

# Celebrating City Services



## City of Portsmouth, New Hampshire Fiscal Year 2026 Proposed Annual Budget

July 1, 2025 – June 30, 2026

# Fiscal Year 2026 Proposed Annual Budget



Budget Work Session – Wednesday, May 28, 2025

# Budget Timeline

## Completed (Fall 2024 – Spring 2025)

- ✓ Capital Improvement Plan
- ✓ Charter Departments Public Hearings
- ✓ City Council Budget Planning Work Session ([Jan 15](#))
- ✓ Budget Work Session – General Fund ([May 12](#))  
(Department presentations with public input opportunities)
- ✓ Budget Work Session – Enterprise and Special Revenues Funds ([May 14](#))  
(Department presentations with public input opportunities)
- ✓ City Council Meeting – Public Hearing on the Budget ([May 19](#))

## Tonight (May 28)

- City Council Work Session – Budget Review with Public Comment

## Upcoming (June 9)

- City Council Meeting – Continuation of Public Hearing on the Budget and adoption of the Proposed Budget





# Executive Summary



## Proposed FY26 Budget

\$149,894,940  
+ \$5,033,593  
3.47%



## Proposed Change in Staffing (FTE)

Total -15.11  
General Fund -10.71  
Other -4.40



## ESTIMATED Tax Rate Fall 2025

\$11.57  
+ \$0.39  
3.49%

# Q. How does the Proposed Budget change compare to CPI or Social Security?

## Four-Year Average Compounded Rate of Change FY23–FY26 Social Security – CPI – General Fund Budget

| COMPARE - SSI/CPI/Budget        |             |             |             |             |             | FY 23-26          | FY 23-26                                |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---|
|                                 | FY 22       | FY 23       | FY 24       | FY 25       | FY 26       | Total<br>% Change | Average<br>Compounded<br>Rate of Change |
| Social Security (Index)         | 100.00      | 105.90      | 115.11      | 118.80      | 121.77      |                   |   |
| Social Security (Calendar Year) | 1.30%       | 5.90%       | 8.70%       | 3.20%       | 2.50%       | 21.77%            | 5.05%                                   |
| Consumer Price Index            | 284.622     | 299.723     | 320.702     | 328.362     | 338.512     |                   |   |
| CPI Nov-Nov                     | 0.40%       | 5.31%       | 7.00%       | 2.39%       | 3.09%       | 18.93%            | 4.43%                                   |
| Total Budget                    | 126,425,033 | 132,424,911 | 138,623,375 | 144,861,347 | 149,894,940 |                   |   |
| \$ change from previous FY      | 7,309,695   | 5,999,878   | 6,198,464   | 6,237,972   | 5,033,593   | 23,469,907        |   |
| % change from previous FY       | 6.14%       | 4.75%       | 4.68%       | 4.50%       | 3.47%       | 18.56%            | 4.35%                                   |

## Q. Are we considering opportunities for restructuring and efficiencies?

A. Yes, and we plan to continue.

- Current budget process explored services and costs
- Result was reduction of over 15 FTEs in the Proposed Budget
- Priority of the incoming Deputy City Manager
- New Enterprise Resource Planning (ERP) software will drive greater efficiency across the organization

# Q. Is the City following City Charter and State Statute in the budget process?

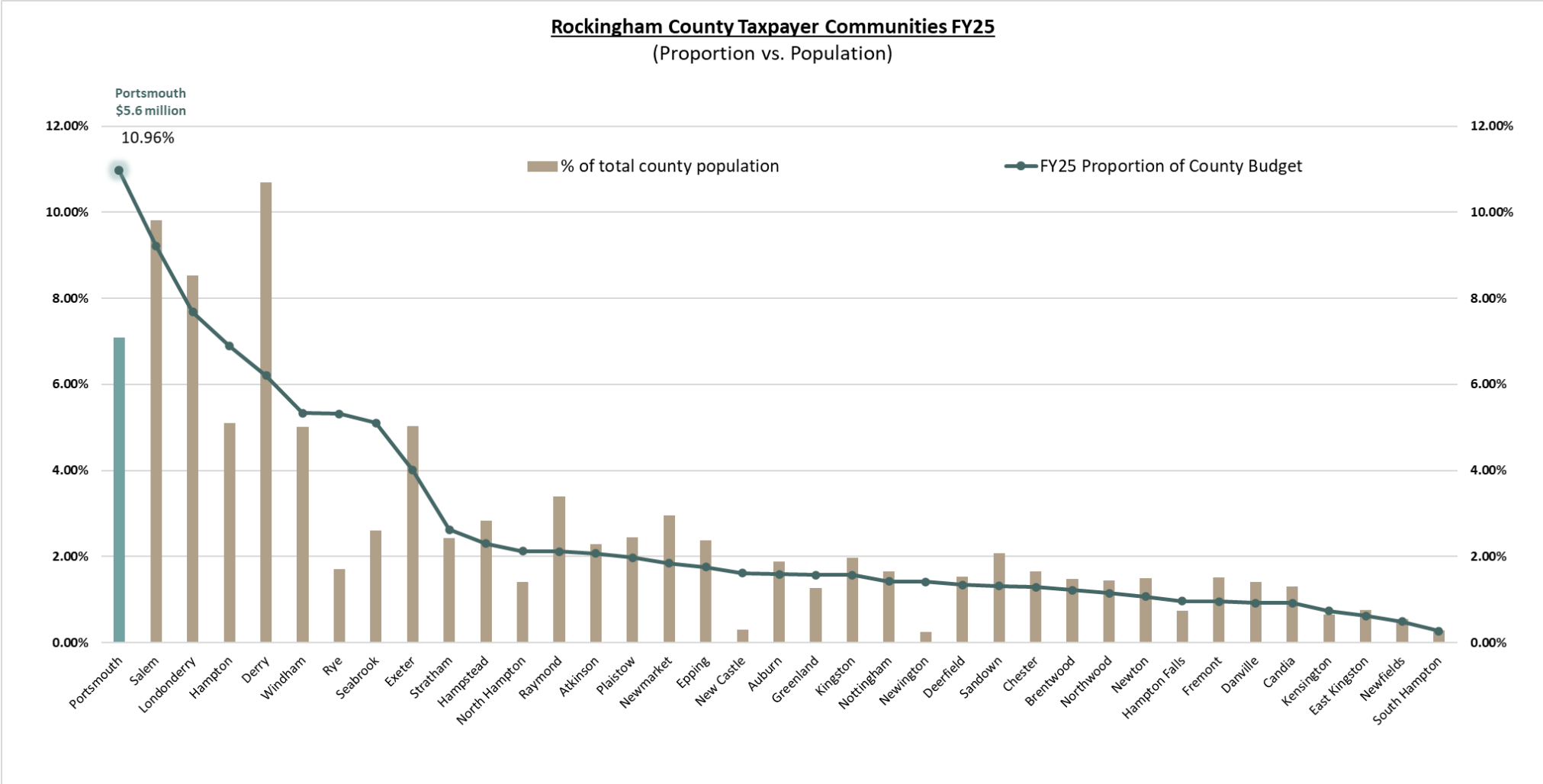
A. Yes, to both.

- The Proposed City Budget is the City Manager's Budget Proposal
- City Charter, Article VII, Section 7.9 – Budget Procedure
  - “...every municipal department, including the Charter Departments, shall submit an itemized estimate of the expenditures for the next fiscal year...”
  - “...of sufficient facts to permit the City Manager to prepare the budget message...”
- City Charter, Article VI, Section 6.3.F – Budget Public Hearing
  - “The School Board shall hold a public hearing on its annual budget prior to submission of the budget to the City Council.”
  - Each Charter Department holds a public hearing before submitting to the City Manager
- RSA 32 Municipal Budget Law, including 32:5 – Budget Preparation
  - These provisions apply to towns, school districts, village districts, but not to cities



# Q. Should we change the Rockingham County tax line in the Budget?

A. No, the current estimate is reasonable, and the County process is ongoing.



# Q. What is behind the projected increase in Welfare Direct Assistance?

A. Budget is based on pre-pandemic actuals (FY19-FY20), the loss of Federal support, and inflationary impacts.

|                              |                           | Pre-pandemic spending |                | COVID-19 Federal Grants |               |                | Loss of Federal support |                |                   |
|------------------------------|---------------------------|-----------------------|----------------|-------------------------|---------------|----------------|-------------------------|----------------|-------------------|
| WELFARE DEPARTMENT           |                           | FY19 Actual           | FY20 Actual    | FY21 Actual             | FY22 Actual   | FY23 Actual    | FY24 Actual             | FY25 YTD       | FY26 CM Recommend |
| <b>DIRECT ASSISTANCE</b>     |                           |                       |                |                         |               |                |                         |                |                   |
| <b>01-792-770-25-110-436</b> |                           |                       |                |                         |               |                |                         |                |                   |
| 081166                       | GOFERR REIMBURSEMENT      | -                     | (11,420)       | -                       | -             | -              | -                       | -              | -                 |
| 088001                       | FOOD                      | 1,874                 | 385            | -                       | -             | -              | -                       | -              | 1,000             |
| 088002                       | PERSONAL GOODS            | 452                   | 308            | -                       | -             | -              | -                       | -              | 250               |
| 088003                       | SHELTER                   | 172,314               | 203,313        | 118,855                 | 10,972        | 25,909         | 127,397                 | 147,310        | 205,000           |
| 088004                       | FUEL                      | 2,011                 | 1,505          | 165                     | -             | 558            | -                       | -              | 2,000             |
| 088005                       | GAS LIGHT AND WATER       | 2,523                 | 762            | 180                     | 200           | 133            | -                       | 585            | 2,000             |
| 088006                       | MEDICAL                   | 4,413                 | 184            | 3,379                   | -             | -              | 136                     | 2,573          | 3,000             |
| 088007                       | TRANSPORTATION            | 1,638                 | 669            | 65                      | 573           | 506            | 872                     | 1,489          | 3,000             |
| 088008                       | BURIALS                   | 4,530                 | 4,500          | 6,735                   | 6,000         | 5,875          | 12,500                  | 10,000         | 15,000            |
| 088009                       | OTHER EXPENSES            | -                     | -              | -                       | -             | -              | -                       | 898            | 500               |
| 088010                       | EMERGENCY SHELTER         | 67,939                | 68,661         | 28,097                  | 20,036        | 45,114         | 30,236                  | 50,394         | 140,000           |
| 088012                       | COORDINATED RESPONSE INIT | -                     | -              | -                       | 60,000        | 60,000         | -                       |                | -                 |
| <b>DIRASST</b>               |                           | <b>257,694</b>        | <b>268,867</b> | <b>157,476</b>          | <b>97,781</b> | <b>138,095</b> | <b>171,140</b>          | <b>213,249</b> | <b>371,750</b>    |
| Year-over-year change \$     |                           | 106,344               | 11,173         | (111,391)               | (59,695)      | 40,314         | 33,046                  | 42,109         | 158,501           |
| Year-over-year change %      |                           | 70.3%                 | 4.3%           | -41.4%                  | -37.9%        | 41.2%          | 23.9%                   | 24.6%          | 74.3%             |



# Q. What are the metrics for COAST?

## COAST: City of Portsmouth

| Provided Services                         | FY24 Cost  | Riders  | Cost per Rider | FY25 Cost  | Riders (Est.) | Cost per Rider | FY26 Cost  | Riders (Est.) | Cost per Rider |
|---|------------|---------|----------------|------------|---------------|----------------|------------|---------------|----------------|
| Fixed Routes (13; 14; 40; 41; 42; 43; 44) | 419,269    | 153,240 | 2.47           | 534,111    | 178,956       | 2.70           | 585,248    | 189,500       | 2.77           |
| Regional ADA Services                     |            | 16,631  |                |            | 18,999        |                |            | 21,850        |                |
| Senior Transportation                     | 196,048    | 6,289   | 31.17          | 244,847    | 6,406         | 38.22          | 281,644    | 6,725         | 41.88          |
| Totals                                    | \$ 615,317 | 176,160 | \$ 3.49        | \$ 778,958 | 204,361       | \$ 3.81        | \$ 866,892 | 218,075       | \$ 3.98        |



- Through FY24, COAST experienced **28%** year-over-year increase in ridership
- Specific Portsmouth routes saw ridership increases:  
R13 +31% / R40 +67% / R41 +31% / R42 +4% / R43 +42% / R44 +14%
- Portsmouth contribution leverages over \$900,000 in federal funding
- Receiving CMAQ grant to reinstitute the CommuteSMART Seacoast programs

## Q. What new position is the Fire Department requesting?

- Staff level Non-Union position – Grade 22
- Cost range estimate: \$245,891 - \$278,948
- Expand Advanced Life Support Capabilities and become a leader in prehospital setting
- Plan for key retirement and succession planning



# Q. Should we be charging other communities for mutual aid?

A. No, mutual aid is a “wash” with our neighboring communities.



## What is mutual aid?

An agreement between communities to aid in the response of Emergency Services as needs arise. Examples include:

- Additional response vehicles to a larger fire/EMS event
- Response of specialized vehicles, trained personnel, or equipment
- Coverage of a Fire Station so the City is not left uncovered



Did you know – In the past six months, the City of Portsmouth has given mutual aid to other communities 33 times, while receiving it 29 times?

# Q. Can we please see the Police Department's recent actual staffing numbers?

|                          |  | FY19           | FY20           | FY21           | FY22           | FY23          | FY24           | FY25 YTD       |
|--------------------------|--|----------------|----------------|----------------|----------------|---------------|----------------|----------------|
| Budgeted (FT only)       | <ul style="list-style-type: none"> <li># Officers</li> <li># Dispatchers</li> <li># Civilians</li> </ul> | 66<br>11<br>12 | 68<br>11<br>14 | 68<br>11<br>14 | 68<br>10<br>14 | 70<br>9<br>15 | 70<br>10<br>15 | 70<br>10<br>15 |
| Vacancies at Start of FY | <ul style="list-style-type: none"> <li># Officers</li> <li># Dispatchers</li> <li># Civilians</li> </ul> | 1<br>2<br>0    | 3<br>0<br>0    | 0<br>3<br>2    | 2<br>3<br>1    | 7<br>4<br>1   | 5<br>6<br>1    | 8<br>5<br>1    |
| Hires                    | <ul style="list-style-type: none"> <li># Officers</li> <li># Dispatchers</li> <li># Civilians</li> </ul> | 2<br>2<br>1    | 9<br>0<br>1    | 6<br>3<br>3    | 9<br>3<br>4    | 9<br>6<br>0   | 6<br>3<br>2    | 7<br>6<br>1    |
| Resignations/Retirements | <ul style="list-style-type: none"> <li># Officers</li> <li># Dispatchers</li> <li># Civilians</li> </ul> | 2<br>0<br>1    | 6<br>4<br>2    | 8<br>4<br>2    | 12<br>4<br>3   | 7<br>7<br>0   | 9<br>2<br>2    | 5<br>3<br>0    |
| Net Change (Vacancies)   | <ul style="list-style-type: none"> <li># Officers</li> <li># Dispatchers</li> <li># Civilians</li> </ul> | 1<br>0<br>0    | 0<br>4<br>1    | 2<br>4<br>1    | 5<br>4<br>0    | 5<br>5<br>1   | 8<br>5<br>1    | 6<br>2<br>0    |

Note: Hiring for ALL 7/1 vacancies listed for each fiscal year were filled in the same fiscal year (except: FY23-1-Civ short + FY24-3-Dispatchers short)



The PPD currently have Conditional Offers out to:

- 3 Officers
- 1 Dispatcher



# Q. How do we explore opportunities to reduce Special Education costs?

## A. Key strategies include:

- Continued investment in early intervention
- Greater investment in preschool
- Strengthening existing programs
  - Response to Intervention (RtI)
  - Multi-Tiered System of Supports – Academic & Behavioral (MTSS – A&B)
- Promoting and incentivizing dual certification of teachers
- Improving inclusive practices
- Expanding regional collaborations





# Q. What kind and level of costs are involved in OOD? Costs to replicate in-house?

## A1. Out-of-District (OOD) placements vary widely in their services and costs

- Required to provide
- Determined on a case-by-case basis
- Include:
  - Nursing services
  - Services to charter schools
  - Sign language services
  - Tutors
  - Transportation services/programs

## A2. Approach to replicating OOD services in-house

- Identification of a cohort of students
- Specialized staffing required for each cohort/needs group
- Other considerations



# Q. What was lost and replaced following the teacher retirement incentive?

A. The positions on the left were vacated by a retirement incentive.

## Rehired Positions (replaced in-kind)

- HS Nurse
- HS Special Educator
- HS World Language
- RJLA SPED/English Teacher
- K-5 Classroom Teacher

## Vacated Positions (not replaced)

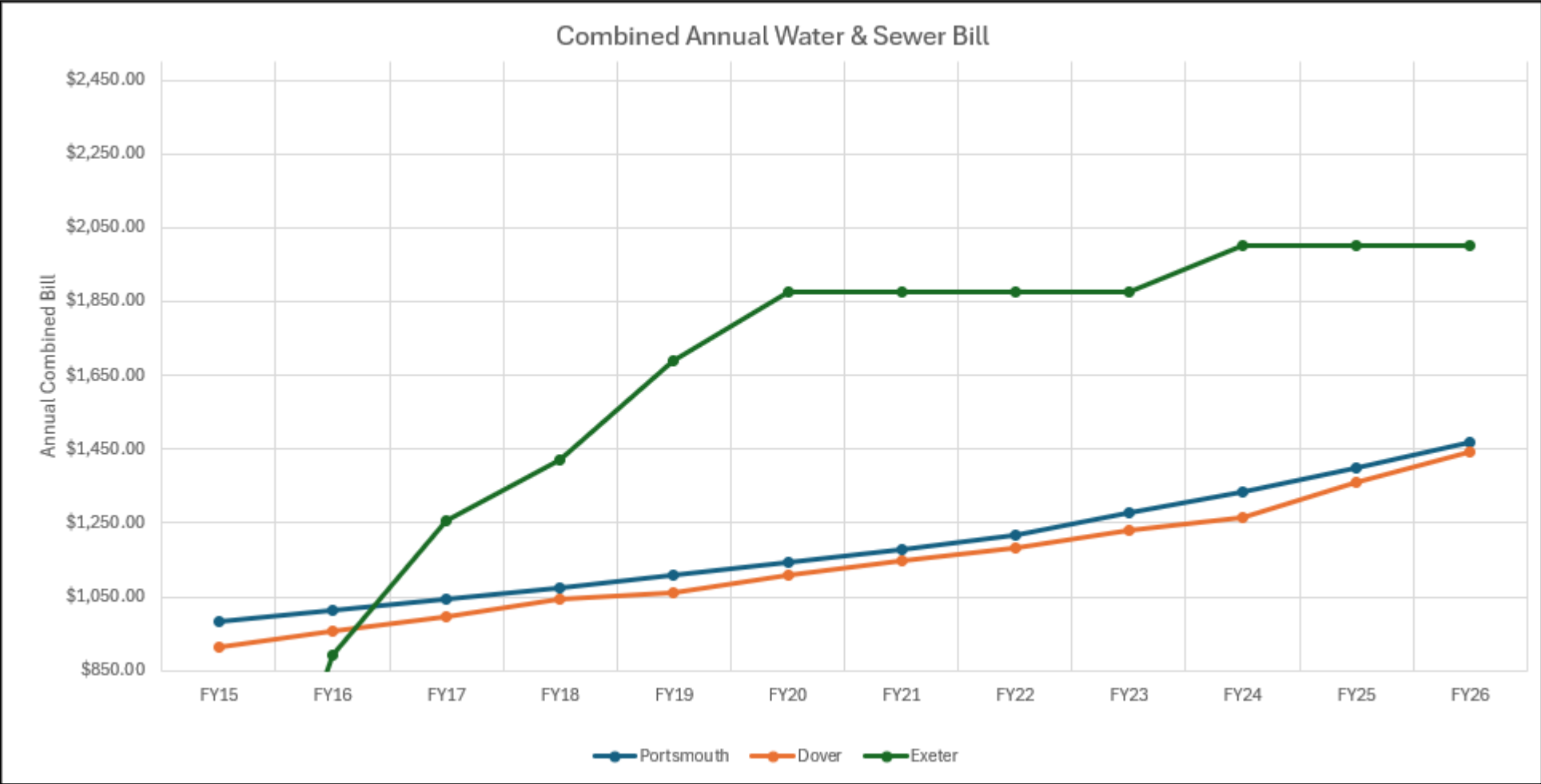
- HS Math Teacher
- HS Yoga and Computer Teacher
- HS/CTE Architecture Teacher
- MS Tech Ed Teacher
- HS Counselor
- HS French Teacher
- K-5 Classroom Teacher

## NEW Positions (requested by the School Board)

- K-5 Intensive Needs SPED Case Manager/Teacher
- MS Behavioral Program Teacher
- 3 Paraeducators at Dondero
- District Director of Counseling
- HS 0.6 FTE Nurse position expanded to 1.0 FTE
- District Social Worker
- Maintenance Supervisor
- HS Design Engineering Teacher

# Q. Can we compare Water/Sewer rate trends in the Seacoast?

A. Yes, below is a 10-year comparative with projections for FY26.



# Q. What Public Works services set Portsmouth apart from other communities?

- **Highway**

- Pavement Condition Index Score of 84 (75+ is desirable)
- Collect solid waste, recycling, yard waste, and bulky waste (no pay to throw program)
- In-house horticulturalist and greenery staff plus arborist and tree crew
- Maintain all Recreation and Community Services facilities
- Public art site preparation and support

- **Water/Sewer/Stormwater**

- Maintain and operate four water and sewer treatment facilities
- In-house Water/Sewer staff maintain and repair pipes (no reliance on contractors)
- Maintain water reservoir and water wellhead protection zones
- SCADA tech services (in-house operational technology team)
- Water quality support for residents

- **Parking**

- Public transit options
- General Fund support (including Charter Departments)



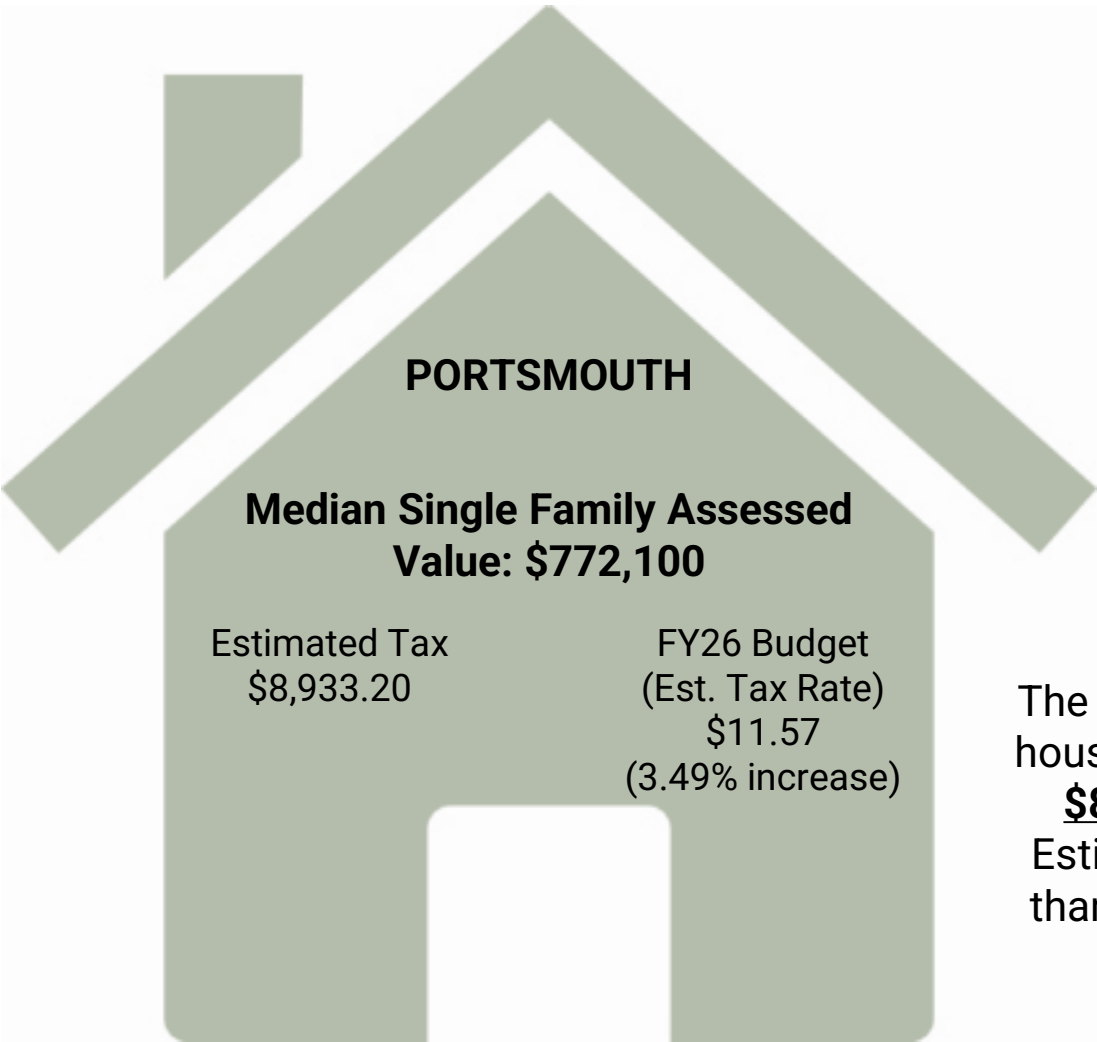


# Q. What should we know about Revenues?

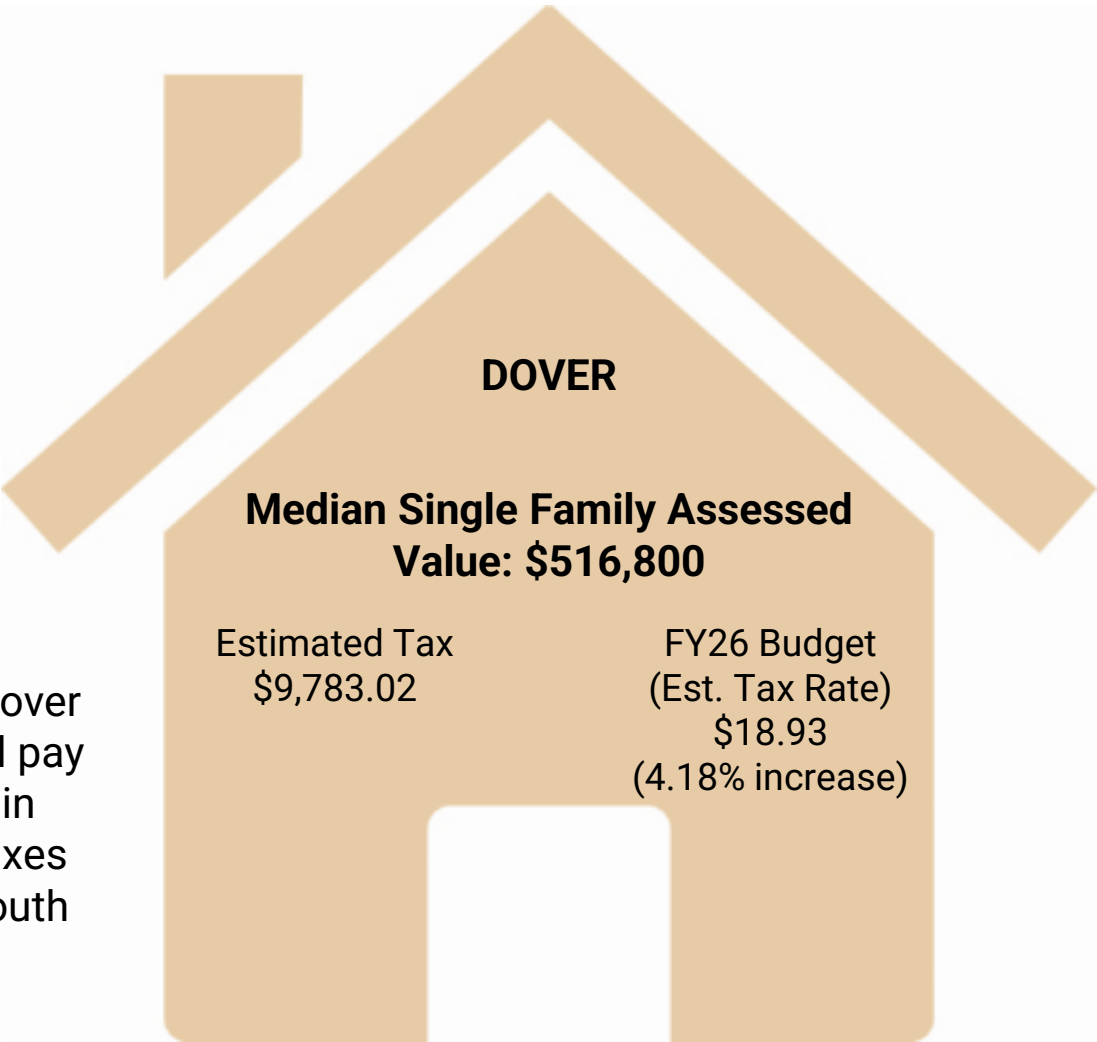
| REVENUES  | FY24               | FY25               | FY26               | PERCENTAGE<br>OF TOTAL FY26<br>REVENUES |
|---|--------------------|--------------------|--------------------|---|
| LOCAL FEES AND PERMITS  | 2,111,600          | 2,474,600          | 2,949,600          | 2%                                      |
| OTHER LOCAL SOURCES   | 11,753,766         | 12,061,532         | 12,431,752         | 8%                                      |
| NET PARKING REVENUES  | 2,500,000          | 2,500,000          | 2,500,000          | 2%                                      |
| INTEREST / PENALTIES  | 1,570,000          | 2,489,800          | 2,470,000          | 2%                                      |
| SCHOOL TUITION / OTHER  | 6,863,400          | 6,964,600          | 7,129,764          | 5%                                      |
| STATE REVENUES  | 3,081,973          | 3,261,973          | 3,407,894          | 2%                                      |
| AMERICAN RESCUE PLAN ACT (ARPA)   | -                  | 2,183,054          | -                  | 0%                                      |
| <b>TOTAL REVENUES OTHER THAN USES OF FUND BALANCE AND PROPERTY TAX LEVY</b> | <b>27,880,739</b>  | <b>31,935,559</b>  | <b>30,889,010</b>  | <b>21%</b>                              |
| <b>USES OF FUND BALANCE</b>   |                    |                    |                    |   |
| BUDGETARY USE OF UNASSIGNED FUND BALANCE                                    | 2,500,000          | 1,000,000          | 2,000,000          | 1%                                      |
| SUPPLEMENTAL USE OF FUND BALANCE  | 1,340,000          | -                  | -                  | 0%                                      |
| USE OF COMMITTED FUND BALANCE-BOND PREMIUM                                  | 128,379            | -                  | 131,519            | 0%                                      |
| USE OF RESERVE FOR PROPERTY APPRAISAL                                       | 100,000            | 100,000            | 100,000            | 0%                                      |
| USE OF RESERVE FOR DEBT   | 1,700,000          | 1,600,000          | 1,500,000          | 1%                                      |
| <b>TOTAL USES OF FUND BALANCE</b>   | <b>5,768,379</b>   | <b>2,700,000</b>   | <b>3,731,519</b>   | <b>2%</b>                               |
| <b>PROPERTY TAX LEVY</b>  | <b>104,974,257</b> | <b>110,225,788</b> | <b>115,274,411</b> | <b>77%</b>                              |
| <b>TOTAL REVENUES</b>   | <b>138,623,375</b> | <b>144,861,347</b> | <b>149,894,940</b> | <b>100%</b>                             |



# Portsmouth and Dover – Comparison of Residential Property Tax Impact



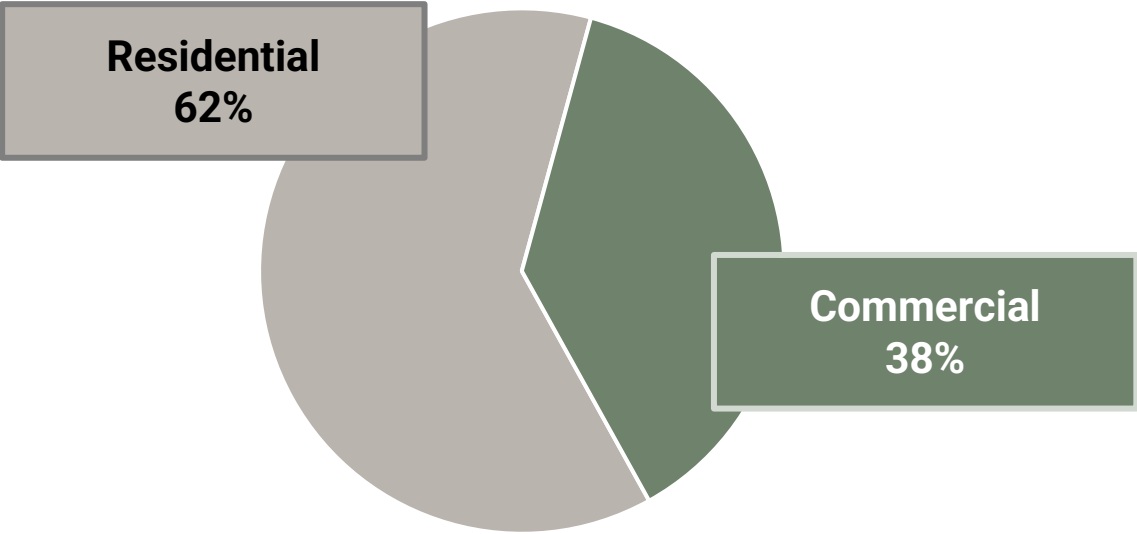
The median Dover household will pay **\$850 more** in Estimated Taxes than Portsmouth



# Portsmouth and Dover – Residential vs. Commercial Property Values

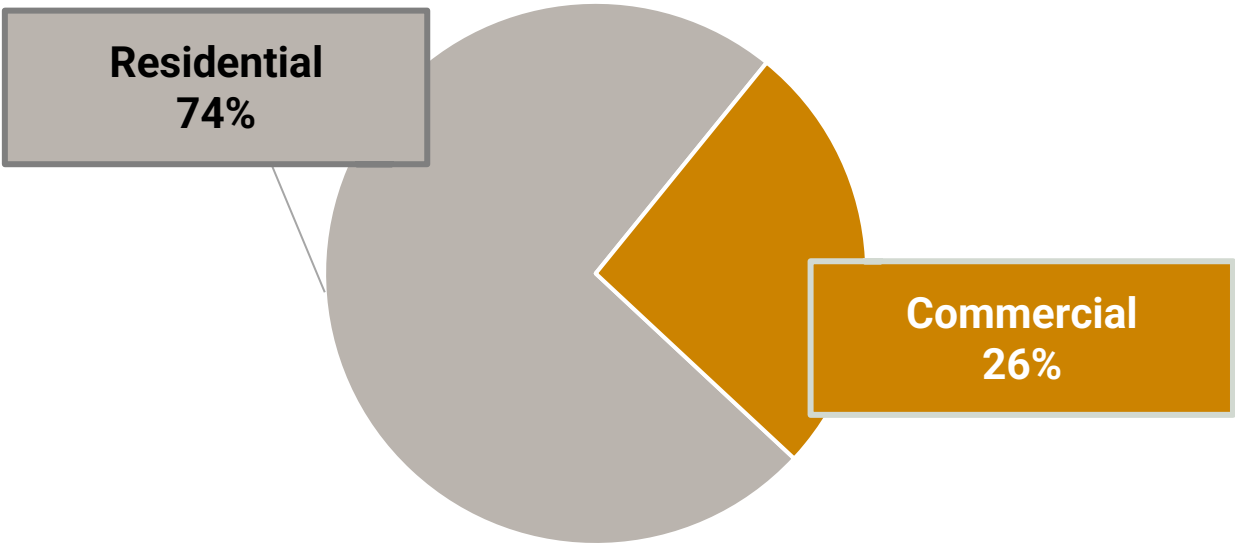
## Portsmouth (FY2026)

Percent of Total Assessed Value  
(including Utilities)



## Dover (FY2026)

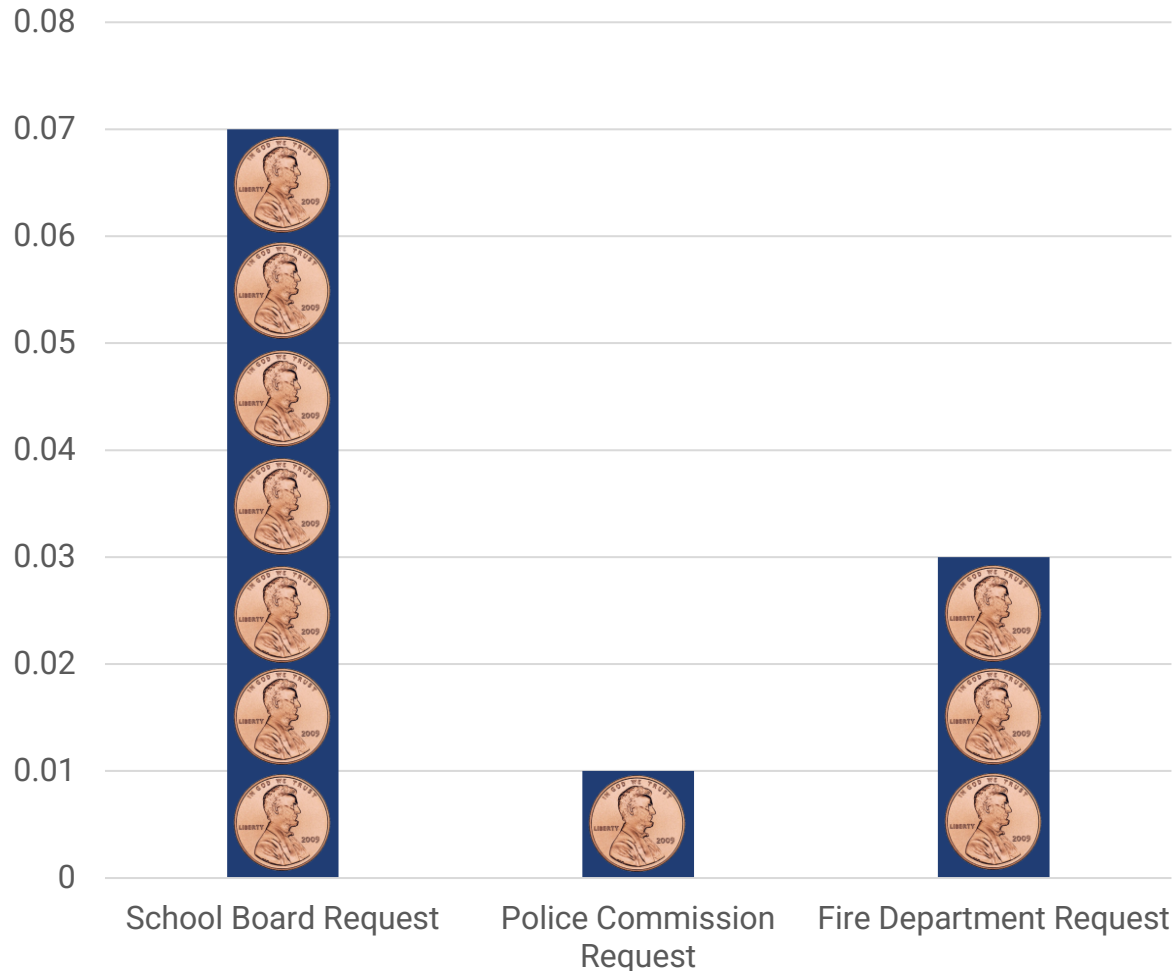
Percent of Total Assessed Value  
(including Utilities)



# Q. What is the impact of requested budget additions on the tax rate?



**on the Tax Rate = \$101,886**



Granting Charter Department requests would mean:

- Adding 11 cents to the Tax Rate
- \$1.06 million more added to the Budget
- Adding \$85 more per year in taxes for the Median Single Family Residence
- The Budget increase of 3.47% would grow to an increase of 4.21%

# QUESTIONS?

City Council Meeting

Reopening of Public Hearing and  
Adoption of Proposed FY26 Budget

Monday, June 9, 2025 at 7:00pm