

GLOSSARY OF TERMS

ABATEMENT – An official reduction or elimination of one’s assessed valuation after completion of the original assessed value.

ACCRUAL 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.

AD VALOREM – A tax levied in proportion to the value of the property being taxed.

APPROPRIATION – An authorization granted by a legislative body to make expenditures and incur obligations for specific purposes. Appropriations are usually limited in amount and to the time during which they may be expended.

ASSESSED VALUE – The fair market value placed upon real and personal property by the City as the basis for levying property taxes.

BARGAINING UNITS - A group of employees which, by reason of the similarity of their jobs, form a unit appropriate for bargaining with management on questions of wages, benefits and working conditions.

BASIS OF ACCOUNTING – The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

BOND RATINGS – A rating of quality given on any bond offering as determined by an independent agency in the business of rating such offerings.

BUDGET – A plan of financial operation containing an estimate of proposed expenditures for a single fiscal year (July 1 through June 30) and the proposed means of financing them.

BUDGET CALENDAR – The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

CAPITAL IMPROVEMENT PLAN (CIP) – A six-year plan of proposed capital expenditures for long-term improvements to the City’s facilities including, water, sewer, parking facilities, etc.; identifies each project and source of funding.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – An annual Federal grant received from the Department of Housing and Urban Development. It is primarily used for housing rehabilitation and other grant eligible activities.

COMPENSATED ABSENCES – An accrued employee’s right to receive compensation for future absences attributable to service already rendered (i.e.: vacation and sick leave).

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – An annual financial report presented in three sections: introductory, financial and statistical.

CONSUMER PRICE INDEX (CPI) – A measure, calculated by the United States Department of Labor, commonly used to indicate the rate of inflation.

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures for which no other budget exists. General Fund use of the contingency may only be approved by the City Council.

CONTRACTUAL OBLIGATIONS – The costs related to obligations performed for the City by individuals, businesses, or utilities.

DEBT SERVICE – The payment of interest and principal to holders of the City’s debt instruments.

DESIGNATED FUND BALANCE – Funds that have been selected and assigned for a specific purpose.

DESIGNATED UNRESERVED FUND BALANCE – Portion of unreserved fund balance that management would prefer to use available financial resources for a specific purpose.

ECONOMIC DEVELOPMENT COMMISSION (EDC) – A commission committed to ensuring the continued economic prosperity and preservation of the qualities that attract and retain businesses in the community.

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.

EQUALIZATION RATIO – Indicates the relationship between assessed value and market value. This ratio is determined for each municipality every year by the NH Department of Revenue Administration through a study of the qualified sales that occurred within the municipality during the previous year.

EQUALIZED VALUE – Assessed value calculated by the state to ensure that property under its jurisdiction is appraised equitably at market value.

EXPENDITURE – Actual outlay of monies for goods or services.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and result of its operations. The fiscal year for the City of Portsmouth begins July 1 and ends on June 30.

FUND – An independent fiscal and accounting entity which a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific

activities.

FUND BALANCE – The excess of an entity’s assets over its liabilities also known as excess revenues over expenditures or net assets. A negative fund balance is sometimes called a deficit.

GENERAL OBLIGATION BOND – A bond for which the full faith and credit of the City is pledged for payment.

GOALS – Statements of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

GOVERNMENT FINANCE OFFICER’S ASSOCIATION (GFOA) - A private, nonprofit organization which has actively supported the advancement of governmental accounting, auditing, and financial reporting since 1906.

GOVERNMENTAL FUND TYPE – Governmental accounting includes eight types of funds: general, special, debt service, capital, enterprise, internal service, trust, and agency. These types are indicative of accounting procedures to be used and the function of each type.

INFRASTRUCTURE – The basic facilities, equipment, services, and installations needed for the growth and functioning of a country, community, or organization.

LEAVE AT TERMINATION – Accumulated earned leave owed to employees when they leave municipal service.

LINE-ITEM – Separate listing of each expenditure category along with the dollar amount budgeted for each.

MISSION STATEMENTS – Broad, general statements which summarize the aims and values of an organization.

MODIFICATION FACTOR (MOD FACTOR) – The mod factor is used when determining workers compensation premiums. The mod factor is a value that compares the claim profile of the employer to the claim profile that would be expected of an employer of similar size payroll in the same in the same industry. A value of 1.00 is average, meaning the frequency and severity of actual losses equaled the expected losses. A mod factor greater than 1.00 means the employer experienced worse than expected losses during the rating period, and a mod factor of less than 1.00 indicates the employer’s losses were better than expected for the rating period.

MODIFIED ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable and expenditures are recognized in the accounting period in which the fund liability is incurred.

MUNICIPAL SERVICE AGREEMENT – An agreement between the City of Portsmouth, the Town of Newington and the Pease Development Authority to provide municipal services in the airport district of the Pease Development Authority.

NON-OPERATING BUDGET – Expenditures that are not directly attributed to the day to day operations of any one particular department: TANS, Debt Services, Contingency, Overlay, County Tax, Capital Outlay.

OBJECTIVES - The goal intended to be attained (and which is believed to be attainable) by the City of Portsmouth.

OPERATING BUDGET – Expenditures that are directly attributed to the day to day operations of a particular department: Salaries, Benefits, Supplies, Utilities, etc.

OVERLAY – An appropriation to fund potential tax abatements.

PEASE DEVELOPMENT AUTHORITY (PDA)– A body politic and corporate of the State of New Hampshire located in Rockingham County, New Hampshire.

PERFORMANCE MEASURE – An indicator of the attainment of an objective; it is a specific quantitative measure of work performed or services provided within an activity or program, or it may be a quantitative measure of results obtained through a program or activity.

PROPOSED BUDGET – The operating and capital budgets submitted to the City Council by the City Manager.

RESERVE FOR DEBT – Account where retained earnings are set aside to satisfy outstanding debts.

RESERVE FOR PROPERTY APPRAISAL – Account where retained earnings are set aside to cover property appraisals.

RETAINED EARNING- The accumulated equity balance in an enterprise or internal service fund resulting from operations over the years. This is the difference between fund assets and fund liabilities.

REVENUE – The income received by the City in support of a program of services to the community; includes such items as property taxes, fees, user charges, grants, fines, interest income and miscellaneous revenue.

REVISED STATUTES ANNOTATED (RSA) – The State of New Hampshire’s statutes.

ROLLING STOCK - The equipment available for use as transportation, such as automotive vehicles, that is owned by the City of Portsmouth.

SPECIAL REVENUE FUND – A fund used to account for the proceeds of specific revenues that are legally restricted to expenditure for specific purposes.

SUSTAINABILITY – Development which meets the needs of the present without compromising the ability of future generations to meet their own needs; to the use of ecosystems and their resources in a manner that satisfies current needs while allowing them to persist I the long term.

TAX LEVY - Taxes that are imposed and collected.

TAX RATE – The amount of tax levied for each \$1,000 of assessed value.

URBAN DEVELOPMENT ACTION GRANT (UDAG) – An economic development initiative established by the US Department of Housing and Urban Development (HUD) in the early 1980's whose goals were to establish public/private partnerships that would stimulate economic development in communities' downtown districts.

UNDESIGNATED FUND BALANCE – A fund balance that has not been selected or assigned to a specific purpose.

USER FEES – The payment of a fee for direct receipt of a public service by the person benefiting from the service.

ABBREVIATIONS/ACRONYMS

ACO – Animal Control Officer
ADA – Americans with Disability Act
AMR – Automated Meter Reading
BIS – Bureau of Investigated Service
BRAC – Base Realignment And Closure
CAFR – Comprehensive Annual Financial Report
CAMA – Computer Aided Mass Appraisal
CBC – Central Business District
CBERN – Chemical, Biological, Explosive, Radiological, Nuclear
CDBG – Community Development Block Grant
CDP – Community Diversion Program
CFAI – Commission on Fire Accreditation International
CIP – Capital Improvement Plan
CM – City Manager
COCA – Cost of Living Adjustment
CPI – Consumers Price Index
CPI-U – Consumer Price Index-Urban
DAF – Dissolved Air Flootation
DOT – Department of Transportation
ECC – Emergency Communications Center
EDC – Economic Development Commission
EMO – Emergency Management Office
EMS – Emergency Medical Services
EMT – Emergency Medical Technician
FEMA – Federal Emergency Management Agency
FICA – Federal Insurance Contribution Act
FMLA – Family and Medical Leave Act
FS – Family Services
FTE – Full time equivalent
FOG – Fats, Oil, and Grease

FTO – Field Training Officer
FY – Fiscal Year
GFOA – Governmental Finance Officers Association
GIS – Geographic Information Systems
GPTMA – Greater Portsmouth Transportation Management Association
HDC – Historic District Commission
HM – Hazardous Materials
HR – Human Resources
ISO – Insurance Service Officer
IT – Information Technology
IBPO – International Brotherhood of Police Officers
ICMA – International City Managers Association
JBC – Joint Budget Committee
MAAP – Municipal Agent Automation Project
MAN – Metropolitan Area Network
MOD – Modification factor
MPO – Metropolitan Planning Organization
NFPA – National Fire Protection Association
NHFSTFF – New Hampshire Fire Standards & Training Fire Fighters
OCLC – Online Computer Library Center
OU-2 – Operable Unit 2
PEDLP – Portsmouth Economic Development Loan Program
PDA – Pease Development Authority
PHS – Portsmouth Historical Society
PMA – Professional Management Association
RSA – Revised Statutes Annotated
SCADA – System Control And Data Acquisition
SMA – Supervisory Management Alliance
SRF – State Revolving Fund
SRO – School Resource Officer
TCP/IP – Transmission Control Protocol/Internet Protocol

UDAG – Urban Development Action Grant

WMP – Wastewater Master Plan