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ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

JOHN M. FORMELLA
ATTORNEY GENERAL

JANE E. YOUNG
DEPUTY ATTORNEY GENERAL

November 3, 2021

His Excellency, Governor Christopher T. Sununu
And the Honorable Council
State House
Concord, NH 03301

Your Excellency and Members of the Council:

REQUESTED ACTIONS

Authorize the Department of Justice to enter into a subgrant **retroactive to July 1, 2021**, totaling $500,000, with the Portsmouth Police Department, Portsmouth, NH (Vendor # 159594-B001), for the purpose of enhancing and sustaining the New Hampshire Internet Crimes Against Children (ICAC) Task Force, effective July 1, 2021 through June 30, 2023 upon approval of the Governor and Executive Council. 100% General Funds.

Funding is available as follows:

02-20-20-201510-2601	FY 2022	FY 2023
Attorney General		
073-500580, Grants Non Federal	$250,000	$250,000

EXPLANATION

This is **retroactive** because the contract was not received at this office for timely consideration by the Governor and Executive Council prior to July 1, 2021.

The Department of Justice was appropriated $250,000 in Fiscal Year 2022 and $250,000 in Fiscal Year 2023, through Chapter 91 Laws of 2021, Section 91:83, in order to support the New Hampshire Internet Crimes Against Children (ICAC) Task Force as pursuant to RSA 21-M:17.

The ICAC Task Force conducts proactive investigations in order to identify, investigate, and arrest individuals who use digital technologies to exploit children for personal or commercial gain and to increase community outreach to educate citizens to help detect and prevent further internet crimes against children.

This subgrant will also provide programmatic assistance to affiliates who utilize personnel to further ICAC Task Force efforts, maintain forensic capacity, provide training for personnel, and perform other activities that will enhance the effectiveness of the ICAC Task Force.

Please let me know if you have any questions concerning this request. Thank you for your consideration.

Respectfully submitted,

John M. Formella
Attorney General

#3359035

ICAC-FS 500K

GRANT AGREEMENT

The State of New Hampshire and the Subrecipient hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name New Hampshire Department of Justice		1.2. State Agency Address 33 Capitol Street, Concord, NH 03301	
1.3. Subrecipient Name Portsmouth Police Department		1.4. Subrecipient Address 3 Junkins Avenue, Portsmouth, NH 03801	
1.5 Subrecipient Phone # 603-610-7457	1.6. Account Number 02-20-20-201510-2601-073-500580	1.7. Completion Date 6/30/2023	1.8. Grant Limitation $ 500,000
1.9. Grant Officer for State Agency Kathleen Carr		1.10. State Agency Telephone Number (603) 271-1234	
"By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Subrecipient Signature 1		1.12. Name & Title of Subrecipient Signor 1 Mark Newport, Chief of Police	
Subrecipient Signature 2 *If Applicable*		Name & Title of Subrecipient Signor 2 *If Applicable* Karen Conard, City Manager	
1.13. Acknowledgment: State of New Hampshire, County of Rockingham on 9/27/21, before the undersigned officer, personally appeared the person identified in block 1.12., known to me (or satisfactorily proven) to be the person whose name is signed in block 1.11., and acknowledged that he/she executed this document in the capacity indicated in block 1.12.			
1.13.1. Signature of Notary Public or Justice of the Peace (Seal)			
1.13.2. Name & Title of Notary Public or Justice of the Peace Karen A. Senecal Operations Mgr			
1.14. State Agency Signature(s) Kathleen Carr		1.15. Name & Title of State Agency Signor(s) Kathleen Carr, Director of Administration	
1.16. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By: Takhmina Rakhmatova Assistant Attorney General, On: 10/18/2021			
1.17. Approval by Governor and Council (if applicable) By: On: / /			

KAREN A. SENECAL
Notary Public - New Hampshire
My Commission Expires June 24, 2025

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Subrecipient identified in block 1.3 (hereinafter referred to as "the Subrecipient"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project").

Subrecipient Initial(s): MDN KSC 9/22/21
Date: 9/27/21

3. AREA COVERED. Except as otherwise specifically provided for herein, the Subrecipient shall perform the Project in, and with respect to, the State of New Hampshire.

4. EFFECTIVE DATE: COMPLETION OF PROJECT.

4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.17), or upon signature by the State Agency as shown in block 1.14 ("the effective date").

4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").

5. GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.

5.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.

5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT B.

5.3. In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Subrecipient the Grant Amount. The State shall withhold from the amount otherwise payable to the Subrecipient under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Subrecipient for all expenses, of whatever nature, incurred by the Subrecipient in the performance hereof, and shall be the only, and the complete, compensation to the Subrecipient for the Project. The State shall have no liabilities to the Subrecipient other than the Grant Amount.

5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY SUBRECIPIENT WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Subrecipient shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Subrecipient, including the acquisition of any and all necessary permits.

7. RECORDS and ACCOUNTS.

7.1. Between the Effective Date and the date three (3) years after the Completion Date the Subrecipient shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date three (3) years after the Completion Date, at any time during the Subrecipient's normal business hours, and as often as the State shall demand, the Subrecipient shall make available to the State all records pertaining to matters covered by this Agreement. The Subrecipient shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Subrecipient" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Subrecipient in block 1.3 of these provisions

8. PERSONNEL.

8.1. The Subrecipient shall, at its own expense, provide all personnel necessary to perform the Project. The Subrecipient warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Subrecipient shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA: RETENTION OF DATA: ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date the Subrecipient shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.

9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. CONDITIONAL NATURE OR AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Subrecipient notice of such termination.

11. EVENT OF DEFAULT: REMEDIES.

11.1. Any one or more of the following acts or omissions of the Subrecipient shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 Failure to perform the Project satisfactorily or on schedule; or

11.1.2 Failure to submit any report required hereunder; or

11.1.3 Failure to maintain, or permit access to, the records required hereunder; or

11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1 Give the Subrecipient a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Subrecipient notice of termination; and

11.2.2 Give the Subrecipient a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Subrecipient during the period from the date of such notice until such time as the State determines that the Subrecipient has cured the Event of Default shall never be paid to the Subrecipient; and

11.2.3 Set off against any other obligation the State may owe to the Subrecipient any damages the State suffers by reason of any Event of Default; and

11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Subrecipient shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Subrecipient to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Subrecipient from any and all liability for damages sustained or incurred by the State as a result of the Subrecipient's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Subrecipient hereunder, the Subrecipient, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No officer, member of employee of the Subrecipient, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her

Subrecipient Initial(s): MDN KSC 9/27/21

Date: 9/27/21

personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. SUBRECIPIENT'S RELATION TO THE STATE. In the performance of this Agreement the Subrecipient, its employees, and any subcontractor or subgrantee of the Subrecipient are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Subrecipient nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Subrecipient shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Subrecipient other than as set forth in Exhibit A without the prior written consent of the State.

16. INDEMNIFICATION. The Subrecipient shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Subrecipient or subcontractor, or subgrantee or other agent of the Subrecipient. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. INSURANCE AND BOND.

17.1 The Subrecipient shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 Statutory workmen's compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 Comprehensive public liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury or death any one incident, and $500,000 for property damage in any one incident; and

17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State.

18. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Subrecipient.

19. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.

20. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.

21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.

22. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

23. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

24. SPECIAL PROVISIONS. The additional provisions set forth in Exhibit C hereto are incorporated as part of this agreement.

Subrecipient Initial(s): MDN KSC 9/27/21

Date: 9/27/21

EXHIBIT A

-SCOPE OF SERVICES-

1. The Portsmouth Police Department as Subrecipient shall receive a grant from the New Hampshire Department of Justice (DOJ) for expenses incurred and services provided for activities surrounding the Internet Crimes Against Children (ICAC) program.

2. The Subrecipient shall be reimbursed by the DOJ based on budgeted expenditures described in Exhibit B. The Subrecipient shall submit incurred expenses for reimbursement on the state approved expenditure reporting form as provided. Expenditure reports shall be submitted on a quarterly basis, within fifteen (15) days following the end of the current quarterly activities. Expenditure reports submitted later than thirty (30) days following the end of the quarter will be considered late and out of compliance. *For example, with an award that begins on January 1, the first quarterly report is due on April 15th or 15 days after the close of the first quarter ending on March 31.*

3. Subrecipient is required to maintain supporting documentation for all grant expenses both state funds and match if provided and to produce those documents upon request of this office or any other state or federal audit authority. Grant project supporting documentation shall be maintained for at least three (3) years after the close of the Federal Grant.

4. Subrecipient shall be subject to periodic desk audits and program reviews by DOJ. Such desk audits and program reviews shall be scheduled with Subrecipient and every attempt shall be made by Subrecipient to accommodate the schedule.

5. All correspondence and submittals shall be directed to:
   NH Department of Justice
   Grants Management Unit
   33 Capitol Street
   Concord, NH 03301
   603-271-8473 or Emily.N.Horlick@doj.nh.gov.

Subrecipient Initials MDN KK 9/27/21

Date 9/27/21

EXHIBIT B

-METHOD OF PAYMENT-

1. The Subrecipient shall receive reimbursement in exchange for approved expenditure reports as described in EXHIBIT A.

2. The Subrecipient shall be reimbursed within thirty (30) days following the DOJ's approval of expenditures. Said payment shall be made to the Subrecipient's account receivables address per the Financial System of the State of New Hampshire.

3. The State's obligation to compensate the Subrecipient under this Agreement shall not exceed the price limitation set forth in form P-37 section 1.8.

   3a. The Subrecipient shall be awarded an amount not to exceed $500,000 of the total Grant Limitation set forth from Governor and Council approval or the duration 07/01/2021 to 06/30/2023.

   3b. The Subrecipient shall be awarded an amount not to exceed $250,000 of the total Grant Limitation from Governor and Council approval or 07/01/2021 to 6/30/2022, with approved expenditure reports. This shall be contingent on continued federal funding and program performance.

   3c. The Subrecipient shall be awarded an amount not to exceed $250,000.00 of the total Grant Limitation from 07/01/22 to 06/30/23, with approved expenditure reports. This shall be contingent on continued federal funding and program performance.

4. Neither the Subrecipient nor DOJ will be responsible for any expenses or costs incurred under this agreement prior to Governor and Council approval, nor after 06/30/2023.

Subrecipient Initials MDN KSC 9/27/21

Date 9/27/21

EXHIBIT C

-SPECIAL PROVISIONS-

1. Subrecipient shall also be compliant at all times with the terms, conditions and specifications detailed in the Special Conditions, which are subject to annual review.

Subrecipient Initials MDW KSC 9/27/21

Date 9/27/21

Appendix 1

Introduction

The Grants Management Unit (GMU) at the New Hampshire Department of Justice (NH DOJ) has the distinction of being the State Administering Agency (SAA) for multiple federal grants. Adherence to the rules, regulations, and performance measurements of those federal grants is of the utmost importance to the GMU and NH DOJ. Funding is contingent on the proper management of all state and federal money and this agency takes great pride in ensuring that those requirements are met. The NH DOJ often is tasked with managing state-funded grant programs. The same strict adherence to rules, regulations, and performance measurements extends to all grants managed by the GMU.

Application and Budget

Requests for funding from the NH DOJ, both federal and/or state funds, require the applicant agency to submit a project narrative, budget, and budget narrative. The NH DOJ has a standard application that includes all necessary sections that need to be completed and should be submitted at the time of requesting funds.

- The project narrative will outline the agency's goals and objectives for the funds requested.
- The budget will be a monetary breakdown, by appropriate budget category, for all funding requested to support the goals and objectives indicated in the project narrative.
- The budget narrative will explain the reason and justification in detail for the requested funds, per budget category.

All applications will be reviewed in full by the staff of the GMU and any corrections or clarifications will be requested from the applicant agency, if required.

Awards

If selected for funding the NH DOJ and the requesting agency will enter into a state approved contract, called a P-37. Included with the state contracts are the terms and conditions of the grant and must be agreed to as part of the contract process. Contracts to an agency from the NH DOJ of $25,000 or more, cumulatively, in the state fiscal year (July to June) require approval by the Governor and Executive Council. Once approved by Governor and Council funding of the program may begin.

Grantee Initials MON KSC 9/27/21
Date 9/27/21

Payments

Grant funding awarded from the NH DOJ will be paid to the receiving agency on a reimbursement basis. Expenditure reports must be submitted to the NH DOJ on a quarterly basis, with a due date of 15 days after the end of the previous quarter. For example, with an award that begins July 1 – your first quarterly expenditure report is due October 15th, or 15 days after the close of the first quarter on September 30th. Expenditure reports must be submitted to NH DOJ even if no funding was utilized.

Performance Measurements

To ensure that the goals and objectives of the project are being met, the NH DOJ requires applicant agencies to report specific performance measurements. The New Hampshire Internet Crimes Against Children (ICAC) Task Force will be required to report the following performance measurements to the NH DOJ quarterly, due with quarterly expenditure reports:

Objective	Performance Measure(s)	Data Grantee Provides
Maintain and expand state ICAC task force to prevent, interdict, investigate, and prosecute Internet Crimes against children	Percentage increase in arrests.	Number of ICAC-related arrests during the current reporting period.
Improve task force effectiveness in preventing, interdicting, investigating, and prosecuting Internet crimes against children.	Percentage increase in investigations that led to an arrest or conviction. Percentage increase in prosecutions	Number of investigators/prosecutors/education and forensic specialists dedicated during the current reporting period Number of investigations initiated for Internet crimes against children during the current reporting period. Number of prosecutions initiated for Internet crimes against children during the current reporting period. Number of investigations completed for Internet crimes against children during the current reporting period, including outcome.

Grantee Initials MGW KSC
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		Number of prosecutions completed for Internet crimes against children during the current reporting period, including outcome.
	Percentage increase in computer forensic examinations that ICAC task force completes.	Number of computer forensic examinations that ICAC task force completed during the current reporting period.
	Number of community presentations made regarding dangers of Internet crimes against children	Number of presentations and/or community meetings presented by members of the ICAC task force during the current reporting period.

In addition to the above mentioned quarterly statistics, ICAC will submit one yearly narrative report, due on or before June 30th of each year beginning June 30, 2021. The report will highlight the efficacy of the ICAC program and is intended for public release.

Other performance measurements may be requested by, but not necessarily limited to, the Governor, members of the New Hampshire Legislature, or by the Attorney General. If this were to occur the ICAC will be given an appropriate amount of time to assemble and disseminate the requested information.

Allowable Costs

Reimbursable costs under this grant include:

- Salary
- Benefits
- Training
- Equipment
- Funds to support local ICAC affiliate agencies in good standing with the New Hampshire ICAC and their efforts to combat Internet crimes against children.

Unallowable Costs

Funds awarded to the ICAC may only be used to expand or enhance funds already budgeted to or by the agency. The supplanting of locally budgeted and approved funds for routine law enforcement duties is prohibited. Other items that are generally considered unallowable, and will not be reimbursed, include but are not limited to:

Grantee Initials MNW KSC
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- Funds to support lobbying
- Construction or physical building modifications
- Compensation of Federal Employees
- Land Acquisition
- Bonuses or Commission
- Fundraising
- Entertainment

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Non-supplanting Certification

Supplanting defined

Federal funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose. Supplanting shall be the subject of application review, as well as pre-award review, post-award monitoring, and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds. For certain programs, a written certification may be requested by the awarding agency or recipient agency stating that Federal funds will not be used to supplant State or local funds. See the OJP Financial Guide (Part II, Chapter 3). http://www.ojp.usdoj.gov/financialguide/part2/part2chap3.htm.

Supplanting and job retention

A grantee may use federal funds to retain jobs that, without the use of the federal money, would be lost. If the grantee is planning on using federal funds to retain jobs, it must be able to substantiate that, without the funds, the jobs would be lost. Substantiation can be, but is not limited to, one of the following forms: an official memorandum, official minutes of a county or municipal board meeting or any documentation, that is usual and customarily produced when making determinations about employment. The documentation must describe the terminated positions and that the termination is because of lack of the availability of State or local funds.

The City of Portsmouth Police Department (Applicant) certifies that any funds awarded through **grant number** 2022IC01 shall be used to supplement existing funds for program activities and will not replace (supplant) nonfederal funds that have been appropriated for the purposes and goals of the grant.

The City of Portsmouth Police Department (Applicant) understands that supplanting violations may result in a range of penalties, including but not limited to suspension of future funds under this program, suspension or debarment from federal grants, recoupment of monies provided under this grant, and civil and/or criminal penalties.

Printed Name and Title: Karen Conard, City Manager

Signature: _____ Date: 9/27/2021

CERTIFICATE OF AUTHORITY

I, Kelli L. Barnaby, City Clerk for the City of Portsmouth, do hereby certify that:

Upon the City Council's vote to accept any grant, the City Manager is authorized to enter into grant agreements with local, state and federal agencies. His/Her authority is found in the Revised Charter of the City of Portsmouth, Articles 1 and 5,

IN WITNESS WHEREOF, I have hereunto set my hand as the City Clerk of the City of Portsmouth, New Hampshire this 29 day of September, 2021.

Kelli L. Barnaby
City Clerk

STATE OF NEW HAMPSHIRE
ROCKINGHAM, SS

On this 29 day of September, 2021, before me, the undersigned officer, personally appeared Kelli L. Barnaby, who acknowledged herself to be the City Clerk of the City of Portsmouth, New Hampshire and that she, as City Clerk, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Justice of the Peace/Notary Public
My commission expires:_____

KAREN A. SENECAL
Notary Public - New Hampshire
My Commission Expires June 24, 2025

h\rps\city clerk\certificate of authority

TO: KAREN CONARD, CITY MANAGER

FROM: KELLI L. BARNABY, CITY CLERK

RE: ACTIONS TAKEN AT THE PORTSMOUTH CITY COUNCIL MEETING HELD IN THE EILEEN DONDERO FOLEY COUNCIL CHAMBERS ON MONDAY, SEPTEMBER 20, 2021

PRESENT: MAYOR BECKSTED, ASSISTANT MAYOR SPLAINE, COUNCILORS McEACHERN, WHELAN, LAZENBY, KENNEDY, HUDA, TABOR AND TRACE

1. **On a unanimous roll call 9-0, voted** to close the Non-Public Session and seal the minutes.

2. Recognition and Volunteer Committee Reports – Recognition of Salt Pile Rescue – Fire Chief Germain recognized members of the Fire Department for an incident in Newington at the Sprague Terminal for a person trapped inside a salt pile. Chief Germain presented the members of the department that assisted in the rescue with a Unit Citation. Mayor Beckstead, City Manager, and City Council expressed their thanks and appreciation to Fire Chief Germain and the department for their outstanding work with this incident and all that they do for the community.

3. Public Comment Session – There were two speakers: Paul Mannle (Easements); and Dick Bagley (McIntyre, Parking Ordinance fines).

4. **Voted** to suspend the rules in order to take up Item XV. A.2. – Authorization of Purchase and Sale for Acquisition of Community Campus.

5. Authorization of Purchase and Sale for Acquisition of Community Campus – **Voted** to authorize the City Manager to negotiate a purchase and sale agreement to be brought back to the Council for final approval, and to refer this acquisition to the Planning Board for its review and report back.

6. Public Hearing – Resolution Authorizing the Issuance of Refunding Bonds of up to Eleven Million Six Hundred and Fifty Thousand Dollars ($11,650,000.00) to Refinance certain outstanding bonds of the City so as to reduce interests costs, and to pay all costs incidental and related thereto – Held a public hearing. **On a unanimous roll call 9-0, voted** to adopt the proposed resolution as presented.

7. Public Hearing – Resolution Authorizing the Issuance of Refunding Bonds of up to One Million Six Hundred Thousand Dollars ($1,600,000.00) to Refinance certain outstanding bonds of the City so as to reduce interests costs, and to pay all costs incidental and related thereto – Held a public hearing. **On a unanimous roll call 9-0, voted** to adopt the proposed resolution as presented.

8. First Reading of Ordinance amending Chapter 7, Article XI, Section 7.1100 – Speed Limits sub-section E – Speed Limit: 25 MPH – Chevrolet Avenue – **Voted** to pass first reading, and schedule a public hearing and second reading at the October 4, 2021 City Council meeting.

9. First Reading of Ordinance amending Chapter 7, Article XII, Section 7.1200 – Parking for the Walking Disabled – **Voted** to pass first reading, and schedule a public hearing and second reading at the October 4, 2021 City Council meeting.

10. Third and Final Reading of Ordinance amending Chapter 1, Article IV, Section 1.414 – Audit Committee – **On a roll call 7-2, voted** to pass third and final reading of this ordinance amendment, and adopt the ordinance as presented. Assistant Mayor Splaine, Councilors McEachern, Whelan, Lazenby, Kennedy, Trace and Mayor Becksted voted in favor. Councilors Huda and Tabor voted opposed.

11. Third and Final Reading of Ordinance amending Chapter 7, Article IX, Section 7.901 – Penalties, Forfeitures and Separability – **On a roll call 7-2, voted** to pass third and final reading of this ordinance amendment, and adopt the ordinance as presented. Councilors McEachern, Whelan, Lazenby, Kennedy, Huda, Tabor and Trace voted in favor. Assistant Mayor Splaine and Mayor Becksted voted opposed.

12. Appointments to Energy Advisory Committee – Mayor Becksted announced the following individuals will serve on the Mayor's Blue Ribbon Energy Advisory Committee: Kevin Charette, Ben D'Antonio, Tom Rooney, Peter Somssich and Allison Tanner. Also, Rebecca Raum O'Brien will be representing the Sustainability Committee.

13. Appointments to be Voted – **Voted** the reappointment of Alan Gold to the Economic Development Commission until October 1, 2025 and reappointment of Marsha Filion to the Board of Library Trustees until October 1, 2024.

14. Note from Dana Levenson – Not seeking reappointment to the Economic Development Commission – **Voted** to accept the note with regret and to send Mr. Levenson a letter of thanks and appreciation for his years of service on the Economic Development Commission.

15. Mayor's Blue Ribbon Cemetery Committee (Not on agenda) – Mayor Becksted announced the following individuals will serve on the Mayor's Blue Ribbon Cemetery Committee: David Falck, Kerry Rubinstein, Chris Benecick, Stephanie Pagliaro, Sue Polidura, Don Margeson, Mike Griffin, Karen Bouffard, Duncan MacCallum, Sherri BrandSema, Susan Sterry and Romona Charland. City Council Representatives: Councilor Esther Kennedy and Mayor Rick Becksted. Staff Representatives: Public Works Director Peter Rice and City Manager Karen Conard.

16. Request a report back from the Legal Department on interpretation of Type 1 Highway Project Qualifications – Councilor McEachern requested a report back from the Legal Department of interpretation of Type 1 Highway Project Qualifications.

17. Resuming the use of video inspections to help with backlog - Acting Deputy City Manager/Deputy City Attorney Woodland reported that staff is in the process of creating a video inspections program through the Viewpoint Permitting System. No action required.

18. Action Items Needing Approval by City Council – Request for Approval of Executed Valet Agreements of Portwalk Hampton and Portwalk Marriott and Parking & Traffic Safety Committee Action Sheet and Minutes of the September 2, 2021 meeting – **Voted** to table the Valet Agreements and the Parking & Traffic Safety Action Sheet and Minutes in order to have the Valet Agreements copies included in the October 4th City Council Packet for approval.

19. McIntyre Committee Update – Councilor Whelan provided a status update on the McIntyre Committee. No action required.

20. Portsmouth Energy Advisory Committee – No action required.

21. Sagamore Creek Sewer Extension Project – **Voted** for a report back from the City Manager to the residents and the Council at the October 4th City Council meeting on the status of the Sagamore Creek Sewer Extension Project.

Questions to be Addressed:

- *What were the results of the core sample testing?*
- *Has the results of testing changed the cost of the project?*
- *Current count of residents opting to participate?*
- *Current cost estimate of the project?*
- *Current cost estimate per resident count for those residents opting in?*
- *Are there any changes in the process or progress of this project that the residents & Council should be made aware of?*

22. Per the City Charter 7.4 – Independent Audit "Reporting to the City Council" – Councilor Huda thanked Finance Director Belanger for providing answers to her request for a progress update on the FY21 Audit. No action required.

23. **Voted** to suspend the rules and bring forward City Manager's Informational Item 1 – Report Back on Bartlett and Cate Street Intersection along with Report back on "The new Bartlett Street intersection cross walk" under Councilor Trace's name.

24. Report Back on Bartlett and Cate Street Intersection and Report back on "The new Bartlett Street intersection cross walk" – **Voted** to hold a Site Walk in the next two weeks.

25. Memorial Plaque Donation in Honor of Kate Crowell – **Voted** to approve and accept a memorial plaque donation from Linda Bernier in recognition of Kate Crowell to be placed in the Jay Smith Pocket Park.

26. A Grant to the Portsmouth Police Department from the State Department of Justice for the New Hampshire Internet Crimes Against Children (ICAC) Task Force – $500,000.00 – **Voted** to approve and accept the grant for the Police Department in the amount of $500,000.00 as presented.

27. A Grant to the Portsmouth Police Department from the New Hampshire Department of Safety for nine different highway safety initiatives - $17,641.00 – **Voted** to approve and accept the grant for the Police Department in the amount of $17,641.00 as presented.

28. Borthwick Forest Easements – **Voted** to refer this to the Planning Board for report back to the City Council. Councilor Lazenby voted opposed.

29. Consent Agenda – **Voted** to adopt the Consent Agenda.

    A. Letter from Anna Howard, Women's March Seacoast Org., requesting permission to hold the Women's March on Saturday, October 2, 2021 ***(Anticipated action – move to refer to the City Manager with Authority to Act)***

30. Email Correspondence – **Voted** to accept and place on file.

31. City Manager's Informational Item #5 – Funding Request from the Mayor's Blue Ribbon Committee on Arts and Non-Profits – **Voted** to enact this funding request from the Mayor's Blue Ribbon Committee on Arts and Non-Profit and authorize the City Manager to handle this matter.

32. Adjournment – At 9:40 p.m., **voted** to adjourn.

Respectfully submitted by:

Kelli L. Barnaby, MMC/CNHMC
City Clerk

PORTSMOUTH POLICE COMMISSION

MEMORANDUM

DATE: SEPTEMBER 13TH, 2021
TO: KAREN CONARD, CITY MANAGER
FROM: STEFANY SHAHEEN, PORTSMOUTH POLICE COMMISSION CHAIR
MARK D. NEWPORT, CHIEF OF POLICE
RE: GRANTS

At the September 8th, 2021 Special Police Commission meeting, the Board of Police Commissioners approved and accepted the following grants:

a. **A grant in the amount of $500,000 has been awarded to the Portsmouth Police Department from the State Department of Justice for the New Hampshire Internet Crimes Against Children (ICAC) Task Force.**
b. **A grant in the amount of $17,641 from the New Hampshire Department of Safety for nine different highway safety initiatives.**

We submit the information to you pursuant to City Policy Memorandum #94-36, for the City Council's consideration and approval at their September 20th, 2021 meeting. We respectfully request this item be placed on the City Council meeting agenda for the September 20th, 2021 regular City Council meeting.

Respectfully submitted,

Jacqueline D. Burnett
Office of the Chief

copies: Board of Police Commissioners
Business Asst. Tammie Perez
Admin. Mgr. Karen Senecal

Primex³
NH Public Risk Management Exchange

CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member:	*Member Number:*	*Company Affording Coverage:*
City of Portsmouth One Junkins Avenue Portsmouth, NH 03801	275	NH Public Risk Management Exchange - Primex³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624

Type of Coverage	*Effective Date (mm/dd/yyyy)*	*Expiration Date (mm/dd/yyyy)*	*Limits - NH Statutory Limits May Apply (If Not*	
☐ **General Liability (Occurrence Form)** ☐ **Professional Liability (describe)** ☐ Claims Made ☐ Occurrence			Each Occurrence	
			General Aggregate	
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
☐ **Automobile Liability** Deductible Comp and Coll: ☐ Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
X **Workers' Compensation & Employers' Liability**	7/1/2021	7/1/2022	X Statutory	
			Each Accident	$2,000,000
			Disease – Each Employee	$2,000,000
			Disease – Policy Limit	
☐ **Property (Special Risk Includes Fire and Theft)**			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: Proof of Primex Member coverage only.

CERTIFICATE HOLDER:	☐ Additional Covered Party	☐ Loss Payee	Primex³ – NH Public Risk Management Exchange
			By: *Mary Beth Purcell*
New Hampshire Department of Justice 33 Capitol Street Concord, NH 03301			Date: 9/29/2021 mpurcell@nhprimex.org Please direct inquires to: **Primex³ Claims/Coverage Services** **603-225-2841 phone** **603-228-3833 fax**

Primex³
NH Public Risk Management Exchange

CERTIFICATE OF COVERAGE

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Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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Participating Member:	*Member Number:*	*Company Affording Coverage:*
City of Portsmouth One Junkins Avenue Portsmouth, NH 03801	275	NH Public Risk Management Exchange - Primex³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624

	Type of Coverage	*Effective Date (mm/dd/yyyy)*	*Expiration Date (mm/dd/yyyy)*	*Limits - NH Statutory Limits May Apply*	
X	**General Liability (Occurrence Form)**	7/1/2021	7/1/2022	Each Occurrence	$ 1,000,000
	Professional Liability (describe)			General Aggregate	$ 2,000,000
	☐ Claims Made ☐ Occurrence			Fire Damage (Any one fire)	
				Med Exp (Any one person)	
	Automobile Liability Deductible Comp and Coll: $1,000			Combined Single Limit (Each Accident)	
	Any auto			Aggregate	
	Workers' Compensation & Employers' Liability			Statutory	
				Each Accident	
				Disease – Each Employee	
				Disease – Policy Limit	
	Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: In regards to the Grant agreement, the certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 15 days prior to cancellation.

CERTIFICATE HOLDER:	X	Additional Covered Party		Loss Payee	Primex³ – NH Public Risk Management Exchange
					By: *Mary Beth Purcell*
New Hampshire Department of Justice 33 Capitol Street Concord, NH 03301					Date: 9/29/2021 mpurcell@nhprimex.org Please direct inquires to: **Primex³ Risk Management Services** **603-225-2841 phone** **603-228-3833 fax**

MELANSON

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Independent Auditors' Reports Pursuant
to Government Auditing Standards
and Uniform Guidance

For the Year Ended June 30, 2020

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MELANSON

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, New Hampshire (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MELANSON

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Melanson

Merrimack, New Hampshire
December 17, 2020

MELANSON

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited the City of Portsmouth, New Hampshire's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MELANSON

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, New Hampshire as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 17, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Melanson

Merrimack, New Hampshire
March 10, 2021

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Agency Cluster Pass-through Agency Program Title	Federal CFDA Number	Pass Through Identifying Number	Federal Expenditures	Passed Through to Subrecipient
U.S. Department of Agriculture				
Child Nutrition Cluster				
Passed Through the New Hampshire Department of Education				
School Breakfast Program	10.553	Unknown	$ 63,120	$ -
National School Lunch Program - Cash Assistance	10.555	Unknown	174,945	-
National School Lunch Program - Non-Cash Assistance	10.555	Unknown	29,065	-
After School Snack Program	10.555	Unknown	1,515	-
Total Child Nutrition Cluster			268,645	-
Total U.S. Department of Agriculture			268,645	-
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Direct Federal Program				
Community Development Block Grants/Entitlement Grants	14.218	N/A	199,926	109,859
Total CDBG - Entitlement Grants Cluster			199,926	109,859
Total U.S. Department of Housing and Urban Development			199,926	109,859
U.S. Department of Justice				
Direct Federal Program				
Missing Children's Assistance	16.543	N/A	291,118	-
Crime Victim Assistance	16.575	N/A	24,018	
Bulletproof Vest Partnership Program	16.607	N/A	9,744	-
Equitable Sharing Program	16.922	N/A	3,082	-
Passed Through the New Hampshire Department of Justice				
Violence Against Women Formula Grants	16.588	Unknown	26,199	-
Total U.S. Department of Justice			354,161	-
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed Through the New Hampshire Department of Transportation				
Highway Planning and Construction - Peverly Hill Road	20.205	20258	40,935	-
Total Highway Planning and Construction Cluster			40,935	-
Highway Safety Cluster				
Passed Through the New Hampshire Department of Transportation				
State and Community Highway Safety - Step Patrols	20.600	19-02-04	800	-
State and Community Highway Safety - Step Patrols	20.600	20-02-04	874	-
State and Community Highway Safety - Operation Safe Commute	20.600	19-02-04	2,200	-
State and Community Highway Safety - Operation Safe Commute	20.600	20-02-11	1,243	-
State and Community Highway Safety - DWI Patrols	20.600	20-07-04	536	-
State and Community Highway Safety - Distracted Driving	20.600	19-04-04	3,104	-
State and Community Highway Safety - Distracted Driving	20.600	20-06-04	574	-
State and Community Highway Safety - Bicycle/Pedestrian	20.600	19-06-04	3,277	-
State and Community Highway Safety - DWI Patrols and Checkpoints	20.600	19-07-04	2,226	-
State and Community Highway Safety - Drive Sober or Get Pulled Over	20.600	20-07-11	237	-
Total Highway Safety Cluster			15,071	-
Total U.S. Department of Transportation			56,006	-

(Continued)

The accompanying notes are an integral part of this schedule.

(Continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Agency Cluster Pass-through Agency Program Title	Federal CFDA Number	Pass Through Identifying Number	Federal Expenditures	Passed Through to Subrecipient
U.S. Department of the Treasury				
Passed Through the New Hampshire Governor's Office for Emergency Relief and Recovery				
COVID-19 - Coronavirus Relief Fund - First Responder Stipends	21.019	Unknown	333,771	-
COVID-19 - Coronavirus Relief Fund - Municipal Aid	21.019	Unknown	462,890	-
Total U.S. Department of Treasury			796,661	-
Environmental Protection Agency				
Clean Water State Revolving Fund Cluster				
Passed Through the New Hampshire Department of Environmental Services				
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS330001-18	1,209,678	-
Total Clean Water State Revolving Fund Cluster			1,209,678	-
Total Environmental Protection Agency			1,209,678	-
U.S. Department of Education				
Special Education Cluster				
Passed Through the New Hampshire Department of Education and Secondary Education				
Special Education Grants to States	84.027	72620, 82603, 92520	709,019	-
Special Education Preschool Grants	84.173	72621, 82604, 92521	4,211	-
Total Special Education Cluster			713,230	-
Passed Through the New Hampshire Department of Education				
Title I Grants to Local Educational Agencies	84.010	80151, 90223, 81632	299,189	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	80167, 90505	15,421	-
Career and Technical Education - Basic Grants to States	84.048	93133	44,849	-
Twenty-First Century Community Learning Centers	84.287	90031	83,782	-
English Language Acquisition State Grants	84.365	70809, 80809, 90352	16,444	-
Improving Teacher Quality State Grants	84.367	84917, 90318, 88909	90,207	-
Student Support and Academic Enrichment Program	84.424	90458	23,986	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	Unknown	71,400	-
Total U.S. Department of Education			1,358,508	-
U.S. Department of Health and Human Services				
Direct Federal Program				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	69,876	-
Total U.S. Department of Health and Human Services			69,876	-
U.S. Department of Homeland Security				
Passed Through the New Hampshire Department of Safety				
Homeland Security Grant Program - National Passport and Visa	97.067	Unknown	25,191	-
Homeland Security Grant Program - Drone/SUAS	97.067	Unknown	58,113	-
Total U.S. Department of Homeland Security			83,304	-
Total Federal Expenditures			$ 4,396,765	$ 109,859

The accompanying notes are an integral part of this schedule.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Portsmouth, New Hampshire (the City) under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

- Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.
- The amounts reported for the National School Lunch Program – Non-Cash Assistance represent the fair value of commodities received.
- The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Donated Personal Protective Equipment (PPE) (Unaudited)

During fiscal year 2020, the City did not receive donated PPE from federal assistance.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	___ yes ✓ no
• Significant deficiencies identified?	___ yes ✓ none reported
Noncompliance material to financial statements noted?	___ yes ✓ no

Federal Awards

Internal control over major federal programs:	
• Material weaknesses identified?	___ yes ✓ no
• Significant deficiencies identified?	___ yes ✓ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes ✓ no

Identification of major federal programs:

CFDA Numbers	***Name of Federal Program or Cluster***
21.019	COVID-19 – Coronavirus Relief Fund
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	✓ yes ___ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS

There were no findings in the prior year.