

City Budget — Quick Glance (Election Lens)

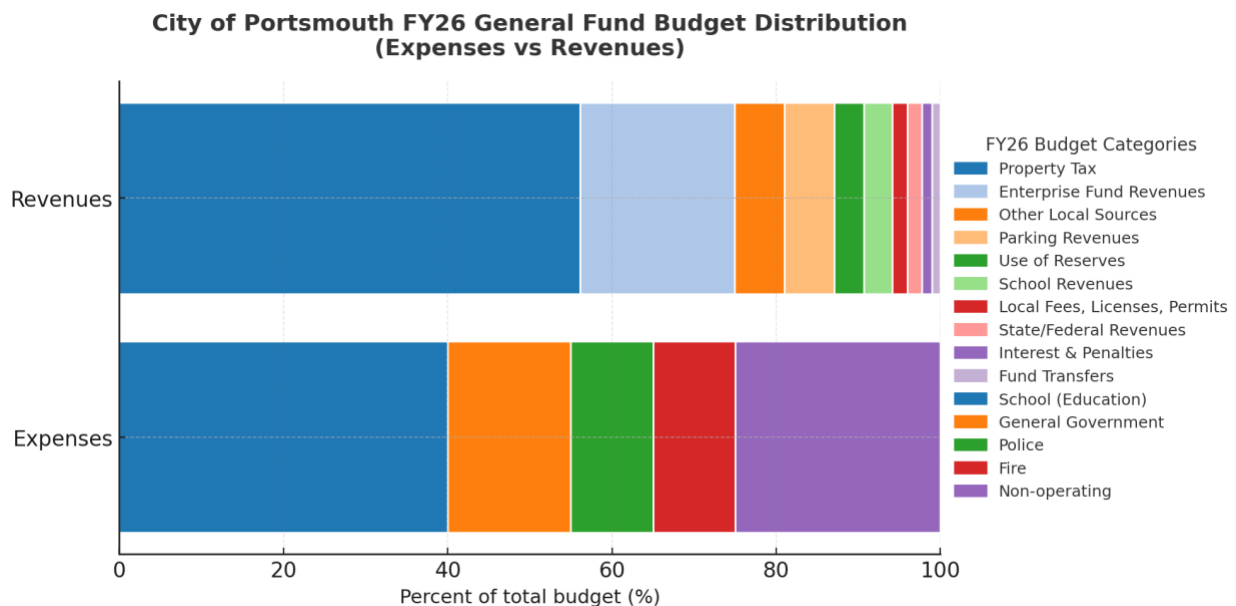
Portsmouth Municipal Election – November 4, 2025

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 Background*.

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 (the tax rate is multi-layered and is actually set by the NH Department of Revenue Administration).
- **Who decides:** Voters elect nine at-large councilors; the top vote-getter becomes mayor. The new City Council will shape FY27 priorities and set the budget.
- **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 IT infrastructure) 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 and ensure continuation of services against unanticipated challenges.

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 potentially increase 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 program services revenue as state aid is nominal by comparison.

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 which helps 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.

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