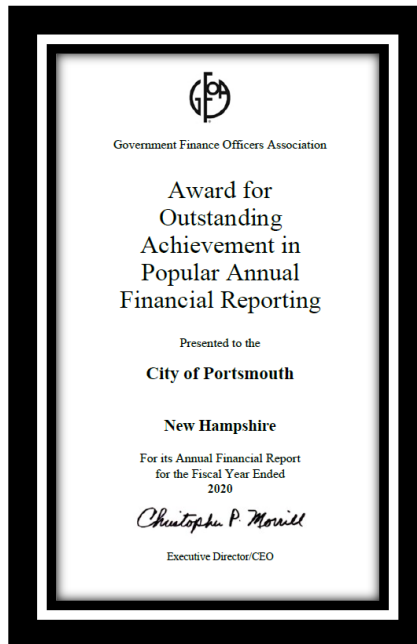
City of Portsmouth, New Hampshire



For the fiscal year ended June 30, 2021

Prepared by:
City of Portsmouth, Finance Department
Director of Finance and Administration, Judie Belanger

Award for Outstanding Achievement in Popular Annual Financial Reporting



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Portsmouth, NH for the Fiscal Year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the City of Portsmouth's fourth PAFR Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

A Letter from the City Manager



To the Citizens of Portsmouth,

As part of our continuous effort to keep you informed of the financial status of your City, I am pleased to present to you the 2021 Popular Annual Financial Report (PAFR). On behalf of the Finance Team led by Judie Belanger, I am proud to report that, in spite of all the challenges brought on by the global COVID-19 pandemic that we endured throughout the fiscal year, Portsmouth ended FY21 with a positive bottom line, in a strong financial position, and without impacting City services. This did not happen on its own. It was the result of years of maintaining sound long-term financial practices and making difficult budgeting decisions while preparing the FY21 budget.

Preparing and balancing the annual budget is one thing; dealing with the unique challenges presented by the pandemic while maintaining our residents' quality of life is quite another. While building the FY21 Budget, City Department Heads modified their draft budgets to sustain the City Council's desire to maintain all services provided to the taxpayers and reduce expenditures without laying off staff. In addition, we postponed to the end of FY21 bond issues that were scheduled to go to market in FY20 and delayed a number of capital outlay projects and vehicle and equipment purchases. Together, with a minimal use of fund balance approved by the City Council, the FY21 budget was passed with a tax rate 16 cents lower than the prior year.

In April 2021, Standard & Poor's credit agency affirmed the City's AAA bond rating for the *ninth* year in a row. In its assessment of the City's finances, Standard & Poor's said, "The AAA rating on the City's General Obligation bonds is underpinned by the City's strong management team that uses long-term financial planning to mitigate risks from one-time economic shocks such as those that occurred at the onset of the pandemic." This should give all citizens confidence and assure them that we can expect that our capital needs will continue to be met through low-interest financing and without impact to the delivery of services on which we all depend.

The most recent bond issuance included refinancing a twenty-year bond, saving taxpayers over \$1 million in interest over the remaining 10 years of the debt - another example of the importance of the AAA bond rating.

This report details what the City accomplished throughout FY21, and tells a very strong and stable financial story of which we can all be very proud, thanks to long-standing financial policies that have served us well. Together with the City Council, City staff and I continue to emphasize "a culture of cost management among all employees while maintaining the integrity and quality of life in Portsmouth." We remain vigilant, moving forward, making decisions that protect the City's financial position.

The state of the City is strong and is poised to remain so. We were able to withstand the effects of a global pandemic, due in large part to the City's long-standing, stable and predictable financial status and also due to the unbelievably professional, loyal, hard-working and dedicated City staff. I am honored to be the steward of this exceptional organization.

Sincerely,

Karen S. Conard, City Manager

City FY2021 Accolades

- Chamber Collaborative of Greater Portsmouth: Pandemic Powerhouse



- Tree City USA Award & Tree City USA Growth Awards



- Water Fluoridation Quality Award



- National League of Cities (NLC) Community Resiliency Grant



- NH State Library Conservation License Plate Grant Award



Media Accolades

- [WOKO 5 Outstanding Restaurants to Enjoy Outdoor Dining; May 2021](#)
- [MSN accolade: "10 Most Charming Small Towns in NH" March 2021](#)
- [Portsmouth listed in the top 20 northeast destinations; Dec. 2020](#)
- [Portsmouth ranked as an awesome place to retire; Nov 2020](#)
- [Portsmouth included FamilyMinded.com article: Best Family Vacation in Every State in article on; Sept. 2020](#)

Portsmouth City Council

Portsmouth Elected Officials (FY21)

Police Commission



Joseph Onosko, Chairperson
Stefany Shaheen
Thomas Hart



Rick Becksted, Mayor

Board of Education



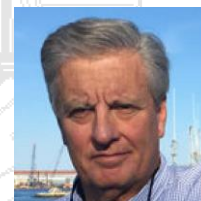
Kristin Jeffrey, Chairperson
Tara Kennedy, Vice Chairperson
Nancy Novelline Clayburgh
Pip Clews
Brian French
Jeffrey Landry
Margaux Peabody
Hope Van Epps
Ann M. Walker



Jim Splaine, Assistant Mayor



Deaglan McEachern



Peter Whelan

Fire Commission



Jennifer Mosher-Matthes, Chairperson
Richard Gamester
Michael Hughes



Cliff Lazenby



Esther Kennedy



Petra Huda



John Tabor

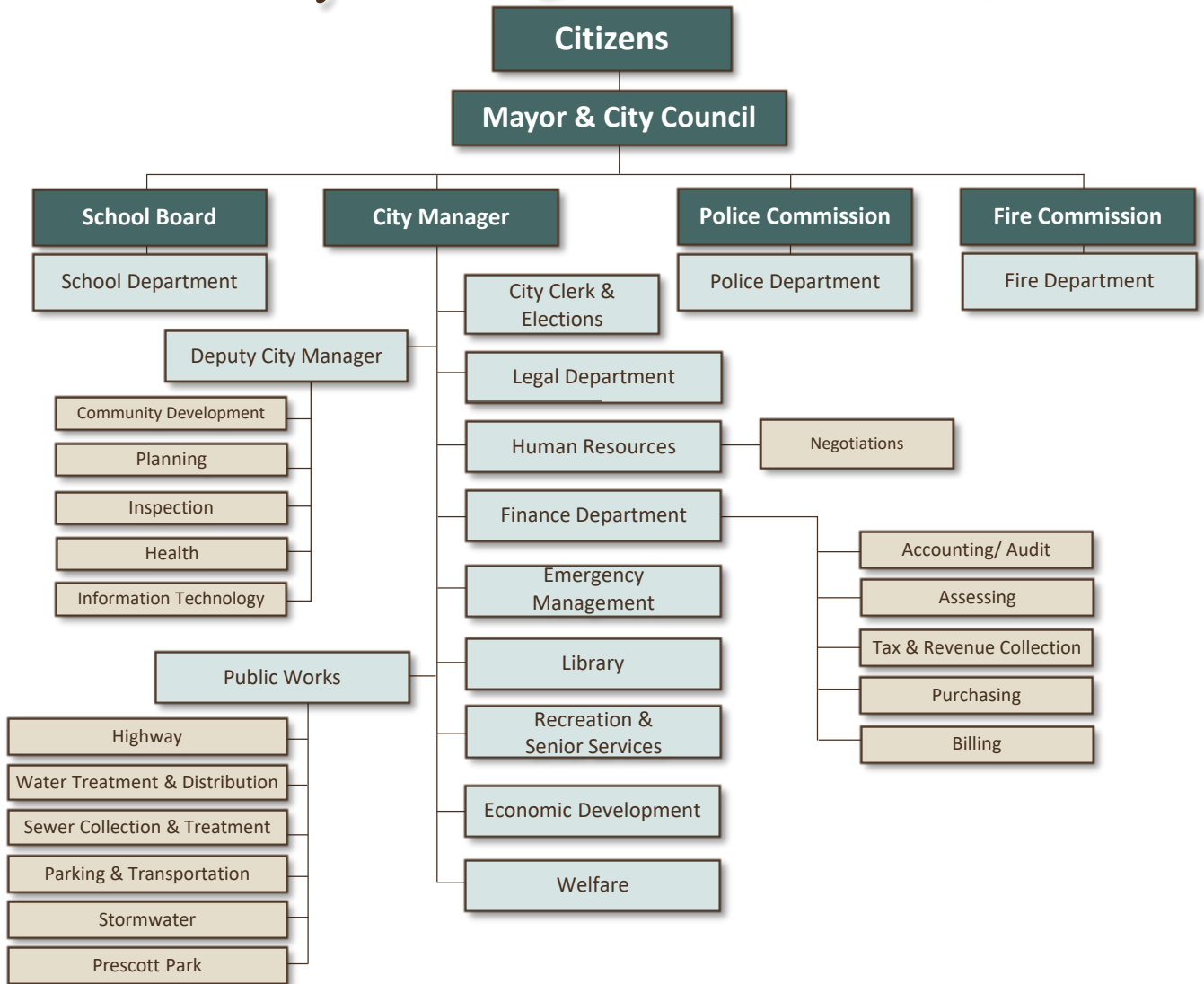


Paige Trace

The City Council is the governing body of the City of Portsmouth and as such is the policy-making entity of the City, except where otherwise expressed in the City Charter. The City Council consists of nine (9) councilors elected at large for terms of two (2) years. The candidate for City Council who receives the largest number of votes at any election becomes Mayor. The City Councilor who receives the next largest number of votes becomes Assistant Mayor. A candidate for City Council must be a duly qualified voter and resident of Portsmouth for at least two years immediately prior to election.

The public is invited to attend and encouraged to participate in City Council meetings. The meetings are also televised on the Portsmouth Municipal Government Cable Channel 22 and are streamed live on [Portsmouth's City YouTube Channel](#). City Council meetings are held in the [City Council Chambers, Municipal Complex, One Junkins Avenue, Portsmouth, NH 03801](#). For information, call the City Clerk 603 – 610 – 7207.

City of Portsmouth, New Hampshire Citywide Organizational Chart



Principal Executive Officers

(as of June 30, 2021)

Karen Conard, City Manager

Vacant, Deputy City Manager

Judith Belanger, Director of Finance and Administration

Andrew Purgiel, Deputy Finance Director

Peter Rice, Director of Public Works and Facilities

Robert Sullivan, City Attorney

Kelli Barnaby, City Clerk

Kelly Harper, Human Resources Director

Todd Germain, Fire Chief

Mark Newport, Chief of Police

Steven Zdravec, Superintendent

Juliet Walker, Planning Director

Kimberly McNamara, Public Health Director

Robert Marsilia, Chief Building Inspector

Nancy Bates, Tax Collector

Brian Goetz, Deputy Public Works Director

Rosann Maurice-Lentz, City Assessor

Todd Henley, Recreation Director

Steven Butzel, Library Director

Ellen Tully, Welfare Administrator

Stay Connected



Download City Apps

- ✓ **Portsmouth Click n Fix** – Connect with the Public Works Department, send images and report issues and more!
- ✓ **ParkMobile** – View parking amenities and pay for parking (as well as feed the meter) all from your cell phone. **** Residents get a Discount when using the Park Mobile App!****
- ✓ **ChargePoint Mobile App** – Helps find and utilize City ChargePoint EV Charging Stations
- ✓ **Dockwa** – Find and reserve available Prescott Park dock spaces online.
- ✓ **Libby** and **Hoopla** – Library Apps that allow you to download ebooks, audio and magazines.
- ✓ **CodeRed Emergency Alert System** – Sends out Citywide Emergency alerts including snow parking bans.

Visit CityofPortsmouth.com to:

- ✓ Pay your Parking Ticket, Water/ Sewer Bill, Property Tax Bill and more;
- ✓ Renew your Motor Vehicle Registration;
- ✓ Register or Renew your Dog License;
- ✓ Utilize City Project Pages to find information and sign up for email notices on individual projects;
- ✓ Get a Permit online with ViewPoint Cloud Permits;
- ✓ Research property values through the Vision Software system;
- ✓ View 3D maps of the City through MapGeo;
- ✓ Sign up for the City's e-Newsletter;
- ✓ Send questions by email to: hotline@cityofportsmouth.com

View live, recent or archived City Meetings on the City's YouTube Channel (<https://www.youtube.com/user/CityofPortsmouth>) as well as TV Channel 22.

Follow City Departments on Social Media

for up to date information on Citywide happenings (Road closures, recreation programs, Parking Garage statuses, snow bans and more):



Facebook

- ✓ City @cityhallportsmouthnh
- ✓ Fire Department @portsmouthnhfiredepartment
- ✓ Library @pplnh
- ✓ Police Department @portsmouthnhpd
- ✓ Recreation Department @portsmouthnhrec
- ✓ Schools @portsmouthschools



Twitter

- ✓ City of Portsmouth (@MuniPortsmouth)
- ✓ Police Department (@portsmouthnhpd)
- ✓ Fire Department (@portsmouthnhfd)
- ✓ Park Portsmouth (@ParkPortsmouth)
- ✓ Public Works Department (@PortsmouthDPW)
- ✓ Recreation Department (@PortsmouthRec)
- ✓ Portsmouth Schools (@portsschools)
- ✓ Planning Department (@PlanPortsmouth)
- ✓ Portsmouth Public Library (@PortsmouthLibNH)
- ✓ Portsmouth Combined Sewer Overflow Alert (@PortsmouthCSOs)



Instagram

- ✓ DPW/Stormwater: Think Blue Portsmouth NH @thinkblueportsmouthnh
- ✓ Library @Portsmouth-public-library-nh
- ✓ ParkPortsmouth @Park_portsmouthnh



Engage in Your City Government

The City of Portsmouth offers several opportunities for Portsmouth Citizens to engage in its Local Government Processes.

The Annual Budget Process

- Budget Public Hearings (Police & Fire Commissions & School Board)
- Budget Public Hearing (City Council)
- Listening Sessions during City Council Budget Work Sessions

Capital Improvement Plan Process

- [Citizen Project Request Forms](#)
- CIP Public Input Meeting (Planning Board)
- CIP Public Hearing (City Council)

Other Public Input Sessions

- City Council Public Comment Sessions
- Boards, Commissions, Committees Public Input Opportunities
- Planning and Public Works hosted Public Input Sessions
- Master Planning Process
- Neighborhood Outreach Forum
- Economic Development (Sister Cities Programs)

Boards, Commissions, Committees

- [Citywide Neighborhood Committee](#)
- [Citizen Advisory Committee \(CDBG\)](#)
- [Appointed Positions](#) (Boards, Commissions, Committees)
- Elected Positions (Police Commission, Fire Commission, School Board)

Widely Available Information for Citizens

- [City Website \(cityofportsmouth.com\)](http://cityofportsmouth.com)
- [YouTube Live Feed \(HD quality\)](#) , Televised Meetings (and archived)
- [City Council Minutes](#), [Agendas](#), and [Packets](#) online
- City Financial Documents:
 - Physical Documents are available at the City Clerk's Office and the Portsmouth Public Library for review
 - Online
 - FY21 Proposed Budget
<http://files.cityofportsmouth.com/finance/fy21/FY21ProposedBudget.pdf>
 - FY21 Adopted Budget
<http://files.cityofportsmouth.com/finance/fy21/FY21BudgetAmendment.pdf>
 - FY21 Annual Comprehensive Annual Report
<http://files.cityofportsmouth.com/finance/fy21/CAFR21.pdf>
 - FY22 Adopted CIP:
http://files.cityofportsmouth.com/files/planning/cip/CityCouncilCIP_FY22FY27.pdf
 - FY22 Proposed Budget
<http://files.cityofportsmouth.com/finance/fy22/FY22ProposedBudget.pdf>
 - FY22 Adopted Budget
<http://files.cityofportsmouth.com/finance/fy22/FY22AmendedBudgetMemo.pdf>

Market
Square



Strawbery
Banke



Prescott
Park



Questions?

Email: Hotline@CityofPortsmouth.com

Portsmouth at a Glance...



Quick Facts

City Government

- Incorporated: 1849
- Form of Government: Council-Manager

Location

- Latitude: 43° 4' 32" North
- Longitude: 70° 45' 38" West
- County: Rockingham
- State: New Hampshire
- Tourism Region: Seacoast
- Planning Commission: Rockingham

Land

- Land Area¹: 16.8 sq. miles (15.7 sq. miles of land & 1.1 sq. miles of water)
- Public Parks & Playgrounds¹ : 200+ acres
- Wetlands²: 3,538 acres

Driving Distance to Selected Cities

- [Manchester, NH: 45 miles](#)
- [Portland, ME: 53 miles](#)
- [Boston, MA: 56 miles](#)
- [Concord, NH: 59 miles](#)
- [New York City, NY: 265 miles](#)

Public Transportation

COAST Bus Services

- Operates both fixed-routes bus service as well as on-demand service for ADA riders.
- Free weekend service around the Downtown on the Vintage Christmas Trolley for the month of December.
- Operates the City's Senior Transportation Services

Wildcat Transit

- Provides bus service between downtown Portsmouth and the University of New Hampshire

Amtrak Passenger Rail Link Service

- available between Portland and Boston with stops in Dover, Exeter and Durham, NH

Nearest Airports

- [Pease International Airport](#)
- [Manchester-Boston Regional Airport](#)
- [Portland International Jetport](#)
- [Logan International Airport](#)

City Assets, Infrastructure, and Operating Indicators

Settled in 1623, Portsmouth is the nation's 3rd-oldest city with a rich heritage as a working seaport and the home of the State's only deep-water port. Portsmouth lies along the Piscataqua River, which divides New Hampshire and Maine. It is a regional economic and cultural hub located 56 miles north of Boston, Massachusetts and 53 miles south of Portland, Maine.

Public Safety - Police

- # of Stations: 1
- # of Vehicles: 33
- Police Canines: 2

Public Safety – Fire and Rescue

- # of Stations: 3
- Fire Engines: 4
- Tower Truck: 1
- Heavy Rescue: 1
- Ambulance: 3
- Forestry Pick Up: 1
- Rigid Hull Inflatable Boat: 1
- Zodiac Boat: 1

Education

- High School Buildings: 1
- Middle School Buildings: 1
- Elementary School Buildings: 3

Public Works

- Miles of Streets (including Pease): 118
- Miles of Sidewalks: 74
- Number of Bridge: 15
- City Owned Facilities Maintained: 8

Eco Municipality Assets

- [Recycling Centers](#): 1
- LED Streetlights: 1,600
- [Electric Charging Stations](#): 5 (7 plugs)
- Solar Panel Arrays: 2
- City Biodiesel Vehicles: 82
- City Electric Vehicles: 1
- City Open Space: 94 undeveloped parcels (932 acres)

Culture and Recreation

- [Libraries](#): 1
- Community Centers: 2
- [Senior Centers](#): 1
- Number of Boat Dock Facilities: 2
- Swimming Pools: 3
- Tennis Courts: 6
- Pickelball Courts: 8

Parks, Playgrounds and Cemeteries

- Number of Playgrounds/ Parks/ and Ballfields: 26
- Number of [Cemeteries/ Burial Grounds](#): 7
- [Adopt a Spot Gardens](#): 25
- Greenspace Maintained: 80+ acres

Parking and Transportation

- Parking Garages: 2
- Garage Spaces: 1,503
 - [Foundry Place](#): 600
 - [Hanover](#): 903
- Metered Street Parking Spots: 695
- City Owned Parking Lots: 12
- City Owned Free Lots: 7 lots (639 spaces)
- Private Parking Lots with City Agreements: 2 lots (81 spaces)
- Bike Racks: 39
- Public Transit Options: 3

Water System:

- Miles of Water Mains: 190
- # of Service Connections: 8,541
- Storage Capacity in Gallons (millions of gallons): 11
- Maximum Daily Capacity of Plant (millions of gallons): 4.0
- Water Balance (production v. billed and known use) – percentage : 6.00%
- # of Fire Hydrants: 1,035
- Precipitation for FY: 33.8 in

Sewage System

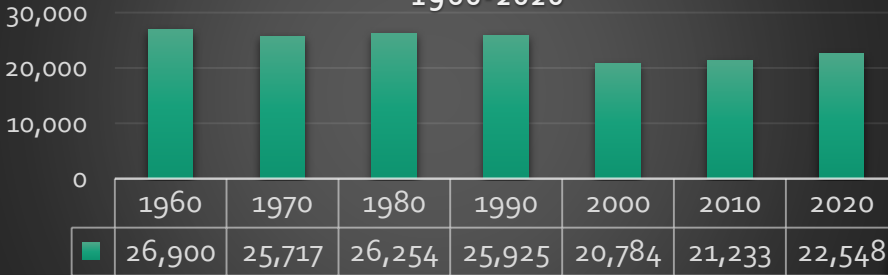
- Miles of Sanitary Sewers: 107
- # of Treatment Plants: 2
- # of Service Connections: 6,717
- Maximum Daily Capacity of Treatment (millions of gallons): 25.3

1. Source: Taintor&Associates, Existing Conditions, 2004.

2. source: City of Portsmouth, 2003 Wetlands Inventory

Portsmouth Demographics

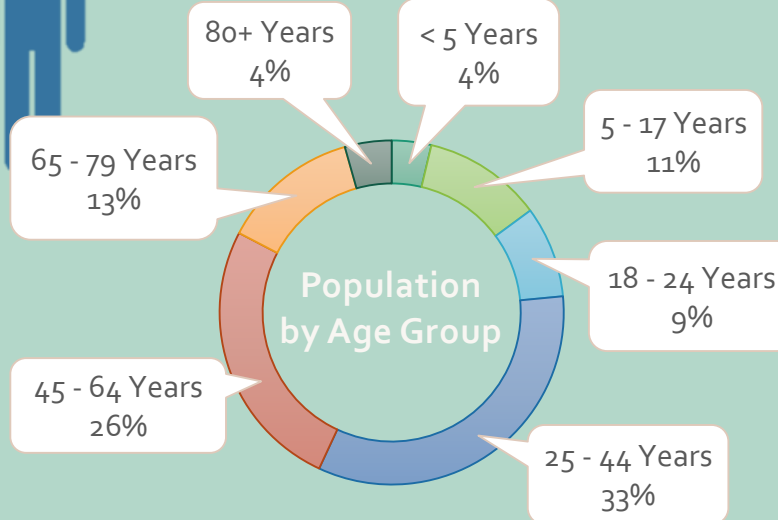
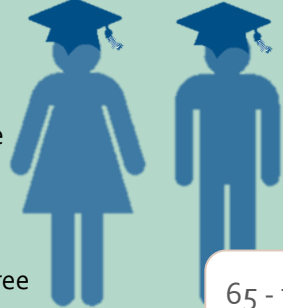
Portsmouth Population Decennial Trends
1960-2020



Population 22,548

Educational Attainment

- 95.8% High School Graduate or Higher
- 58.6% Bachelors Degree or Higher
- 23.9% Graduate or Professional Degree



Housing Statistics

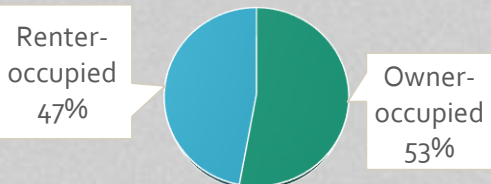
\$78,027
Median Household Income

11,161
Housing Units (94% Occupancy)

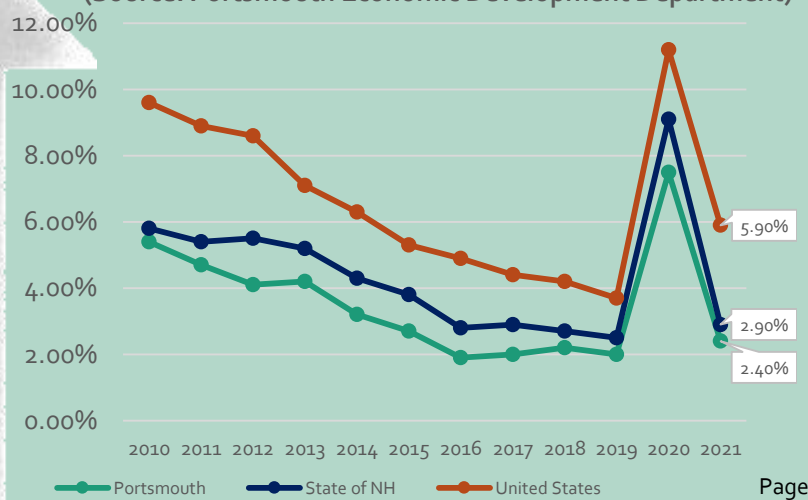
\$78,027
Median Household Income

\$1,062
Median Gross Rent

2.07
Average Household Size



Annual Average Unemployment Rates 2010-2021
Portsmouth is consistently lower than the state and region in unemployment rates.
(Source: Portsmouth Economic Development Department)



Economic Indicators



Total Valuation Before Exemptions

TY20 (FY21)

	Total	Count
Commercial *	\$ 2,674,409,270	1,427
Residential **	\$ 3,656,359,305	7,432
Totals	\$6,330,768,575	8,859

* Includes Pease Non Airport & Utilities, does not include Pease Airport

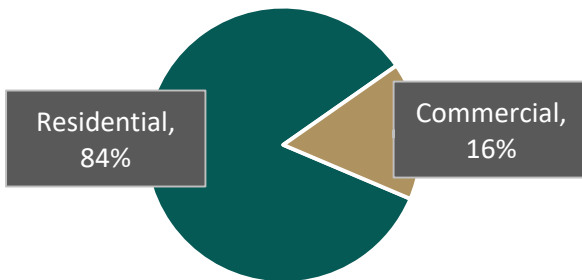
** Includes single family, condos, multifamily units, mobile homes, and vacant land

Residential Vs. Commercial

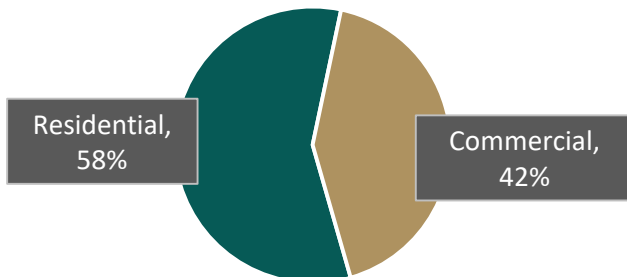
Important Numbers

- Residential Properties** make up **84% (by count)** of the properties in Portsmouth but **pay only 58%** of the tax burden.
- Commercial Properties** make up **16% (by count)** of the properties in Portsmouth and **pay 42%** of the tax burden.

Residential vs. Commercial Properties by Percent of Taxable Parcel Count TY 2020 (FY2021)



Residential vs. Commercial Properties by Percent of Total Assessed Value TY 2020 (FY2021)



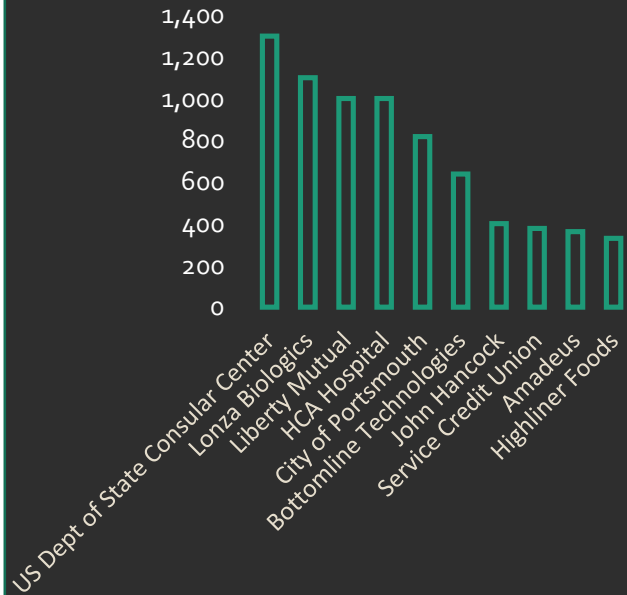
FY = Fiscal Year – July 1st to June 30th
TY = Tax Year April 1st to March 30th



Largest Portsmouth Employers

Fiscal Year 2021

Employees

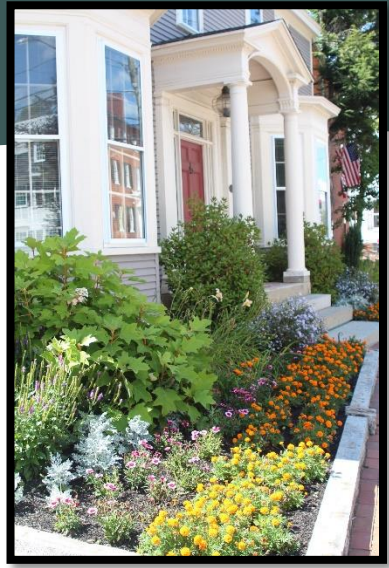


Top 5 Taxpayers FY2021

The top 5 Taxpayers in Portsmouth paid 5.48% of the City's taxes in FY2021.

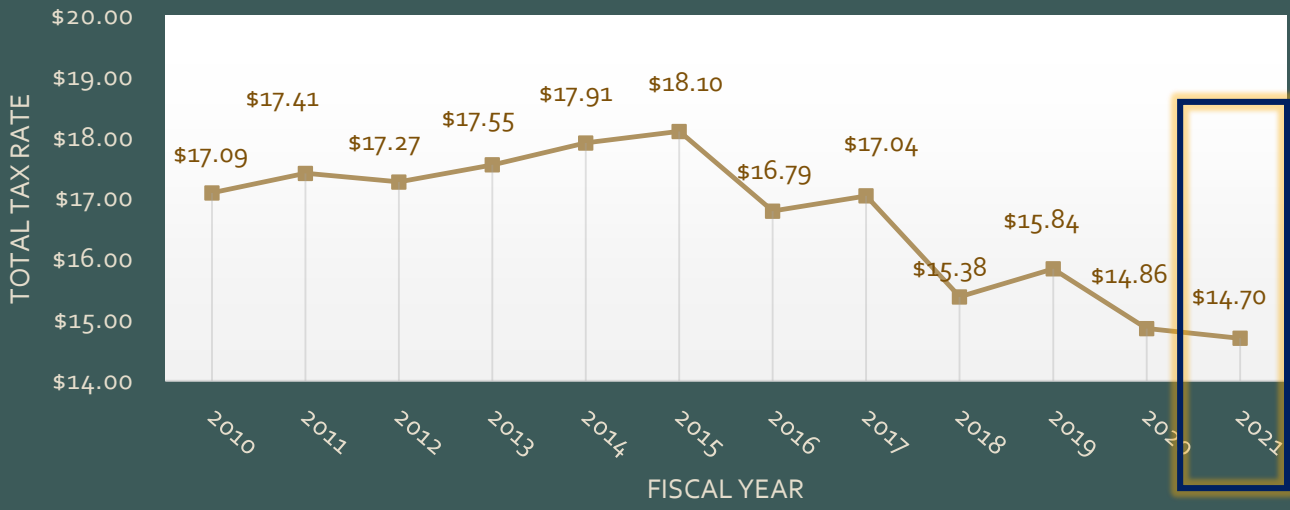
Company	Business Type	Percentage of Total Taxable Property
Public Service of New Hampshire	Utility	1.81%
HCA Health Services	Medical Building	1.38%
Arbor View & The Pines LLC	Apartment Complex	0.86%
Northern Utilities Inc.	Utility	0.69%
Hanover Apartments LLC	Apartment Complex	0.70%

Property Tax Rate

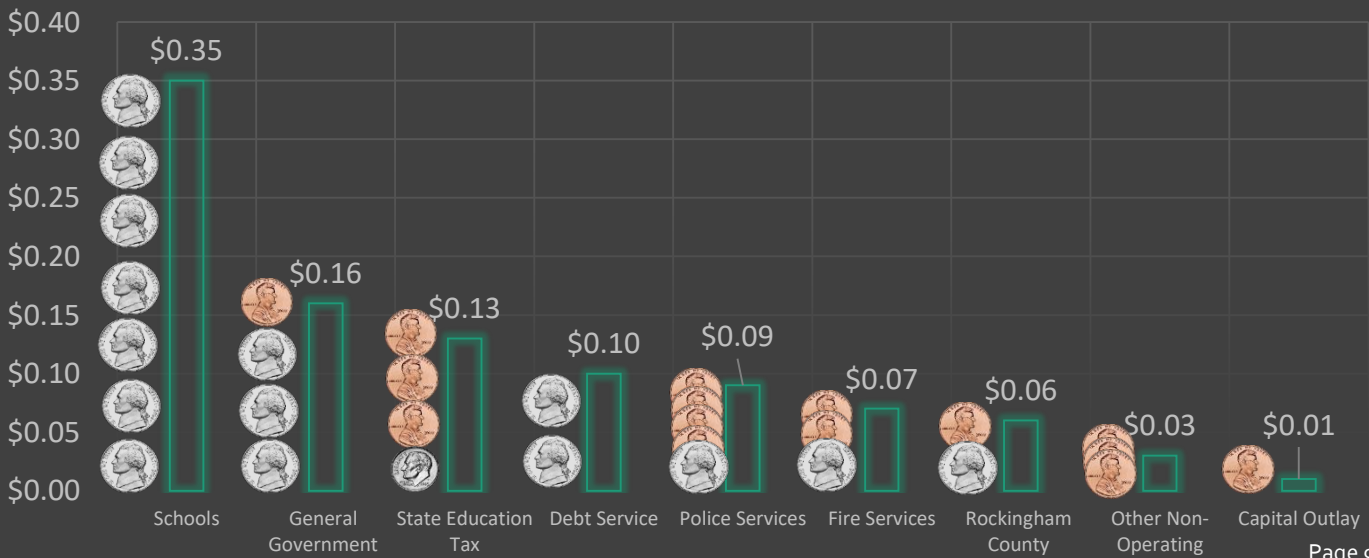


Tax Rate 2020 Tax Year (FY2021)	
\$14.70 (per \$1,000)	
Municipal -	\$6.83
County -	\$0.90
Local Education -	\$5.07
State Education	\$1.90

Portsmouth, NH Total Tax Rate (Fiscal Years 2007-2021)



Where does \$1 of your Property Tax Money Go?



Property Tax Levy, Assessments, and Equalization

Property Tax Levy and Taxes

The City Council annually adopts a budget that is made up of program-related operating and non-operating appropriations. Estimated Revenues (from fees/fines/etc.) are then subtracted from the annual appropriations resulting in a Tax Levy.

The Tax Levy is the amount of money that the City will have to raise through property taxes.

Approved Budget
 - Estimated Revenues
 - Use of Fund balance
 + War Service Credits
 + Overlay
 +/- Special Adjustments by the DRA

 = Tax Effort

The Tax Rate is set annually in the fall by the State of New Hampshire. Once the tax rate is set, the formula to calculate what your property tax is as follows . . .

Property Assessment
 ÷ 1,000
 X Tax Rate

 = Property Taxes

Property Assessments

Property Assessments, a value placed on each property in the City, are based on the market value and qualified comparable sales for each individual property as well as other contributing factors as of April 1st of each year. The State of New Hampshire relies on the assessment of values of properties at market value to attain fairness and equality to ensure the tax burden is proportionally spread across all property types.

Lookup Your Property's Assessed Value Online: <http://gis.vgsi.com/portsmouthnh/>

Equalized Tax Rate

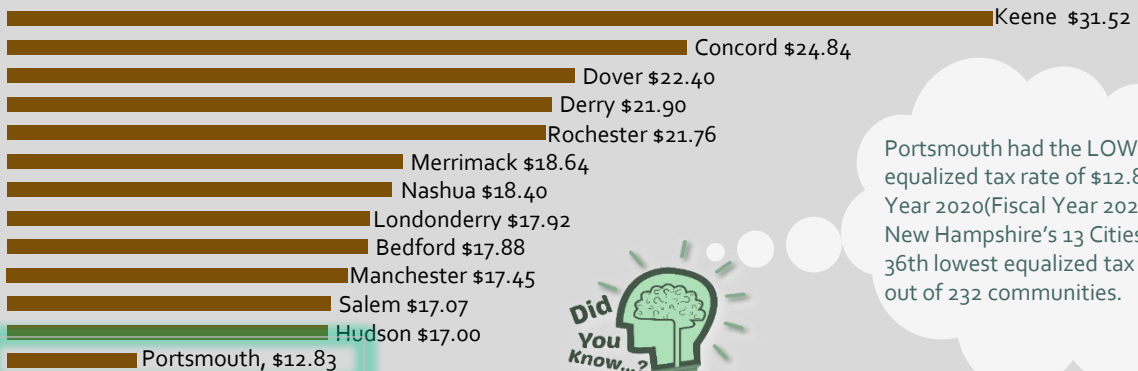
What is Equalization?

Each year the New Hampshire State Department of Revenue Administration (DRA), performs a statistical study of all of the state's municipal valuations. The study utilizes sales data to adjust all municipalities to 100% market value. This process is called equalization.

How is Equalization Used?

The State of New Hampshire utilizes the Equalized Value of each Town or City in order to proportionately share common tax burdens such as: County Taxes and State Education Property Tax.

Total Equalized Tax Rate 2020 (FY 2021)
 (NH Communities with a Population of at Least 20,000 Residents)



Portsmouth had the **LOWEST** equalized tax rate of \$12.83 in Tax Year 2020 (Fiscal Year 2021) among New Hampshire's 13 Cities and the 36th lowest equalized tax rate in NH out of 232 communities.



Property Tax Timeline & Tax Relief



Important Dates:

Tax Year

April 1 – March 30

Tax Assessment Date

April 1st

(Tax assessments are adjusted annually based upon their property inventory as of April 1st per NH RSA 75:8)

City Fiscal Year

July 1 – June 30

Tax Rate is Set

Late Fall (November)

Tax Calculator

<https://www.cityofportsmouth.com/tax/online-property-tax-calculator>

Tax Billing Options

Taxpayers can pay their tax bill at:

- City Hall (in the Tax Office),
- Online,
- Pay by Phone,
- Checks by Mail, and
- Drop Box.

Property Tax Bills Payable in 2 Equal Billings/ Installments:

- **1st Issue – December** (First 1/2 of the total property tax year amount)
- **2nd Issue – June** (Second 1/2 of the total property tax year amount)

** Partial payments and pre-payments are accepted and encouraged. Contact the Tax Office at 603-610-7244 for more information. **

Property Tax Liens

In accordance with State Law, property tax liens are executed in late August on any properties which have unpaid current year property taxes.

Tax Relief

Allowable by State Statute, the City of Portsmouth offers numerous options for Tax Relief for qualified residents.

• Veteran's Exemption

- Standard & Optional Veteran's Tax Credit (RSA 72:28)
- -OR- All Veteran's Tax Credit (RSA 72:28-b)
- Surviving Spouse (RSA 72:29-a)
- Tax Credit for Service Connected Total Disability (RSA 72:35)
- Certain Disabled Veterans – Total Exemption (RSA 72:36)

• Elderly and Disabled Exemptions

- Elderly or Disabled Tax Deferral (RSA 72:38-a)
- Elderly Tax Exemption
- Disabled Tax Exemption
- Blind Tax Exemptions
- Exemption for Improvements to Assist Persons with Disabilities

• Religious and Charitable Exemptions

- Solar Energy Systems Exemption
- Wind Powered Energy Systems Exemption
- Financial Hardship Application

Abatement Process

Property owners who wish to contest their assessments may request a review of their value by filing an abatement application with the Assessing Department.

- ✓ March 1st is the deadline to file the abatement application with the Assessor. The application can be found online. The Assessing Department must issue a response no later than July 1st.
- ✓ Property owners wishing to appeal the Assessing Department's decision can file with either the NH Board of Tax and Land Appeals or Rockingham County Superior court by September 1st.

Contact the Assessor's Office for more information:

Phone: [603-610-7249](tel:603-610-7249)

Online: <https://www.cityofportsmouth.com/assessors>.

FY21 Financial Highlights



I am pleased to present the City of Portsmouth's sixth Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021.

The PAFR, by its summary nature, is not intended to conform to Generally Accepted Accounting Principles (GAAP). This report is intended to extract and summarize financial information from the Annual Comprehensive Financial Report (ACFR) that may be most informative to the citizenry of Portsmouth, and other interested parties, regarding the financial health and stability of the City in a simplified presentation.

The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes additional financial statements, note disclosures and required supplemental information, citywide initiatives, accomplishments and statistical data. A copy of the ACFR is available at the Portsmouth Public Library as well as the City's website at http://files.cityofportsmouth.com/finance/FY21/ACFR2_1.pdf

As the City of Portsmouth's Director of Finance and Administration, it is my hope that you find this report helpful and easy to read. I welcome any questions,

comments and/or suggestions regarding this document.

Please visit the interactive PAFR on our website which offers the ability to "click" various links identified throughout this publication:

http://files.cityofportsmouth.com/finance/FY21/PAFR2_1.pdf

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GFOA Awards

The City of Portsmouth has received achievement awards from the Government Finance Officers Association of the United States and Canada (GFOA) and the Triple Crown recognition.



Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for fiscal year ending June 30, 2020. This marks the fourth (4th) PAFR award for the City of Portsmouth.



Certificate of Achievement for Excellence in Financial Reporting for its fiscal year ending June 30, 2020 Annual Comprehensive Financial Report (ACFR). This marks the City's twenty-eighth (28th) award. Awards were presented for the Fiscal Years ending June 30, 1988, 1989 and for twenty-five (26) consecutive years from 1995 to 2020.



Distinguished Budget Presentation Award for the City's fiscal year beginning July 1, 2020 Proposed Budget Document. This marks the City's fifteenth (15th) consecutive award.



Triple Crown Award for receiving all three GFOA awards for 2019 and 2020: the Certificate of Achievement for Excellence in Financial Reporting, Popular Annual financial Reporting Award, and the Distinguished Budget Presentation Award.

Glossary of Financial Terms

Abatement	An official reduction or elimination of one's assessed valuation after completion of the original assessed value.
Accrual Basis of Accounting	A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.
Appropriation	An authorization granted by a legislative body to make expenditures and incur obligations for specific purpose.
Assessed Valuation	The fair market value placed upon real and personal property by the city as the basis for levying property taxes.
Authorized Unissued Debt	Amount of an adopted borrowing resolution that has not actually been issued. This amount is utilized when calculating legal debt limits.
Bond Premium	An amount that the underwriter provides to the issuer at the closing of bonds in addition to the principal (par) amount borrowed.
Capital Assets	Land, improvements to land, easements, building, building improvements, vehicles, machinery, equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
Deferred Inflows and Outflows of Resources	Represents acquisition (inflows) and consumption (outflows) that are applicable to future reporting periods.
Enterprise Funds	Account for the financing of services to the general public whereby all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Enterprise Funds consist of the Water Fund and the Sewer Fund.
Fund Balance	The excess of an entity's assets over its liabilities also known as excess revenues over expenditures or net assets. Fund Balance can be further segmented as follows: <ul style="list-style-type: none"> • Non-spendable – Represents fund balance not available to be spent or legally required to be maintained intact. • Restricted – Represents fund balance that is restricted by creditors, grantors, contributors, or laws and regulations of other governments. • Committed – Self-imposed limitations set in place prior to the end of the period. • Assigned – Represents fund balance utilized in subsequent periods for pay-as-you capital projects and on-time, non-recurring expenditures. • Unassigned – Represents fund balance that is available for any purpose.
General Fund	The General Fund is the chief operating fund of the government.
Net Position	The residual of all other financial statement elements presented in a statement of financial position.
Overlay	An appropriation to fund potential tax abatements.
Proprietary Funds	Funds used for business-like activities, usually operate on an accrual basis of accounting. Proprietary funds include Enterprise and Internal service funds.
State Revolving Loan Fund (SRF)	A fund administered by the State for the purpose of providing low-interest loans for investments in water and sanitation infrastructure.

Financial Results – Net Position

The City's financial activities in total are made up of two classifications:



GOVERNMENTAL FUNDS:

- General Fund---Account for all general operating expenditures and revenues. This is the City's largest fund and primarily funded from property taxes.
- Special Revenue Funds---Proceeds of specific revenue sources that are restricted for a specific purpose.
- Capital Funds---CIP projects for City infrastructure improvements.
- Debt Service Funds---Principal and interest payments on a special assessment bond.
- Permanent Funds---Resources that are restricted to the extent that only earnings and not principal may be used for purposes that supports programs for the benefit of the government or citizenry.



BUSINESS-TYPE OR ENTERPRISE FUNDS:

- Water Fund---Production, delivery and storage of safe water supported primarily with user fees.
- Sewer Fund---Collection, transportation and treatment of wastewater supported primarily with user fees.

Statement of Changes in Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 20,132	\$ 19,742	\$ 26,448	\$ 25,601	\$ 46,580	\$ 45,343
Operating Grants and Contributions	13,464	12,251	-	-	13,464	12,251
Capital Grants and Contributions	2,546	3,197	5,699	7,681	8,245	10,878
General Revenues:						
Property Taxes	89,201	88,734	-	-	89,201	88,734
Interest on Taxes	191	165	-	-	191	165
Grants and Contributions (not restricted)	1,318	1,330	-	-	1,318	1,330
Investment Income	3,096	1,563	422	1,064	3,518	2,627
Other	3,348	2,394	456	471	3,804	2,865
Total Revenues	133,296	129,376	33,025	34,817	166,321	164,193
EXPENSES						
General Government	16,340	16,600	-	-	16,340	16,600
Public Safety	26,064	25,185	-	-	26,064	25,185
Education	65,079	57,810	-	-	65,079	57,810
Public Works	17,266	17,309	-	-	17,266	17,309
Health and Human Services	756	773	-	-	756	773
Culture and Recreation	3,688	4,460	-	-	3,688	4,460
Community Development	989	687	-	-	989	687
Interest on Long-Term Debt	4,039	4,329	-	-	4,039	4,329
Water Operations	-	-	9,325	8,761	9,325	8,761
Sewer Operations	-	-	16,636	12,518	16,636	12,518
Total Expenses	134,221	127,153	25,961	21,279	160,182	148,432
Change in net position before transfers and special items	(925)	2,223	7,064	13,538	6,139	15,761
Transfer in(out)	278	398	(278)	(398)	-	-
Special items			-	(1,690)	-	(1,690)
Change in net position	(647)	2,621	6,786	11,450	6,139	14,071
Net Position - beginning of year	112,465	109,844	127,757	116,307	240,222	226,151
NET POSITION - END OF YEAR	\$ 111,818	\$ 112,465	\$ 134,543	\$ 127,757	\$ 246,361	\$ 240,222

Statement of Changes in Net Position presents revenues and expenses for the City as a whole and describes the changes in net position for the current and prior fiscal year.

FY21 Total Revenue
\$166.3 Million



Up \$2.1M or 1.2% from FY20

FY21 Total Expenses
\$160.2 Million



Up \$11.7M or 7.9% from FY20

Financial Results – Net Position

Statement of Net Position presents information on all of the City fund’s assets and liabilities, deferred inflow/outflows of resources, with the difference reported as net position. Net Position is the difference between what the City owns and what the City owes. Over time, increases or decreases in net position may serve as a useful indicator whether the City’s financial position is improving or deteriorating.

At the close of the fiscal year, the City’s total net position of \$246.4 million represents an increase of \$6.1 or 2.6% from FY20.

Statement of Net Position (in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 105,026	\$ 92,574	\$ 66,732	\$ 64,369	\$ 171,758	\$ 156,943
Capital assets	255,991	249,653	253,307	239,821	509,298	489,474
Total assets	361,017	342,227	320,039	304,190	681,056	646,417
Deferred outflows of resources	35,423	16,358	1,633	700	37,056	17,058
Total assets and deferred outflows	\$ 396,440	\$ 358,585	\$ 321,672	\$ 304,890	\$ 718,112	\$ 663,475
Long-term liabilities	\$ 259,390	\$ 227,607	\$ 97,998	\$ 88,663	\$ 357,388	\$ 316,270
Other liabilities	18,070	10,118	88,819	88,139	106,889	98,257
Total liabilities	277,460	237,725	186,817	176,802	464,277	414,527
Deferred inflows of resources	7,162	8,395	312	331	7,474	8,726
Net position:						
Net investment in capital assets	151,205	145,409	99,765	91,840	250,970	237,249
Restricted	17,101	14,220	-	-	17,101	14,220
Unrestricted	(56,488)	(47,164)	34,778	35,917	(21,710)	(11,247)
Total net position	\$ 111,818	\$ 112,465	\$ 134,543	\$ 127,757	\$ 246,361	\$ 240,222
Total liabilities, deferred inflows and net position	\$ 396,440	\$ 358,585	\$ 321,672	\$ 304,890	\$ 718,112	\$ 663,475

Net Investment in Capital Assets is the largest portion of net position and reflects our investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire the assets that is still outstanding. As of year-end, net investment in capital assets is \$251 million, an increase of \$13.7 million from FY2020. These capital assets are used to provide services to citizens.

Restricted Net Position of \$17.1 million represents 7% of resources that are subject to external restrictions on how they may be used.

Unrestricted Net Position is the remaining amount of the net position not restricted for a specific purpose. There are two reporting mandates from Governmental Accounting Standards Board (GASB) 1) \$124.7 million of net pension liability representing the City’s share of the New Hampshire Retirement System’s unfunded liability and 2) \$21.8 million for Other Post-Employment Benefits (OPEB) liabilities. This resulted in an ending balance in Unrestricted Net Position of a negative \$21.7 million. [Detailed information regarding these liabilities can be found in notes 20 and 21 (pages 79-90) of the Fiscal Year ended June 30, 2021 ACFR].

General Fund – Fund Balance

GENERAL FUND BALANCE SHEET

	2021	2020	2019
Assets:			
Cash and Investments	\$50,679,739	\$50,716,865	51,550,362
Receivables:			
Property Taxes	2,382,591	1,878,202	2,224,781
Departmental and other	3,966,215	693,339	691,455
Due from other funds	1,561,663	788,738	898,026
Advances to other funds	430,160	443,160	480,160
Other assets	79,029	134,763	72,853
TOTAL ASSETS	\$59,099,397	\$54,655,067	55,917,637
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	1,721,800	1,172,090	1,270,361
Accrued liabilities	1,590,486	1,063,748	817,887
Unearned revenue	27,933	40,981	250,984
Retainage payable		6,907	6,427
Tax refunds liability	5,196,616	2,591,753	2,358,863
Other liabilities	646,827	563,680	644,776
TOTAL LIABILITIES	9,183,662	5,439,159	5,349,298
Deferred inflows of Resources	1,300,414	1,420,044	1,278,095
Fund Balances:			
Nonspendable	430,160	443,160	480,160
Restricted		-	-
Committed	21,324,259	21,917,043	22,665,499
Assigned	10,496,904	9,283,064	10,513,688
Unassigned	16,363,998	16,152,597	15,630,897
TOTAL FUND BALANCE	\$48,615,321	\$47,795,864	49,290,244
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$59,099,397	\$54,655,067	\$ 55,917,637

The General Fund balance sheet is prepared using current financial resources measurement focus and the modified accrual basis of accounting. Meaning, no long-term assets or liabilities are reported on this balance sheet.

Fund Balance is the excess of an entity's assets over its liabilities.

Total Fund Balance of \$48,615,321 or 40.81% of appropriations, represents an increase of \$819,457 or 1.7% from FY20.

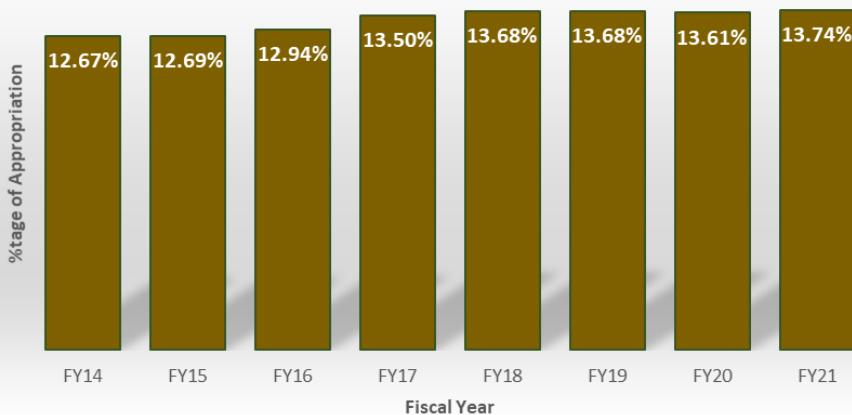
Unassigned Fund Balance Ordinance

The Unassigned portion of the fund balance represents expendable available resources that can be spent for future needs.

City Council adopted in Fiscal Year 1998 the "Unassigned Fund Balance Ordinance" and amended in fiscal year 2013 which mandates that the City will maintain an unassigned fund balance of between 10% and 17% of general fund appropriations.

Unassigned fund balance at the end of the fiscal year was \$16,363,998 or 13.74% of the final general fund budget. This is an increase of \$211,401 or 1.3% from prior year.

GENERAL FUND - UNASSIGNED FUND BALANCE



General Fund – Budget to Actual

The General Fund is the primary operating fund and represents services provided by the General Government, Police, Fire, and School Department as well as appropriations for Debt Service, Rockingham County Tax Obligation, Overlay, and Capital Outlay.

GENERAL FUND
STATEMENT OF REVENUES AND OTHER SOURCES
AND EXPENDITURES AND OTHER USES - BUDGET TO ACTUAL
FOR YEAR ENDED JUNE 30, 2021

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues and Other Sources:			
Taxes	91,389,583	92,170,220	780,637
Licenses and permits	6,602,100	7,910,700	1,308,600
Intergovernmental	10,206,629	10,159,560	(47,069)
Charges for services	6,037,561	5,876,663	(160,898)
Investment income	550,000	526,494	(23,506)
Interest and penalties	170,549	191,444	20,895
Fines and costs	411,744	616,806	205,062
Other revenues	163,000	635,020	472,020
Other financing sources:			
Transfers in	1,384,172	1,394,259	10,087
Use of Fund Balance:			
To reduce taxes	2,200,000	2,200,000	-
Total Revenues and Other Sources	119,115,338	121,681,166	2,565,828
Expenditures and Other Uses:			
<i>Current:</i>			
General administration	7,608,053	7,369,762	238,291
Other general administration	1,012,991	969,394	43,597
Public works	6,996,155	6,959,705	36,450
Community services	3,790,616	3,445,963	344,653
Regulatory services	1,655,955	1,450,334	205,621
Emergency management	12,014	6,456	5,558
Police department	12,152,363	11,737,056	415,307
Fire department	9,624,468	9,501,041	123,427
School department	52,102,298	52,008,812	93,486
Non-operating	24,160,425	24,068,137	92,288
Total Expenditures and Other Uses	119,115,338	117,516,660	1,598,678
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ 4,164,506	\$ 4,164,506

FY 2021 Budget to Actual Results (Budgetary Basis of Accounting)

Revenues exceeded the estimated revenues by \$2,565,828

In light of COVID-19, many of the revenue sources resulted better than expected:

- Excess of \$780,637 in budgetary property taxes which are not reported net of overlay.
- Excess of \$376,849 as a result of an increased number of motor vehicle registrations.
- Excess of \$878,400 in building, electrical and plumbing permits resulting from renovations and new construction citywide.
- \$122,532 in FEMA reimbursements from prior year.
- \$205,062 in excess in parking violations.
- Shortfall of revenues is mainly attributed to cancelation of recreation programs and reduction in student enrollment from area schools due to COVID-19 and

Expenditures were less than the estimated budget by \$1,598,678

The net surplus is comprised of:

- \$415,307 from the Police Department,
- \$123,427 from the Fire Department,
- \$93,486 from the School Department,
- \$874,170 from other General Government Departments, and
- Non-operating net expenditures surplus of \$92,288



The Final FY21 Budget of **\$119,115,338** includes a Supplemental appropriation of \$150,000 for the redesign plan for the redevelopment plans of the McIntyre Federal Building

Money In (General Fund Revenues)

Where does the money come from to fund the General Fund budget?

General fund activities are financed by revenues generated from local property taxes, state shared revenues, and other local sources. Actual revenues for FY21, FY20 and FY19 are depicted



Property Taxes
75.8%



Licenses & Permits
6.5%



Intergovernmental
8.3%



Charges for Services
4.8%



Investment Income
.4%



Interest on Taxes
0.2%



Fines & Costs
0.5%



Other Revenues
0.5%



Other Financing Sources
1.2%



Use of Fund Balance
1.8%

Revenues	Actual 2021	Actual 2020	Actual 2019
Property taxes	92,170,220	90,613,451	87,444,879
Licenses and permits:			
Motor Vehicles Permits	5,226,849	4,835,658	5,018,306
Building Permits	1,767,842	1,110,131	1,599,907
Cable Franchise Fee	360,000	360,000	360,000
Other Licenses and Permits	556,009	545,329	426,523
Intergovernmental:			
School Building Aid from State	1,757,196	1,863,247	1,863,247
Rooms and Meals Tax from State	1,318,163	1,329,583	1,122,057
Highway Block Grant from State	429,034	452,678	444,779
School Tuition	6,613,787	6,525,420	6,370,822
Other	41,380	69,922	204,727
Charges for services:			
PDA Airport District	2,726,229	2,765,894	2,836,535
Police Outside Detail	197,714	149,672	196,093
Ambulance Fees	935,293	1,027,490	950,046
Net Parking Related Revenue	1,789,564	1,637,532	1,668,427
Recreation Department	21,482	231,741	273,961
Other Charges for services	206,381	170,506	235,400
Investment Income:	526,494	1,205,712	1,336,087
Interest on Taxes:	191,444	164,713	104,157
Fines and Costs	616,806	769,152	741,808
Other Revenues:	635,020	243,517	335,882
Other Financing Sources:			
Bond Premium	-	-	4,314
Transfer from Other Funds	1,394,259	1,302,111	1,191,708
Use of Fund Balance:			
Use of Fund Balance	2,200,000	2,500,000	2,273,000
Use of Bond Premium	-	-	1,286,114
Total Revenues	\$ 121,681,166	\$ 119,873,459	\$ 118,288,780

Money Out (General Fund Expenditures)

How is the money spent to fund General Fund Expenditures?

Revenues collected from property taxes, state shared revenues and other local revenues are used to fund the General Fund expenditures only. Actual Expenditures for FY21, FY20, and FY19 are depicted below.

Expenditures	Actual FY21	Actual FY20	Actual FY19
Operating Budget			
General Government	20,027,270	19,610,810	19,201,147
Police	11,737,056	11,571,211	11,155,190
Fire	9,501,041	9,142,802	8,894,022
Education	52,008,812	49,996,009	48,085,225
Transfers	174,344	239,000	150,000
<i>Total Operating</i>	\$ 93,448,523	\$ 90,559,832	\$ 87,485,584
Non-Operating			
Debt Service	13,231,740	13,919,613	13,468,666
Rockingham County Tax	5,667,030	5,561,364	5,503,199
Capital Outlay	1,276,000	1,810,000	1,635,000
Other Non-Operating	3,893,367	4,395,629	5,037,230
<i>Total Non-Operating</i>	\$ 24,068,137	\$ 25,686,606	\$ 25,644,095
Total Expenditures	\$117,516,660	\$116,246,438	\$113,129,679

Operating Expenditures represents 79.5% of the total Expenditures for FY21



General Government
17%



Police Department
10%



Fire Department
8.1%



Education
44.3%



Transfer to Indoor Pool
0.1%

Non-Operating Expenditures represents 20.5% of the total Expenditures for FY21



Debt Service
11.3%



Rockingham County Tax
4.8%



Capital Outlay
1.1%



Other Non-Operating
3.3%

Expenditure Categories

- **General Government-** City Council, City Manager, Finance, City Clerk, Elections, Legal, Human Resources, Public Works, Planning, Inspection, Health, Information Technology, Public Library, Recreation, Senior Services, Welfare, Outside Social Services, and Emergency Management.
- **Public Safety-** Police and Fire Departments.
- **Education-** K-12 School System.
- **Transfers:-** Annual transfer for operating expenses for the Indoor Pool and Prescott Park.
- **Debt Service-** Principal and Interest on Long-Term Debt.
- **Rockingham County Tax-** Portsmouth's apportionment of the Rockingham County Tax Obligation.
- **Other Non-Operating-** Overlay, Capital Outlay, Contingency, IT Equipment Replacement, and Rolling Stock.

Enterprise Funds – Water & Sewer Funds

An Enterprise Fund establishes a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods and/or services to the general public. The City of Portsmouth has two Enterprise Funds: Water Fund and Sewer Fund and each are accounted for separately.



How is my water & sewer rate established?

Both the Water and Sewer Funds utilize a comprehensive rate model which serves as a tool to allow for long-term financial planning to create a rate structure that is stable and predictable from year to year to lessen the user rate impact due to capital investments or unanticipated losses of revenue.

The City's water rate and sewer rate structure is a two tiered inclining rate, meaning, the first 10 units (a unit of 100 cubic feet of water or 748 gallons) of water consumed each month is billed using one rate, and water consumed greater than 10 units per month is billed at a higher rate. Since the large volume users have a greater impact on system production capacities, storage volume and pipe sizing, a second tier at the higher rate captures the additional costs incurred to serve them.

The City's irrigation meter consumption rate structure for both residential and commercial customers have a third tier for any consumption beyond 20 units per month to further promote efficiencies.

Why is there a monthly meter charge on my bill?

The Meter charge is for ongoing maintenance and service of meters installed on the property and is based on the service size as listed on table. Typical residential meter is 5/8".

Water Meter Charge

Meter Size	Monthly Rate
5/8"	\$4.95
3/4"	\$4.95
1"	\$8.27
1 1/2"	\$14.25
2"	\$22.91
3"	\$36.26
4"	\$68.74
6"	\$120.27
8"	\$168.01
10"	\$252.02

WATER FUND

The Water Fund operates and maintains water production, water storage and water distribution servicing Portsmouth, Greenland, New Castle, Newington and portions of Durham, Madbury and Rye.

FY21 WATER RATES

Consumption per month

First Tier Rate (10 units or less)	\$4.32
Second Tier Rate (over 10 units)	\$5.20



Irrigation Meter Consumption Rates

1st Tier Rate [0-10 units]	\$5.20
2 nd Tier Rate [11-20 units]	\$9.81
3 rd Tier Rate [over 20 units]	\$12.11

SEWER FUND

The Sewer Fund operates the Collection and Treatment of wastewater.

FY21 SEWER RATES

Based on Water Consumption per month

First Tier Rate (10 units or less)	\$14.32
Second Tier Rate (over 10 units)	\$15.75

Enterprise Funds – Water & Sewer Funds

The Water and Sewer funds are reported on the proprietary fund financial statements and use the full accrual basis of accounting similar to private sector. Each report equity as net position. The Statement of Revenues, Expenses and Changes in Fund Net Position for FY21 and FY20 is displayed below for comparison.



CITY OF PORTSMOUTH, NEW HAMPSHIRE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Water 2021	Water 2020	Sewer 2021	Sewer 2020	Total 2021	Total 2020
Operating Revenues:						
Charges for services	\$ 8,414,656	\$ 8,284,662	\$ 16,436,560	\$ 15,523,645	\$ 24,851,216	\$ 23,808,307
Licenses and permits	917,705	785,192	192,828	500,023	1,110,533	1,285,215
Department revenue	335,829	279,682	132,330	217,905	468,159	497,587
Other revenue	17,760	10,074	-	-		
Total Operating Revenues	9,685,950	9,359,610	16,761,718	16,241,573	26,429,908	25,591,109
Operating Expenses:						
Personnel services	4,289,006	3,661,140	4,504,432	3,757,571	8,793,438	7,418,711
Non-personnel services	1,887,472	1,957,726	4,746,038	3,659,955	6,633,510	5,617,681
Depreciation	2,110,415	2,056,796	4,433,514	2,550,063	6,543,929	4,606,859
Total Operating Expenses	8,286,893	7,675,662	13,683,984	9,967,589	21,970,877	17,643,251
Operating Income	1,399,057	1,683,948	3,077,734	6,273,984	4,476,791	7,957,932
Nonoperating Revenues (Expenses):						
Intergovernmental revenues	792	3,805	549	12,583	1,341	16,388
Investment income	90,623	272,348	331,285	791,307	421,908	1,063,655
Bond amortization	190,003	190,003	264,553	264,553	454,556	454,556
Interest expense	(1,038,240)	(1,085,169)	(2,952,394)	(2,550,745)	(3,990,634)	(3,635,914)
Total Nonoperating Revenues (Expenses)	(756,822)	(619,013)	(2,356,007)	(1,482,302)	(3,112,829)	(2,101,315)
Income Before Contributions and Transfers	642,235	1,064,935	721,727	4,791,682	1,363,962	5,856,617
Capital contributions	4,960,786	6,835,457	739,222	845,890	5,700,008	7,681,347
Special Item - Loss on disposal				(1,690,184)		(1,690,184)
Transfer out			(277,707)	(397,806)	(277,707)	(397,806)
Change in Net Position	5,603,021	7,900,392	1,183,242	3,549,582	6,786,263	11,449,974
Net Position at Beginning of Year	54,436,850	46,536,458	73,320,343	69,770,761	127,757,193	116,307,219
Net Position at End of Year	\$60,039,871	\$54,436,850	\$74,503,585	\$73,320,343	\$134,543,456	\$127,757,193

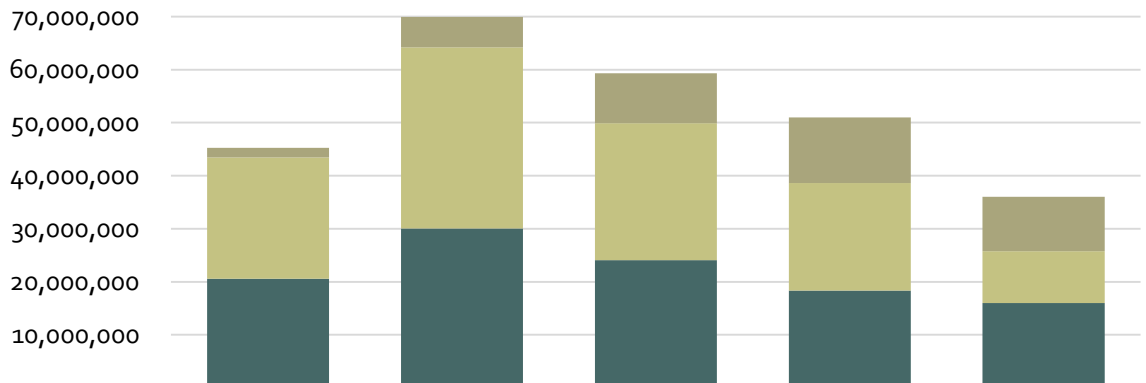
The total net position for the Water and Sewer Funds at the end of the year increased by \$6.8 million for a total of \$134.5 million. The Water Fund increased by \$5.6 million and the Sewer Fund increased by \$1.2 million. Key elements of the changes are:

- Increase in operating revenues for the water fund of \$.326 million or 3.4% and the sewer fund experienced an increase of \$.520 million or 3.2%, both primarily as a result of rate increases.
- Non-operating revenues of \$.878 million represent a decrease of \$.657 million primarily due to a decrease in investment income.
- Non-operating expenses, interest expense, increased by \$.355 million to \$4 million.
- Capital grants and contributions of \$5.7 million represents a decrease of \$2 million due to contributions made by the U.S. Air Force for well and water source projects at Pease.

Capital Investments

Investments in Capital Assets

Capital Assets are defined as land, buildings, equipment, and infrastructure owned by the City. Investments in capital improvements are made each year. The chart below depicts a 5-year history of capital expenditures to purchase, construct or improve infrastructure citywide. These projects are funded through annual appropriations, bonds, loans, grants and other capital contributions.



	FY 17	FY 18	FY 19	FY 20	FY 21
Water Fund	1,862,719	5,743,286	9,409,741	12,379,502	10,205,383
Sewer Fund	22,821,809	34,169,336	25,810,661	20,279,724	9,824,245
Governmental Funds	20,604,932	30,036,167	24,076,253	18,360,023	15,975,252

CAPITAL ASSET EVENTS DURING THE FISCAL YEAR

Governmental Activities

Capitalized Assets

- Senior Center
- Market Street Extension
- New Franklin School-Ventilation
- Kearsarge Avenue Bridge
- New Hampshire Avenue
- International Avenue
- Market Street Bridge
- Rock Street Park
- Spinnaker Point Roof
- Public Works Mack GR 64B Ho45
- Discover Center Access

Water Fund Activities

Capitalized Assets

- Duffy Parcel-Bellamy Reservoir Easement
- McDonough Street Area Waterline
- Greenland Well Parcel U3, Parcel 8A
- Newington Booster Station

Sewer Fund Activities

Capitalized Assets

- Peirce Island Wastewater Treatment Plant- Equipment/Buildings/Other Infrastructure
- DPW Complex-Stormwater Treatment
- Hanover Street Sewer Line
- Peirce Island Bridge Sewer Line
- Cate Street Sewer Line

Long-Term Debt Outstanding

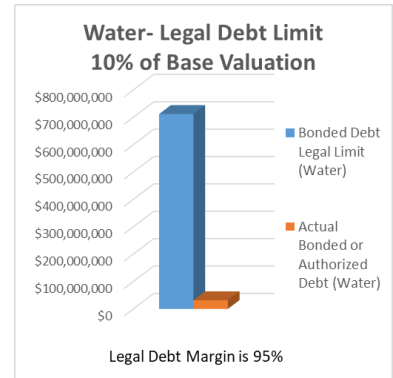
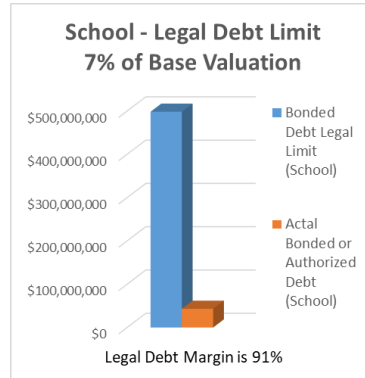
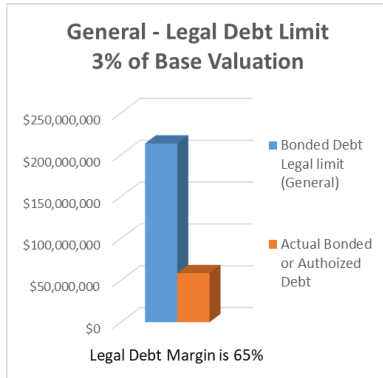
Total net debt increased by \$8.6 million or 4.87% during the current fiscal year primarily as a result of:

- Reduction of outstanding debt principal of \$18.3 million.
- Issuance of General Obligation bonds and refinancing callable bonds of \$26.9 million.

		2019	2020	2021
Governmental Activities	Municipal	59,113	52,649	58,619
	School	52,015	46,975	43,311
Business-Type Activities	Water	30,645	28,105	31,716
	Sewer	54,545	49,688	52,408
Total		\$196,317	\$177,416	\$186,055

General Obligation Debt is Well below the Legal Limits

RSA 33 – Legal Debt Limit: General Obligation bonded debt issuances and loans for General, School, and Water capital projects are subject to legal limitations of the June 30, 2021 base valuation of \$7.12 Billion as calculated by the State Department of Revenue Administration. Debt associated with Sewer projects are not subject to the legal debt limit.



2021 S&P Affirmed the City's
"AAA" Bond Rating

**STANDARD
& POOR'S**

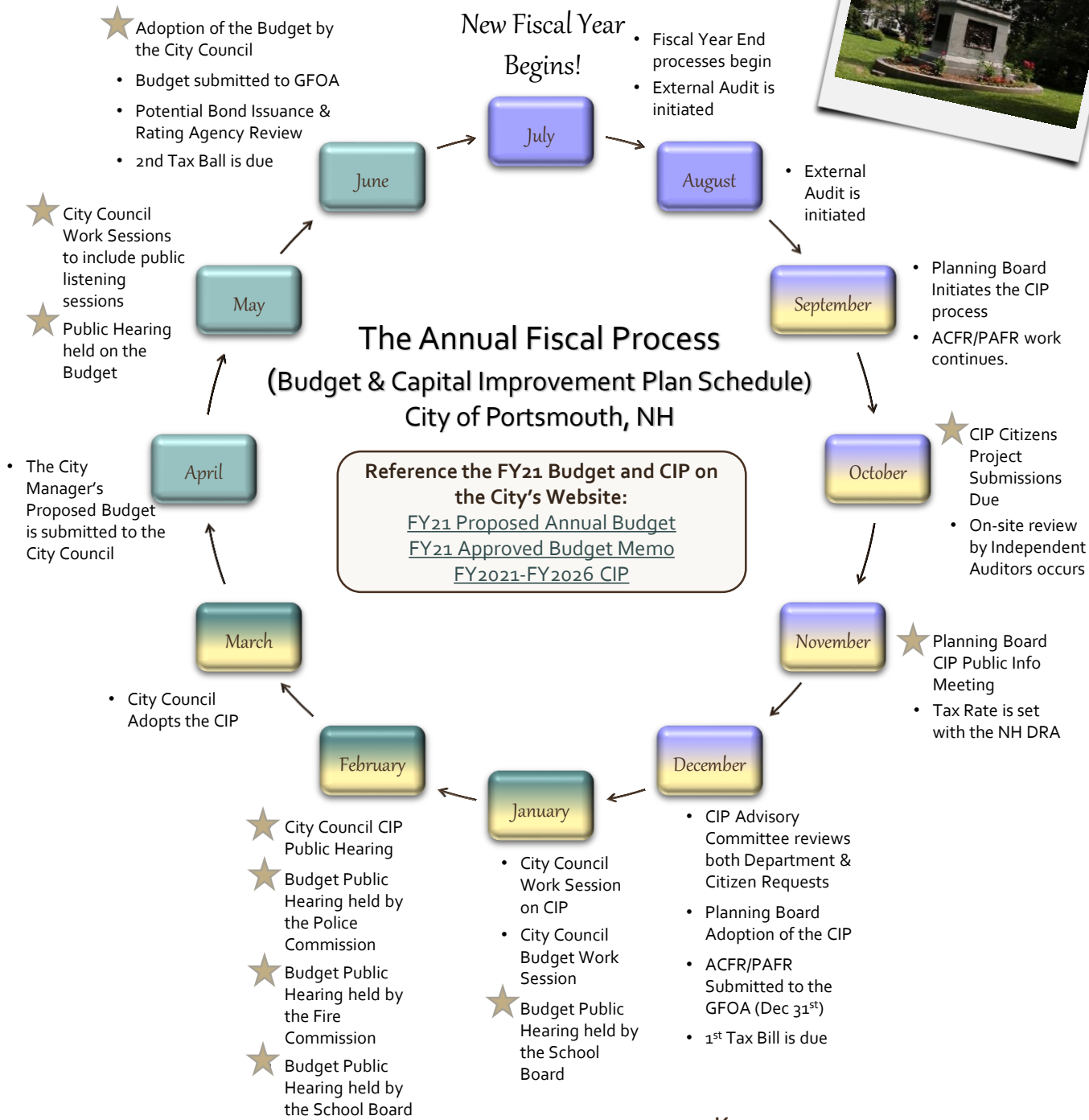
What does the
bond rating
mean to you
as the
Taxpayer?

Similar to your own credit rating, a bond rating is a grade given to bonds that indicates their credit quality. A "AAA" rating represents the highest credit rating available and translates to significant savings to you as the taxpayer through reduced interest rates. Rating agencies rate the municipality during each bond issuance focusing on the areas of: Conservative Budgeting Techniques, Debt Management, Stabilization Reserves, Strong Liquidity Management, Succession and Contingency Planning, and Fund Balance Policies, along with other demographic factors.

FY21 Budget Process



New Fiscal Year Begins!



Terms:

- CIP – Capital Improvement Plan
- ACFR – Comprehensive Annual Financial Report
- GFOA – Government Finance Officer's Association
- NH DRA – New Hampshire Department of Revenue Administration
- PAFR – Popular Annual Financial Report

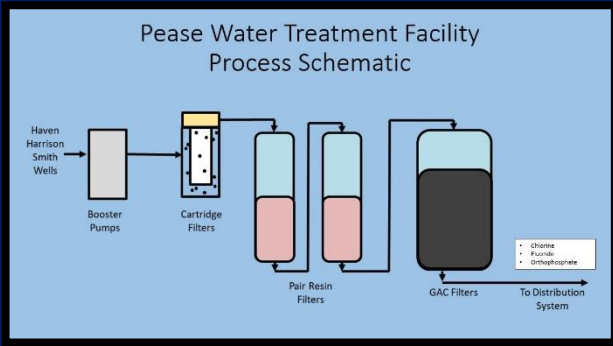
Key:

- ★ Public Input Opportunity
- ACFR/PAFR Reporting
- CIP Development
- Budget Development

Water & Sewer Spotlight Projects

Pease Water Treatment Facility

The completion of the Pease facility marked the culmination of seven years of response to the presence of PFAS contaminants that were found in May 2014 to be impacting three Pease drinking water wells. Past use of firefighting foam at the former Pease Air Base containing PFAS compounds contributed to this contamination. Subsequently, the Air Force signed an agreement in 2018 to treat perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) from water supplied by the Smith, Harrison and Haven Wells serving the Pease Tradeport drinking water system. The agreement provided the City with funds to reimburse the cost of construction of the final treatment system for all three wells, including a dual filtration system consisting of resin and granular activated-carbon filters.



The construction of the new Pease Water Treatment Facility followed extensive research, pilot testing and design of a system to treat the contamination. In partnership with the Air Force, the City conducted a demonstration project starting in September 2016 that installed granular activated carbon (GAC) filters to remove PFAS compounds from the drinking water from the Harrison and Smith Wells. Subsequently the City was invited by the firm ECT2 to pilot resin filter technology for the treatment. The success of that pilot led to the inclusion of resin in the final facility which effectively treats water from the Smith, Harrison and Haven wells. The construction project began in April 2019 and the completed facility was dedicated in May of 2021.

Peirce Island Wastewater Treatment Facility

In April 2021, the City of Portsmouth activated the wastewater treatment processes at the heart of the \$92 million upgrade to the Peirce Island Wastewater Treatment Facility. The completion of the project, which began in September 2016, marked a milestone in the City's history. The project's \$81.9 million in state funding was the largest in the history of the NH State Revolving Fund loan programs that support drinking water safety, water quality, and public health through low-cost financial assistance.

As intended, this project significantly increased the level of wastewater treatment provided at the facility, resulting in improved effluent discharged to the Piscataqua River. The upgrade to the Peirce Island Wastewater Treatment Facility (WWTF) included the installation of new headworks, rotary screw presses for solids dewatering and an advanced secondary biological treatment process which removes organics and nitrogen. This process enhanced the treatment at the facility with the addition of a biologically aerated/anoxic filter (BAF) using the Kruger BioSTYR™ technology. The project also involved converting the old Sludge Processing Building to the new Operations/Laboratory Building. Design of the facility was led by AECOM. The construction project was awarded to Methuen Construction.

Once construction ended, the site was returned to public recreational use with enhanced access to the trail loop around the end of Peirce Island. The City continues to work with the Peirce Island Committee to add a trail extending from the current Cliff Overlook along the Piscataqua River's edge to the south side of the treatment facility.

6.1 Million Gallons/Day
Design average day design flow

Peak Design Flow 22
Millions of Gallons per Day

6 - 1st Stage Biological Aerated Filter Cells for Carbon removal and nitrification

The diagram shows the complex flow of wastewater through various stages including headworks, primary treatment, and secondary biological treatment (BAF), leading to sludge dewatering and effluent discharge.

The Senior Activity Center

The City of Portsmouth acquired the Paul A. Doble property at 125 Cottage Street and began to refurbishing it into the City's new Senior Activity Center in 2019. Working together with the Community Development and Public Works Departments, the Senior Services Division of the Recreation Department designed an adaptive reuse of the former Doble facility which expanded the space available to the current Senior Center from 2,400 square feet to 12,000 square feet. The new Center has increased the number of activity/classrooms available for programs from 2 to 7, including a 3,500 square foot Assembly Hall and incorporates some of the design features recommended by the National Council on Aging. Although COVID-19 guidelines restricted the number of occupants indoors, the Senior Activity Center very quickly became a critical alternative for space for vital civic and health uses as well as serving its key demographic of

mature adults. Immediately after opening, the Senior Activity Center served as a polling place for the November 3 Presidential election. It became a hub for drive-up hot meals provided by Meals for Wheels, for drive-up tax preparation assistance provided by AARP and ultimately, as a vaccination center organized by the City Health Department and the Portsmouth Fire Department. The Senior Activity Center staff also provided technical assistance and transportation to seniors who needed help scheduling and reaching vaccination appointments. As more City seniors became vaccinated, programming designed to make the Center Portsmouth's premiere community resource for mature adults, a vibrant hub for people to gather and access programs that encourage wellness, lifelong learning, creativity, socialization, and recreation.



On October 23, 2020, Mayor Rick Becksted, City Manager Karen Conard, Recreation board Chair Carl Diemer and Martini Northern LLC Project Manager Matthew Billings cut the ribbon to celebrate the opening of Portsmouth's new Senior Activity Center.



The Senior Activity Center

FY21 Spotlight: Senior Activity Center

May 17th, 2021 The New Senior Activity Center Opened



1,300 Members

225 Seniors attended the annual cookout in July at two seating under a tent



125 Seniors served a hot Thanksgiving Lunch

45 Veterans served at the Center's first Veterans Breakfast



50 People at each twice-weekly "Grab & Go" Meals thanks to a partnership with Meals on Wheels



Portsmouth Senior Transportation Provided by COAST - Monday to Friday from 6:00am to 6:00pm

www.coastbus.org

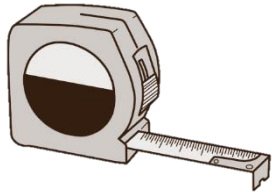
Call TripLink at 603.834.6010 or email triplink@communityrides.org or

Call the Portsmouth Senior Activity Center at 603-610-4433 or email bsullivan@cityofportsmouth.com

Check out the [Senior Services Website](#) as well as the [Senior Activities Center Events Page](#) for more information!



New Facility Size



12,000 Sq. Ft.

2 Program Spaces



49 Programs



Charter Departments (Police, Fire & School)

Police Department



37,767 (10% ↑) Police Department Service Calls in FY21

826 Total Number of Arrests in FY21



66 DWI Arrests (43.5% ↑)

419 (18% ↓)

Motor Vehicle Accidents



2,003 # Pieces of evidence processed

740 Pounds of medication collected at the PPD lobby kiosk.



Fire Department



2,547 (16% ↑) Fire/Rescue Service Calls in FY21

3,331 (3% ↑)

Ambulance Service Calls in FY21



169 Motor Vehicle Accidents

387 Fire and Life Safety Inspections



5,757 Hours of Training

5,000+ COVID-19 Vaccines Administered at **21 Clinics**



School Department

24

Futures had 24 students attending high school and 23 college students. Since its inception in 1993, over 200 students have received college mentoring and attend a 2 or 4-year college.

#5

Portsmouth School District rated #5 in Best School Districts in New Hampshire according to Niche (www.niche.com).

Congratulations!

The following teams reached the championships:

CHAMPIONSHIP FINALISTS:

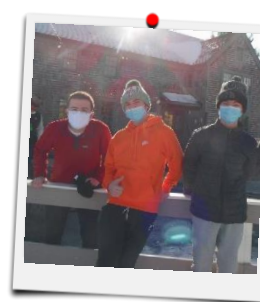
- Girls Alpine Skiing Finalists (Division I)
- Boys Tennis State Finalists (Division II)

CHAMPIONSHIP WINNERS:

- Boys Lacrosse (2021 Division II State Champions – 1st championship for the program!)
- Girls Lacrosse (2021 Division II State Champions – 4th consecutive championship)
- Girls Field Hockey (2021 Division II State Champions – 1st championship since 1982).

Portsmouth School Enrollment

	Elementary School (P, K-5)	Middle School (6-8)	High School (9-12)
# of Schools	3	1	1
Grade Levels	P, K-5	6-8	9-12
Total Enrollment	925	491	1,049



Community Services (Recreation & Public Library)

City Departments - FY21 Highlights



Recreation

FY21 Recreation Department News:

- Every Recreation Facility shuttered due to the pandemic was reopened, with the exception of the Indoor Pool, during the FY21 year.
- Easter 2021 saw over 100 children attend the drive-thru Easter Egg event.
- Over 100 Father's Day STEM Kits and 100 Mother's Day Craft Kits were handed out to Portsmouth families.
- A new Spring Pre-K soccer program and Kids Yoga program were developed and launched.
- Numerous Pickleball clinics were held, introducing the sport to many more people.
- Summer Camps were reopened for Summer 2021 with COVID protocols in place, to accommodate over 500 children in various day camps.
- Upgrades were completed to Spinnaker Point including locker rooms, bathrooms, paint and flooring.
- A new Turf Field was completed and opened for use.
- Over 15,000 to the Outdoor Pool in summer of 2021.
- Department main offices were moved from the Connie Bean facility to the new Senior Activity Center.



The Recreation Department has moved to online registration for all of its programs. Check out the [Recreation Department's Website](#) for more information!



Public Library

Come see what the Library has to offer!

For All Ages

- [Summer Reading Program](#) (with prizes!)
- [3D Printing](#)
- [Museums & discounted passes](#)
- [PPL Rex](#): personalized book bundles and book lists,
- Monthly Exhibits
- Film Screenings
- Cooking Classes
- Take & Make craft kits
- NEW! [Seven Little Free Libraries](#) around Portsmouth

Adults

- [Standing Up to Racism](#) 4-week course, in its 8th session
- Three [Book Clubs for Adults](#)
- [Weekly Meditation](#) with local volunteer teachers
- [Language Discussion Groups](#)
- Wireless Printing, Scanning, Faxing, Computers & Wi-Fi
- [Monthly Genealogy Workshops](#) and Local History Talks
- Mah Jongg
- Shakespeare Discussion Group
- [World Affairs Discussion Group](#)
- Lecture Series
- Talks and Workshops on a variety of topics
- Crafting and Technology workshops
- Guitar Concerts
- End of Life, Estate Planning and Grief workshops
- Author Talks and Book Signings

Youth & Teens

- Story Times (outdoors and online)
- Five Book Clubs for [Youth & Teens](#)
- Outreach to local organizations
- [Reading Dogs](#)
- Middle School Mondays with games and crafts
- Middle School Art Night, Teen Advisory Board, and Teen D&D
- Teen Takeout Boxes (for pickup and delivery)
- Quarterly Reading Challenges to promote early literacy
- Special events

In FY21 the Library loaned out 232,498 items.

of people that visited the Portsmouth Public Library in FY21.
126,101

Visit the [Portsmouth's Library's Events Calendar](#) for a full listing of events.

Public Works (Highway, Parking, Water, Sewer & Stormwater)

Highway Division

FY21 Accomplishments

- Maplewood Avenue Complete Streets Project
- FY21 Streets and Sidewalk Projects
- New Athletic Field
- Prescott park & Four Tree Island Public Art
- Neighborhood Traffic-Calming Efforts
- Pedestrian Crossing Signal Upgrades
- Wayfinding Project



1,140 Click n' Fix Items

25 Adopt-A-Spot Gardens within the City



80 City Biodiesel Vehicles & **1** City Electric Vehicle

355 Period LED Downtown Street Lights



Parking Division

FY21 Accomplishments

- "Stay & Pay" On Street Parking Program
- PARIS Garage Parking Software
- Downtown Workforce Parking Program

What is the Downtown Workforce Parking Program?

\$3 per Hour for a **10** hour parking session

Bring an application, your photo ID and a check stub of a downtown business to the Foundry Parking Garage.

<https://www.cityofportsmouth.com/publicworks/parkportsmouth/downto-wn-workforce-parking-program>

Water & Sewer Divisions

FY21 Accomplishments

- Pease Tradeport Water Treatment Facility Upgrade
- Bellamy Reservoir Water Protection
- Peirce Island Wastewater Treatment Upgrade
- Sewer Force Main Repairs on Peirce Island for Mechanic Street Wastewater Pumping Station
- Water and Sewer Pipe Replacements and Upgrades
- Islington Street Corridor Improvements

1,035 Fire Hydrants in the City



15 Water Main Breaks

107 Miles of Sanitary Sewers

190 Miles of Water Mains



33.8 Inches of Precipitation

Stormwater Division

FY21 Accomplishments

- Stormwater BMPs/UNH Capstone Project
- Stormwater Division Outreach "Think Blue"

Stormwater Resources:

www.cityofportsmouth.com/publicworks/stormwater/about

Portsmouth Department of Public Works:(603) 427-1530

[Learn More About Stormwater Do's And Don'ts.](#)



<https://youtu.be/Vp5lwUNVzoA>

Did you know . . .

? The City of Portsmouth is Dog Friendly?

- Take your Best Canine Friend to visit one of these off-leash dog park areas. [Portsmouth Off-Lease Dog Areas](#)
- Register for your Dog License Online (2,717 were registered in FY21) [Register Your Dog Here](#)
- You can read with a dog at the Portsmouth Public Library? [How to Read with a Dog at PPL](#)
- The City has 2 Police Canine Teams (drugs/explosives)
 - Ptl Steven Blanding and K-9 Frankie
 - Ptl Aaron Stacy and K-9 Axe (drugs/explosives)
 - The City also utilizes a grant funded canine, named Nico, who is a member of the ICAC team (Internet Crimes Against Children)
- The Stormwater Team has been educating City dog owners on the do's and don'ts of dog waste disposal to help the City's stormwater. <https://www.youtube.com/watch?v=NIRHssrDFxo>

Also, make sure to bring your Pup to visit one of the many Dog-Friendly businesses downtown!



Watch Video



? You can donate funds to a City Project?

Go to the City's Website

<https://www.cityofportsmouth.com/city/pay-my-bill> to donate - or scan a QR code below with your mobile phone.



Portsmouth 400th

City Cemetery Improvements



Skateboard Park

Portsmouth Public Library



Community Education Scholarships



Next Year's FY22 Budgets

At the time of publication of the PAFR for year ending June 30, 2021, Fiscal Year 2022 is underway and the budget document is available for review at the Public Library, City Clerk's office as well as on the City's website. The document describes the strategy implemented to continue the services, critical infrastructure needs, and fiscal stability of the City. This document provides helpful information to assist in understanding the City's budget.

<http://files.cityofportsmouth.com/finance/fy22/FY22ProposedBudget.pdf>



General Fund

Fiscal Year 2022 Budget

Operating Budget

General Government	21,458,910
Police	12,553,495
Fire	9,816,421
Education	53,492,241
Collective Bargaining	108,000
Transfer to Other Funds	923,486
Total Operating	\$ 98,352,553

Non-Operating

Debt Service	13,797,890
Rockingham County Tax	5,813,878
Capital Outlay	1,080,000
Supplemental - Skateboard Park	2,200,000
Other Non-Operating	4,280,712
Total Non-Operating	27,172,480

Total Annual Budget \$125,525,033

\$15.03

The tax rate approved by the Department of Revenue Administration is \$15.03 per \$1,000 of assessed value.

33¢
(2.2%)

The FY22 Final Budget of \$125,525,033 includes 2 supplemental appropriations:

- \$2,200,000 to fund the initial phase of the Skateboard Park
- \$116,000 for the new Community Campus building maintenance needs

Water and Sewer Funds

Both the Water and Sewer Division user rates have been set based on a two-tier inclining rate block structure based on units of water consumed. One unit is equal to 100 cubic feet or 748 gallons of water.



The FY22 water user rates reflect a 2% increase from FY21.

First 10 units of water consumed per month increased from \$4.32 to \$4.40.

Over 10 units per month increased from \$5.20 to \$5.30.



Irrigation rates are based on a three-tier inclining rate structure.

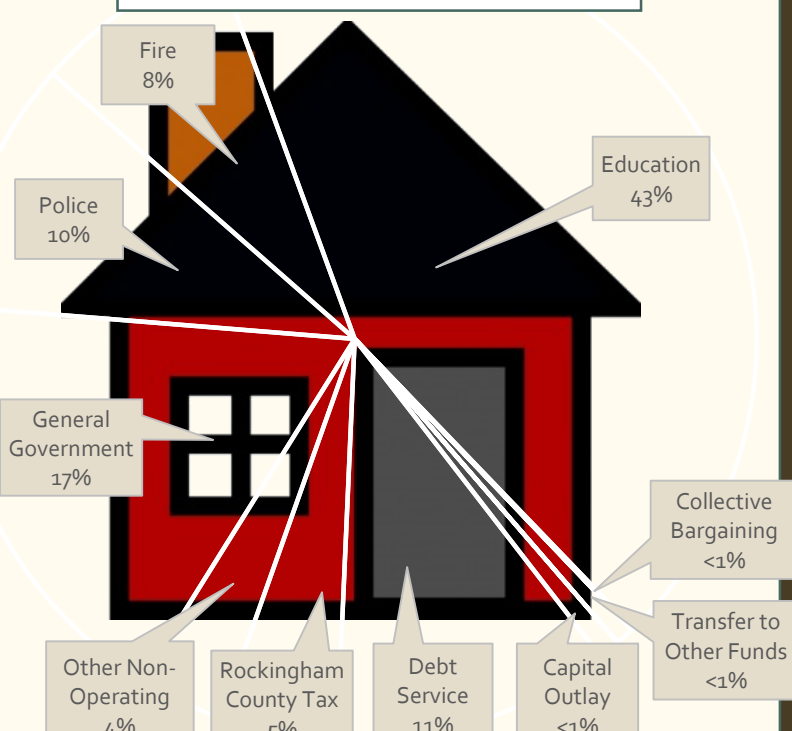
- First 10 units of water consumed 5.30/unit
- 10 units up to 20 units consumed 10.00/unit
- Above 20 units consumed \$12.34/unit



The FY22 sewer user rates reflect a 4% increase from the FY21 rates.

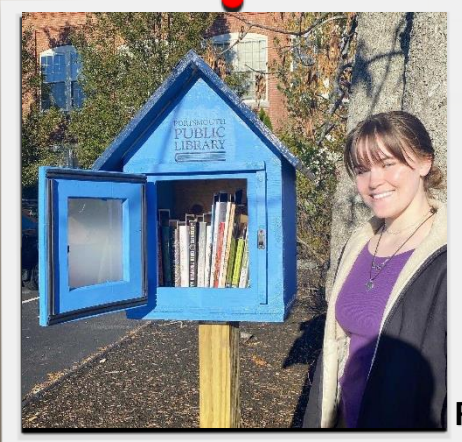
First 10 units of water consumed per month increased from \$14.32 to \$14.89.

Over 10 units per month increased from \$15.75 to \$16.38 per unit.



Contact Us

Name/ Department	Telephone Number	Primary Location
Portsmouth City Hall (Switchboard)	603-431-2000	Portsmouth City Hall 1 Junkins Ave Portsmouth, NH 03801
Mayor	603-610-7200	Portsmouth City Hall
City Manager	603-610-7202	Portsmouth City Hall
Deputy City Manager	603-610-7297	Portsmouth City Hall
Finance Department	603-610-7223	Portsmouth City Hall
Accounts Payable	603-610-7236	
Purchasing	603-610-7227	
Tax Collector	603-610-7244	
City Assessor	603-610-7249	
Portsmouth Public Works	603-427-1530	Public Works Building 680 Peverly Hill Road Portsmouth, NH 03801
Portsmouth Police Department	Emergency – 911 Non Emergency 603-427-1500	Portsmouth Police Department 3 Junkins Avenue Portsmouth, NH 03801
Portsmouth Fire Department	Emergency – 911 Non Emergency 603-427-1515	Portsmouth Fire Department – Station 1 170 Court Street Portsmouth, NH 03801
Portsmouth Public Library	603-427-1540	Portsmouth Public Library 175 Parrott Avenue Portsmouth, NH 03801
Portsmouth School Department	603-431-5080	Portsmouth School Department 1 Junkins Ave Portsmouth, NH 03801
City Clerk's Office	603-610-7245	Portsmouth City Hall
Health Department	603-610-7273	Portsmouth City Hall
Inspection Department	603-610-7243	Portsmouth City Hall
Planning Department	603-610-7296	Portsmouth City Hall
Human Resources	603-610-7270	Portsmouth City Hall
Legal Department	603-610-7204	Portsmouth City Hall
Recreation Department	603-766-1483	Connie Bean 155 Parrott Ave Portsmouth, NH 03801
Senior Services	603-610-4433	Portsmouth Senior Activity Center 125 Cottage Street Portsmouth, NH 03801
Welfare	603-610-7267	Portsmouth City Hall



2021

Popular Annual Financial Report
Fiscal Year Ended June 30, 2021

CityofPortsmouth.com