

TO: Honorable Mayor Thomas G. Ferrini and City Council Members
 FROM: John P. Bohenko, City Manager
 DATE: June 10, 2011
 Re: Adopted Annual Budget for Fiscal Year 2012

CC: All Department Heads and Reference Books

The City Council adopted resolution #7-2011, General Fund Expenditures in the amount of \$86,456,844 on June 6, 2011 as shown below.

**CITY COUNCIL'S ADOPTED
 APPROPRIATIONS JUNE 6, 2011**

MUNICIPAL	\$15,442,527
POLICE	\$8,438,675
FIRE	\$6,722,490
SCHOOL	\$36,904,000
COLLECTIVE BARGAINING	
CONTINGENCY	\$900,000
NON-OPERATING	\$18,049,152
TOTAL	\$86,456,844

There were no amendments from the City Manager's FY12 Proposed Budget which was submitted to the City Council on April 8, 2011. The Adopted FY 2012 Budget achieved the City Council's request of an operating budget at or below the Fiscal Year 2011 originally adopted budget and no increase in the tax rate.

	FY11	FY12 Adopted Budget	Change From FY11 Adopted Budget	% Change from FY11 Budget
OPERATING EXPENDITURES:				
Municipal	15,444,772	15,442,527	(2,245)	-0.01%
Police	8,518,412	8,438,675	(79,737)	-0.94%
Fire	6,736,755	6,722,490	(14,265)	-0.21%
School	36,904,000	36,904,000	0	0.00%
Collective Bargaining Cont.	805,996	900,000	94,004	11.66%
Transfer to Indoor Pool	155,000	0	(155,000)	
Total Operating	\$ 68,564,935	68,407,692	(157,243)	-0.23%
NON-OPERATING EXPENDITURES:				
Debt Related Expenses/TANS	350,000	350,000	0	0.00%
Debt Service Payments	9,181,827	10,232,755	1,050,928	11.45%
Overlay	1,100,000	1,150,000	50,000	4.55%
Capital Outlay	1,187,500	1,018,150	(169,350)	-14.26%
County	4,107,894	4,199,167	91,273	2.22%
Contingency	250,000	250,000	0	0.00%
Other General Non-Operating	1,562,298	849,080	(713,218)	-45.65%
Total Non-Operating	17,739,519	18,049,152	309,633	1.75%
Total Budget	\$ 86,304,454	86,456,844	152,390	0.18%

Since April 8th, The City Council voted on two ordinance amendments which impact the estimated revenues for the FY12 budget. They are as follows:

- On April 18, 2011, the City Council voted and approved the ordinance amendment which increases the on-street parking rates from 75¢ to \$1.00 per hour.
- On May 2, 2011, the City Council voted and approved the ordinance amendment to expand the parking meter hours for on-street parking to include Sunday operations.

Factoring in the cost of additional enforcement officers on Sundays, the net change increase to the FY12 estimated revenues is \$300,676.

As a result of these amendments, the increase in estimated revenues will result in an anticipated 8¢ decrease in the current tax rate bringing the rate to \$17.33 per \$1000 of valuation.

FY12 PROPOSED TAX RATE AS OF JUNE 6, 2011

The Department of Revenue sets the final tax rate in mid October

	FY11 Tax Rate	FY12 Proposed Tax Rate
Total Tax Rate	17.41	17.33
Municipal/Local School/State Education/County		
Decrease from Prior Year		-0.08
Percentage Change		-0.46%

The following pages attached replace the summary page 61 and Revenues on page 67 & 68 of your proposed FY12 budget document.

GENERAL FUND BUDGET SUMMARY - FY 2012

APRIL 8, 2011 CITY MANAGER'S PROPOSED BUDGET

ADOPTED BUDGET 6/6/2011

	FY11 Budget	FY12 CM RECOMMENDED	% Change	\$\$ Change	FY12 ADOPTED Budget	% Change	\$\$ Change from FY11
OPERATING BUDGET							
Municipal	15,444,772	15,442,527	-0.01%	(2,245)	15,442,527	-0.01%	(2,245)
Police	8,518,412	8,438,675	-0.94%	(79,737)	8,438,675	-0.94%	(79,737)
Fire	6,736,755	6,722,490	-0.21%	(14,265)	6,722,490	-0.21%	(14,265)
School	36,904,000	36,904,000	0.00%	0	36,904,000	0.00%	0
Collective Bargaining Contingency	805,996	900,000	11.66%	94,004	900,000	11.66%	94,004
Transfer to Indoor Pool	155,000	0		(155,000)	0		(155,000)
Total Operating Budget	68,564,935	68,407,692	-0.23%	(157,243)	68,407,692	-0.23%	(157,243)
NON-OPERATING EXPENSE							
Debt Related Costs/TANS	350,000	350,000	0.00%	0	350,000	0.00%	0
Debt Service Payments	9,181,827	10,232,755	11.45%	1,050,928	10,232,755	11.45%	1,050,928
Overlay	1,100,000	1,150,000	4.55%	50,000	1,150,000	4.55%	50,000
Capital Outlay	1,187,500	1,018,150	-14.26%	(169,350)	1,018,150	-14.26%	(169,350)
County	4,107,894	4,199,167	2.22%	91,273	4,199,167	2.22%	91,273
Contingency	250,000	250,000	0.00%	0	250,000	0.00%	0
Other General Non-Operating	1,562,298	849,080	-45.65%	(713,218)	849,080	-45.65%	(713,218)
Total Non-Operating Budget	17,739,519	18,049,152	1.75%	309,633	18,049,152	1.75%	309,633
Total Gross Budget	86,304,454	86,456,844	0.18%	152,390	86,456,844	0.18%	152,390
REVENUES							
Municipal	10,168,649	10,063,462	-1.03%	(105,187)	10,364,138	1.92%	195,489
School	5,460,500	5,317,500	-2.62%	(143,000)	5,317,500	-2.62%	(143,000)
State Revenues	2,661,672	2,714,053	1.97%	52,381	2,714,053	1.97%	52,381
State Transition Aid	0	0		0	0		0
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	900,000	900,000	0.00%	0	900,000	0.00%	0
Use of Fund Balance for Collective Bargaining	0	0		0	0		0
Use of Fund Balance-Budget	0	0		0	0		0
Use of Fund Balance - Indoor Pool	155,000	0	-100.00%	(155,000)	0	-100.00%	(155,000)
Total	19,419,321	19,068,515	-1.81%	(350,806)	19,369,191	-0.26%	(50,130)
BUDGETED PROPERTY TAX LEVY	66,885,133	67,388,329	0.75%	503,196	67,087,653	0.30%	202,520
Total Property Tax Commitment	66,909,535	67,388,329	0.72%	478,794	67,087,653	0.27%	178,118
War Service Credits	600,500	600,500	0.00%	0	600,500	0.00%	0
Adequate Education Formula	(9,038,295)	(9,344,223)	3.38%	(305,928)	(9,344,223)	3.38%	(305,928)
State Education Tax	9,038,295	9,344,223	3.38%	305,928	9,344,223	3.38%	305,928
					0		0
Total Property Taxes Assessed	67,510,035	67,988,829	0.71%	67,988,829	67,688,153	0.26%	178,118
					0		0
					0		0
ASSESSED VALUATION WITH UTILITIES	3,903,031,800	3,931,031,800	0.72%	28,000,000	3,931,031,800	0.72%	28,000,000
ASSESSED VALUATION NO UTILITIES	3,721,242,300	3,749,242,300	0.75%	28,000,000	3,749,242,300	0.75%	28,000,000
MUNICIPAL TAX RATE	13.90	13.85	-0.39%	(0.05)	13.77	-0.94%	(0.13)
COUNTY TAX RATE	1.08	1.07	-0.77%	(0.01)	1.07	-0.77%	(0.01)
STATE EDUCATION TAX RATE	2.43	2.49	2.61%	0.06	2.49	2.61%	0.06
COMBINED TAX RATE	17.41	17.41	0.00%	0.00	17.33	-0.45%	(0.08)

**CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2010-2012**

	ESTIMATED REVENUES FY 10	ACTUAL REVENUES FY 10	ESTIMATED REVENUES FY 11	ESTIMATED REVENUES FY 12	% CHANGE	\$\$ CHANGE
Local Fees, Licenses, Permits						
Other Fees	11,000	14,500	11,000	11,000	0.0%	-
Other Licenses	36,000	33,841	36,000	36,000	0.0%	-
Planning Board	25,000	40,356	25,000	35,000	40.0%	10,000
Board of Adjustments	26,000	37,559	26,000	26,000	0.0%	-
Site Review	40,000	45,845	40,000	40,000	0.0%	-
Building Permits-Portsmouth	230,000	185,663	230,000	200,000	-13.0%	(30,000)
Building Permits-Pease	30,000	46,715	30,000	40,000	33.3%	10,000
Electrical Permits-Portsmouth	55,000	58,345	55,000	55,000	0.0%	-
Electrical Permits-Pease	10,000	11,135	10,000	15,000	50.0%	5,000
Plumbing Permits-Portsmouth	50,000	89,815	50,000	60,000	20.0%	10,000
Plumbing Permits-Pease	10,000	33,060	10,000	15,000	50.0%	5,000
Sign Permits	5,000	8,950	5,000	5,000	0.0%	-
Police Alarms	25,000	10,325	25,000	25,000	0.0%	-
Burning Permits	500	903	500	500	0.0%	-
Excavation Permit	11,500	8,464	11,500	11,500	0.0%	-
Solid Waste	20,000	20,726	20,000	20,000	0.0%	-
Outdoor Pool	12,000	19,406	12,000	20,000	66.7%	8,000
Recreation Department	170,000	136,202	170,000	150,000	-11.8%	(20,000)
Indoor Pool	90,000	92,680	-	-	-	-
Boat Ramp Fees	6,000	12,566	6,000	12,000	100.0%	6,000
Food Permits	56,000	63,170	56,000	56,000	0.0%	-
Total Local Fees, Licenses and Permits	919,000	970,224	829,000	833,000	0.5%	4,000
Other Local Sources						
Timber Tax	500	1,389	500	500	0.0%	-
Payments in Lieu of Taxes	150,000	207,329	125,000	125,000	0.0%	-
Municipal Agent Fees	52,000	65,168	62,000	63,000	1.6%	1,000
Motor Vehicle Permits	3,200,000	3,034,075	3,000,000	3,010,000	0.3%	10,000
Title Applications	11,500	6,744	11,500	11,500	0.0%	-
PDA Airport District	2,100,000	2,072,657	2,050,000	2,125,000	3.7%	75,000
Water/Sewer Overhead	927,697	927,697	927,697	959,064	3.4%	31,367
Sale of Municipal Property	5,000	16,574	5,000	5,000	0.0%	-
Misc Revenue	90,000	76,055	90,000	90,000	0.0%	-
Bond Premium	-	512,701	-	-	-	-
Dog Licenses	8,500	10,700	8,500	8,500	0.0%	-
Marriage Licenses	2,500	2,184	2,500	2,500	0.0%	-
Certificates-Birth and Death-Marriage	18,000	18,324	18,000	18,000	0.0%	-
Rental of City Property	62,652	43,322	26,581	26,581	0.0%	-
Rental City Hall Complex	115,770	115,771	118,095	58,500	-50.5%	(59,595)
Cable Franchise Fee	340,000	360,000	360,000	360,000	0.0%	-
Hand Gun Permits	500	1,090	500	500	0.0%	-
Police Outside Detail	90,000	216,581	90,000	90,000	0.0%	-
Fire Alarms	25,000	40,165	25,000	25,000	0.0%	-
Ambulance Fees-Portsmouth	445,000	542,169	445,000	475,000	6.7%	30,000
Wood Chips	40,000	-	-	-	-	-
Welfare Dept Reimbursements	20,000	13,008	20,000	20,000	0.0%	-
Total Other Local Sources	7,704,619	8,283,703	7,385,873	7,473,645	1.2%	87,772
Parking Revenues						
Parking Meter Fees	960,000	1,007,637	960,000	1,200,922	25.1%	240,922
Parking Metered Space Rental	-	45,549	30,000	35,000	16.7%	5,000
Parking Meter-In Dash	-	16,461	1,000	10,000	900.0%	9,000
Parking Garage Revenue	1,140,000	1,199,995	1,140,000	1,200,000	5.3%	60,000
Garage Space Passes	560,000	614,260	580,000	500,000	-13.8%	(80,000)
Deer/Hanover Parking Lot	-	-	-	30,000	0.0%	30,000
Parking Validation	5,000	10,850	5,000	5,000	0.0%	-
Pass Reinstatement	1,500	2,965	1,500	1,500	0.0%	-
Parking Violations	930,000	837,389	890,000	863,754	-2.9%	(26,246)
Boot Removal Fee	9,000	31,250	18,000	13,000	-27.8%	(5,000)
Summons Admin Fee	10,000	8,783	10,000	5,000	-50.0%	(5,000)
Total Parking Revenues	3,615,500	3,775,139	3,635,500	3,864,176	6.3%	228,676

CITY OF PORTSMOUTH
GENERAL FUND
COMPARISON BUDGETED, ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2010-2012

	ESTIMATED REVENUES FY 10	ACTUAL REVENUES FY 10	ESTIMATED REVENUES FY 11	ESTIMATED REVENUES FY 12	% CHANGE	\$\$ CHANGE
Interest & Penalties						
Interest on Taxes	150,000	270,299	160,000	220,000	37.5%	60,000
Interest on Investments	450,000	543,298	450,000	330,000	-26.7%	(120,000)
Total Interest & Penalties	600,000	813,596	610,000	550,000	-9.8%	(60,000)
School Revenues						
Tuition	4,600,000	5,412,759	5,450,000	5,312,000	-2.5%	(138,000)
Other Sources	10,500	13,300	10,500	5,500	-47.6%	(5,000)
Total School Revenues	4,610,500	5,426,059	5,460,500	5,317,500	-2.6%	(143,000)
State Revenues						
Shared Rev Block Grant	-	-	-	-	0.0%	-
Rooms and Meals Tax	921,495	917,477	921,495	921,495	0.0%	-
Highway Block Grant	370,719	354,960	418,385	429,329	2.6%	10,944
State Aid-Land Fill	46,251	46,154	45,010	44,134	-1.9%	(876)
Impact Aid	-	1,352	-	-	0.0%	-
Bonded Debt-High School	1,016,222	1,016,222	1,016,222	1,016,222	0.0%	-
Bonded Debt-Middle School	-	-	260,560	302,873	16.2%	42,313
Transition Aid	222,611	222,611	-	-	0.0%	-
Total State Revenues	2,577,298	2,558,777	2,661,672	2,714,053	2.0%	52,381
Transfer to Parking and Transportation	(2,246,686)	(2,246,686)	(2,291,724)	(2,356,683)	2.8%	(64,959)
Use of Fund Balance-Collective Bargaining	1,053,006	1,053,006	-	-	0.0%	-
Use of Fund Balance-Indoor Pool	-	-	155,000	-	-100.0%	(155,000)
Use of Reserve for Property Appraisal	73,500	73,500	73,500	73,500	0.0%	-
Use of Reserve-Bond Premium	-	208,230	-	-	-	-
Use of Reserve for Debt	1,360,614	1,360,614	900,000	900,000	0.0%	-
Budgeted Property Tax Levy	63,771,385	64,276,918	66,885,133	67,087,653	0.3%	202,520
Total General Fund Revenues	84,038,736	86,553,081	86,304,454	86,456,844	0.2%	152,390

GENERAL FUND REVENUE SUMMARY

Municipal	10,592,433	11,595,977	10,168,649	10,364,138	1.9%	195,489
School Revenues	4,610,500	5,426,059	5,460,500	5,317,500	-2.6%	(143,000)
State Revenues	2,354,687	2,336,166	2,661,672	2,714,053	2.0%	52,381
State Transition Aid	222,611	222,611	-	-	0.0%	-
Use of Fund Balance-Collective Barg	1,053,006	1,053,006	-	-	0.0%	-
Use of Fund Balance-Indoor Pool	-	-	155,000	-	-100.0%	(155,000)
Use of Reserve for Property Apprais	73,500	73,500	73,500	73,500	0.0%	-
Use of Reserve-Bond Premium	-	208,230	-	-	-	-
Use of Reserve for Debt	1,360,614	1,360,614	900,000	900,000	0.0%	-
Budgeted Property Tax Levy	63,771,385	64,276,918	66,885,133	67,087,653	0.3%	202,520
Total General Fund Revenues	84,038,736	86,553,081	86,304,454	86,456,844	0.2%	152,390