

## City Budget — Quick Glance (Election Lens)

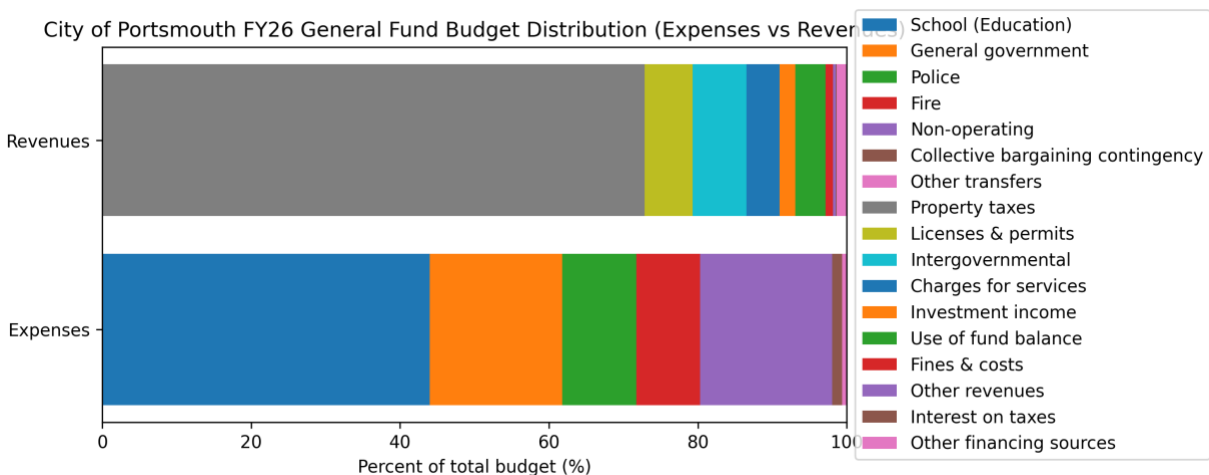
### Portsmouth Municipal Election – November 4, 2025

This one-page brief boils down the essentials of Portsmouth's FY26 **general fund**. It shows where the money comes from, where it goes, and what choices are realistically on the table for the next City Council. For deeper context, see the *City Budget Backgrounder*.

#### At a glance

- **Budget size:** FY26 general fund **\$149.9 million**, up **3.5 %** from FY25. A proposed tax rate of **\$11.57 per \$1,000** would add about **\$301** to a median-valued home.
- **Who decides:** Voters elect nine at-large councilors; the top vote-getter becomes mayor. The new council will shape FY27 priorities and set the tax rate.
- **What it funds:** Education, public safety and core city services make up about two-thirds of the budget. Non-operating costs (debt, county tax and equipment replacements) account for most of the rest.

#### How dollars flow



#### FY26 general fund revenue and spending breakdown

*Caption:* Two horizontal bars summarise Portsmouth's FY26 general fund. **Revenue:** about **73 %** comes from property taxes, with the rest from licenses & permits (6 %), state and federal aid (7 %), charges for services (4 %) and other sources including investment income and use of fund balance (10 %). **Spending:** about **44 %** goes to K-12 education, **18 %** to general government (council, administration, public works, library, recreation), **19 %** to public safety (police + fire), **18 %** to non-operating costs (debt service, county tax, equipment) and a small remainder for contingencies and transfers.

## Constraints & possibilities

**Largely fixed costs.** State law mandates funding for schools, police and fire protection. Together with debt service and the county tax, these commitments consume roughly two-thirds of the general fund. The city also maintains a healthy reserve (unassigned fund balance) to protect its bond rating.

**Narrow room to cut.** Because most dollars are tied up in education, public safety and debt, meaningful cuts would require reducing services or deferring capital projects. Savings can be found in non-operating items (equipment replacements, rolling stock) and by stretching out capital outlays—but those moves defer maintenance and future costs.

**Focus on efficiency.** Rather than across-the-board cuts, the city can pursue efficiency measures: shared services with neighbouring towns, energy savings, technology upgrades and staffing adjustments. These improvements can lower operating costs without undermining mandated services.

## Key terms

**General fund:** The city's primary account, which pays for day-to-day services and is funded mainly by property taxes and state aid.

**Non-operating costs:** Expenses not tied to ongoing operations, such as debt service, capital outlays and the county tax.

**Fund balance:** The accumulated surplus in the general fund, maintained as a reserve for unforeseen costs and to protect Portsmouth's credit rating.

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*Sources:* City of Portsmouth FY26 Budget Adoption Memo; FY24 Popular Annual Financial Report; FY26 proposed budget press release.