

Estimating Expenditures

Estimating expenditures can be challenging, because throughout any given year, there are many factors substantially changing community service needs. Because of this uncertainty, the expenditure estimation is a local government resource allocation plan. Throughout the year, and as needed, the City Council and City Manager adjust program and service areas.

Beyond the expenditure service driven aspect, many categories are fixed and are not impacted by service levels. Other expenditures are driven by the cost of goods (such as fuel or other types of supplies). Due to fluctuating economic factors, expenditures are difficult to estimate. During budget development, these factors are considered, and the resulting estimates become the adopted expenditure budget.

In the schedules on the following pages, expenditures are grouped by broad categories:

- **General Government** – this category includes departments that provide the overall general administration of the City such as City Council, City Clerk, City Manager, Management and Legislative Affairs, Office of Communications, City Attorney, Human Resources, the Civil Service Commission, Registrar, Commissioner of the Revenue, City Assessor, City Treasurer, Finance, Procurement and Risk Management and Office of Marketing.
- **Non-departmental** – this category includes non-specific departmental functions such as Public Transportation, Non-Departmental, Support to Civic Organizations, Debt Service and Transfers and Contingencies. Transfers and Contingencies move funds from one fund to another, and when the cost of an issue is unknown, contingencies are set aside. The largest City transfer is to the Schools operating fund.
- **Judicial** – this category includes civil and criminal agencies pertaining to prosecution and adjudication such as the Circuit Court Judges, Circuit Court Clerk, Magistrate, General District Court, Juvenile and Domestic Relations Court, Juvenile Court Services, Sheriff and Commonwealth Attorney.
- **Public Safety** – this category includes departments such as Police, E-911, Animal Control and Fire, Rescue and Emergency that address citizenry protection.
- **Public Works** – this category includes departments such as Engineering, Streets and Highways, Mosquito Control, Traffic Engineering, Property Management, Utilities and Rental of Land and Buildings that address the City's infrastructure needs.
- **Public Health and Welfare** – this category includes only the Department of Health which addresses the health and welfare of the citizenry.
- **Parks, Recreation and Culture** – this category includes departments such as Parks, Recreation and Leisure Services, Museums, Public Library and the Golf fund that address the City's recreational and cultural needs.
- **Community and Economic Development** – this category includes departments such as Economic Development, Convention and Visitors Bureau, Permits and Inspections, Planning, Willett Hall and the Community Planning and Development Program that address the City's overall development, marketing and planning needs.
- **Education** – this category include the activities and funding for the Portsmouth City Public Schools.

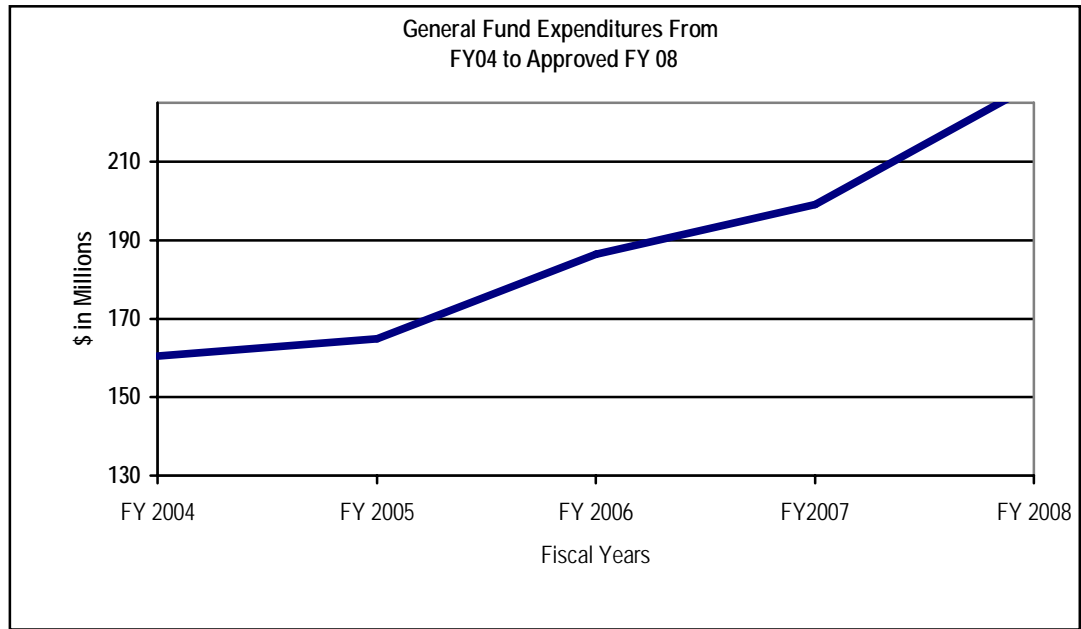
Expenditure Summary

General Fund Expenditures in Total

Controlling expenditures is paramount for the City to maintain a stable tax rate. As the following schedules indicate, general fund expenditures increased by 15.43% or \$30.7 million over the Fiscal Year 07 Approved Budget. The largest increases are Community and Economic Development categories which address some of the City's key infrastructure planning issues non-departmental which includes the transfer for School's operations in Fiscal Year 08 salary and benefits funding for City employees.,

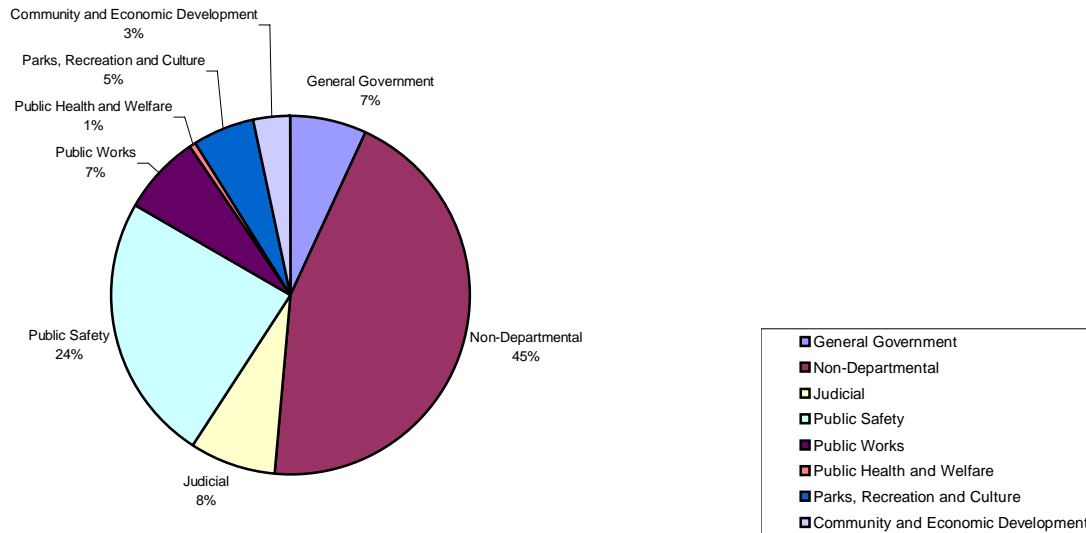
Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Total Operating Budget	160,429,821	164,815,785	186,331,590	199,010,672	229,720,002

As the graph below indicates, the general fund growth has been moderate or approximately 6.0% growth over the past four years (FY 04 – FY 07). Much like the cost of living or consumer price index would demonstrate over this same period of time, there has been moderate and some spikes in growth for the cost of goods and services. Highlights of the FY 08 Budget include a \$7.1 million increase in funding for Portsmouth Public Schools, 4.5% general wage increase for full-time city employees and 2.25% percent cola increase for retirees, new funding of \$4.1 million for mandated Other Post Employment Benefits (OPEB), \$5.5 million increase in local funding for Social Services and Comprehensive Services programs and \$2.7 million increase in debt service.



Expenditure Summary

General Fund: Appropriation by Categories



Comparative expenditures by category:

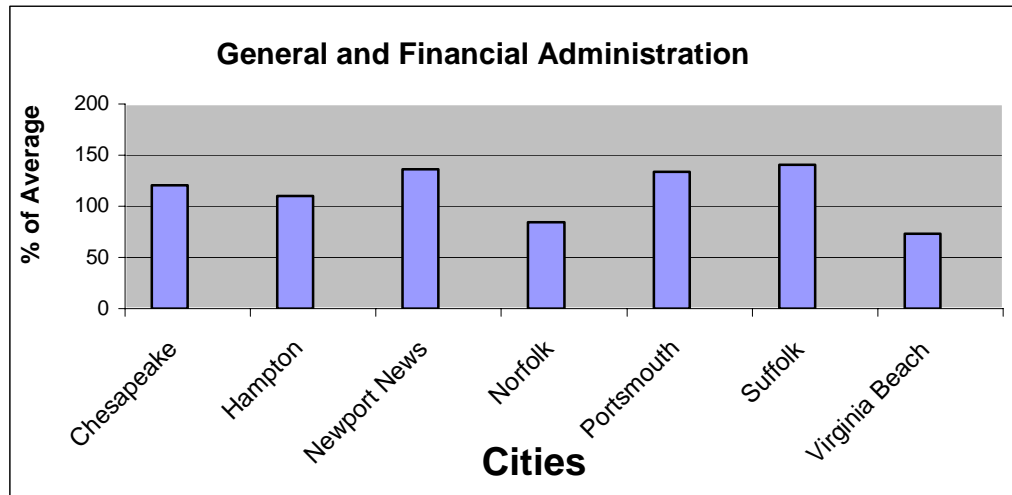
This section highlights expenditures per the “Comparative Report of Local Government Revenues and Expenditures” for the period ending June 30, 2006. This information is utilized as an analytical tool to display categories of expenditures across the governing counties, cities and towns within the State of Virginia. Several charts will be displayed to show the following comparative data for the six neighboring localities (Norfolk, Virginia Beach, Suffolk, Newport News, Chesapeake and Hampton) based on the following broad categories:

1. General and Financial Administration expenditures
2. Public Safety expenditures
3. Education expenditures by activity

General and Financial Administration – This category includes the Commissioner of the Revenue, City Treasurer, Data Processing, Automotive Motor Pool, Purchasing, Print Shop and Risk Management/Insurance. The City of Portsmouth ranks the third highest of the seven localities in per capita spending for this category and 100.89% of the average for the State of Virginia. The City of Newport News ranks the second highest in per capita spending with the City of Suffolk ranking the highest for the seven localities.

Expenditure Summary

Cities	Per Capita \$	% of Avg.
Chesapeake	120.40	90.93
Hampton	110.25	83.27
Newport News	136.20	102.87
Norfolk	84.58	63.88
Portsmouth	133.58	100.89
Suffolk	140.60	106.19
Virginia Beach	72.98	55.12
Average per capita \$132.41		

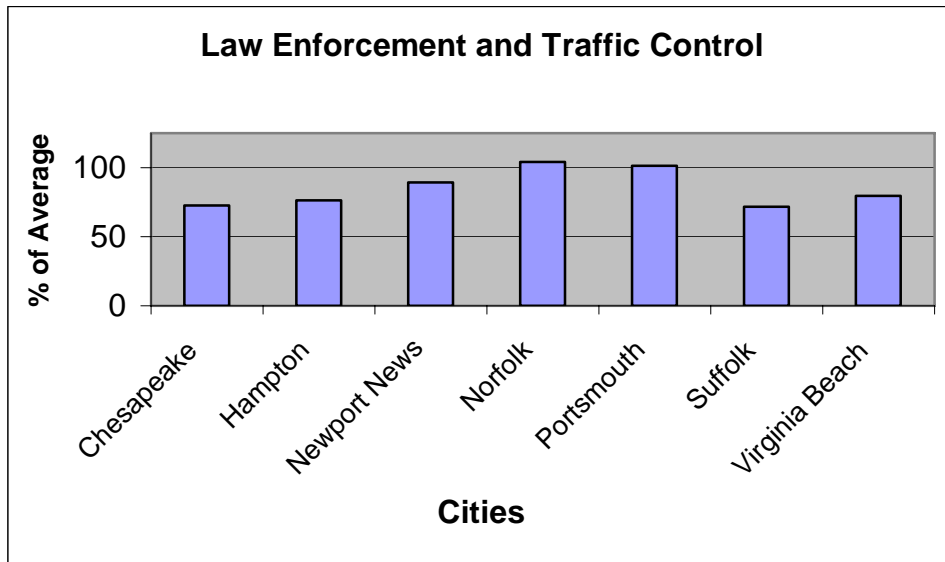


Expenditure Summary

Public Safety Expenditures – This category includes Law Enforcement and Traffic Control, Fire and Rescue Services, Correction and Detention, Inspections and Other Protection. Law Enforcement and Traffic Control, Fire and Rescue Services and Correction and Detention per capita expenditures and rankings are displayed below.

Law Enforcement and Traffic Control

Cities	Per Capita \$	% of Avg.
Chesapeake	176.21	72.57
Hampton	185.50	76.39
Newport News	216.73	89.25
Norfolk	253.42	104.37
Portsmouth	245.64	101.16
Suffolk	173.89	71.61
Virginia Beach	192.99	79.48
Average per capita is \$242.82		



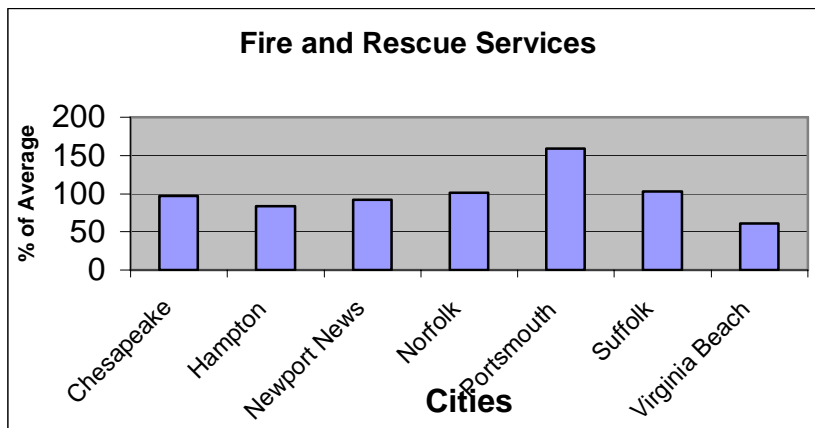
The City of Portsmouth ranks the second highest of the seven localities in per capita spending for Law Enforcement and Traffic Control and 101.16% of the average for the State of Virginia. The City of Norfolk ranks the highest of the seven cities with per capita spending at 104.37% of the State average.

Expenditure Summary

Fire and Rescue Services

Cities	Per Capita \$	% of Avg.
Chesapeake	163.21	97.35
Hampton	140.92	84.05
Newport News	154.19	91.96
Norfolk	169.38	101.03
Portsmouth	266.86	159.17
Suffolk	172.98	103.17
Virginia Beach	103.00	61.43

Average per capita is \$167.66



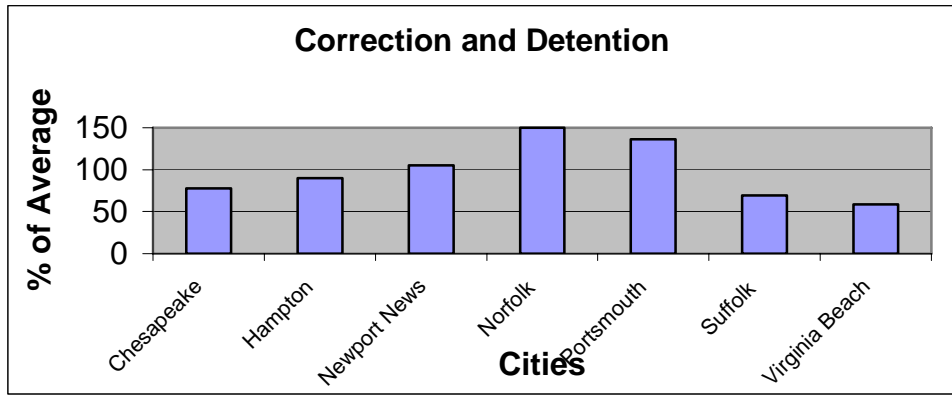
The City of Portsmouth ranks the highest of the seven localities in per capita spending for Fire and Rescue services and 159.17% of the State average. The Cities of Suffolk, Norfolk, and Chesapeake rank the next highest with per capita spending of 103.17%, 101.03% and 97.35% respectively of the average per capita spending for the State.

Correction and Detention

Cities	Per Capita \$	% of Avg.
Chesapeake	95.76	77.48
Hampton	111.29	90.04
Newport News	129.49	104.77
Norfolk	185.52	150.11
Portsmouth	168.40	136.25
Suffolk	85.74	69.37
Virginia Beach	72.27	58.48

Average per capita is \$123.59

Expenditure Summary



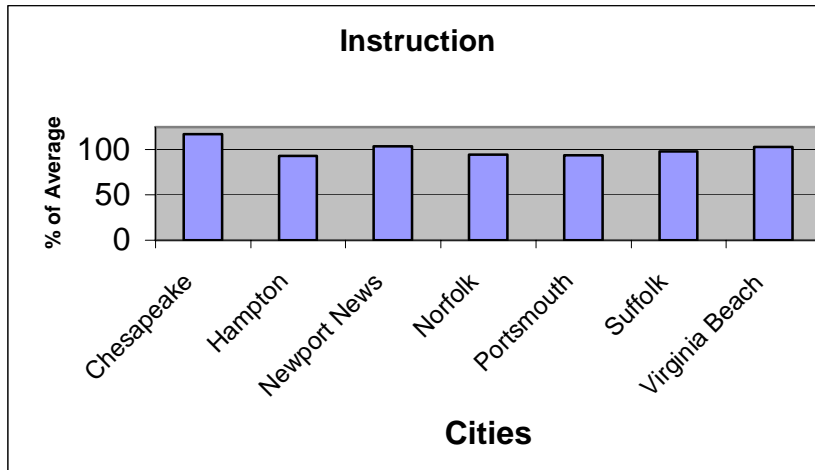
The City of Portsmouth ranks the second highest of the seven localities in per capita spending for Correction and Detention services and 136.25% of the State average. The City of Norfolk ranks the highest with per capita spending of 150.11% of the average per capita spending for the State.

Education – This category includes Instruction; Administration, Attendance and Health; Public Transportation Services and Operation and Maintenance Services. Comparative data is displayed below for the categories of Instruction and Administration, Attendance and Health.

Instruction

Cities	Per Capita \$	% of Avg.
Chesapeake	1,349.32	116.91
Hampton	1,075.28	93.17
Newport News	1,198.01	103.8
Norfolk	1,088.09	94.28
Portsmouth	1,086.46	94.14
Suffolk	1,131.41	98.03
Virginia Beach	1,186.06	102.77
Average per capita \$ is 1,154.13		

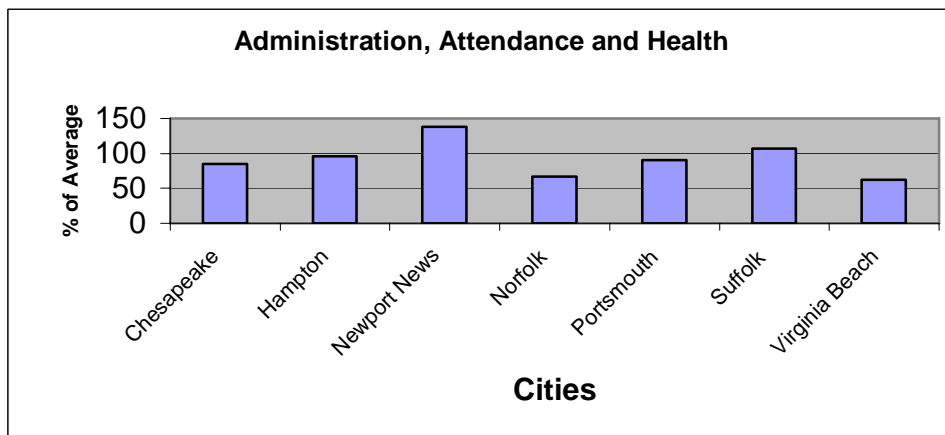
Expenditure Summary



The City of Portsmouth ranks the second lowest of the seven localities in per capita spending for Instructional services and 94.14% of the State average. The cities of Norfolk and Hampton rank comparable in spending with 94.28% and 93.17% of average per capita spending.

Administration, Attendance and Health

Cities	Per Capita \$	% of Avg.
Chesapeake	61.97	84.83
Hampton	69.95	95.75
Newport News	100.74	137.90
Norfolk	48.74	66.71
Portsmouth	65.92	90.23
Suffolk	78.01	106.78
Virginia Beach	45.28	61.98
Average per capita is \$73.06		



Expenditure Summary

The City of Portsmouth ranks the fourth highest of the seven localities in per capita spending for Administration, Attendance and Health services and 90.23% of the State average. The City of Newport News ranks the highest with 137.90% of the State average with Suffolk and Hampton ranking second and third, respectively.

**City of Portsmouth
Fiscal Year 2008 Adopted Budget Fund Summary**

Business Units	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>001 General Fund</u>				
General Government				
City Council	364,225	439,239	439,239	437,450
City Clerk	300,663	311,161	311,161	345,793
City Manager	1,617,698	1,564,737	1,385,909	1,231,217
Office Of Management Services	348,262	501,951	567,414	718,148
Registrar	459,254	476,178	476,178	587,082
City Attorney	2,127,649	1,456,459	1,456,459	1,648,351
Department Of Human Resource Management	978,421	1,099,150	1,099,150	1,259,592
Civil Service Commission	40,954	64,409	64,409	66,473
Commissioner Of Revenue	1,142,992	1,227,550	1,227,550	1,614,991
City Assessor	992,771	856,466	856,466	957,522
City Treasurer	1,602,539	1,793,511	1,793,511	1,878,978
Department Of Finance	1,694,387	1,927,209	1,927,209	2,129,514
Department Of Procurement And Risk Management	672,303	646,242	646,242	1,276,774
Office of Communications	99,257	186,450	343,215	414,337
Office of Marketing	-	996,013	996,013	1,103,186
	12,441,377	13,546,725	13,590,125	15,669,408
Non-Departmental				
Non-Departmental Accounts	5,492,678	7,161,581	7,029,104	6,912,233
Transfers and Contingencies	47,294,747	51,938,094	52,516,868	64,509,363
Public Transportation	1,627,744	2,157,632	2,157,632	2,457,342
Debt Service	24,594,169	25,416,951	25,411,951	28,131,515
Support to Civic Organizations	992,845	641,746	742,296	623,800
	80,002,184	87,316,004	87,857,851	102,634,253
Judicial				
Circuit Court Judges	410,789	462,222	462,222	541,173
Circuit Court Clerk	1,400,115	1,307,628	1,307,628	1,473,585
Magistrate	7,343	19,362	19,362	11,412
General District Court	32,280	47,214	47,214	50,683
Juvenile And Domestic Relations Court	887,509	814,635	814,635	26,171
Juvenile Court Services	214,298	373,313	373,313	1,200,743
Commonwealth Attorney	2,127,930	1,912,269	1,912,269	2,283,861
Sheriff	10,605,615	10,838,486	10,838,486	11,929,006
	15,685,880	15,775,129	15,775,129	17,516,634
Public Safety				
Police Department	23,457,107	23,947,281	23,938,442	27,694,602
E-911	1,995,512	2,280,095	2,280,095	2,532,792
Security and Animal Control	675,467	677,237	677,237	806,264
Department Of Fire, Rescue And Emergency	21,624,780	21,348,619	21,348,619	24,713,727
	47,752,865	48,253,232	48,244,393	55,747,385
Public Works				
Streets And Highways	3,345,394	3,714,731	3,714,731	4,606,965
Mosquito Control	386,827	485,975	485,975	492,086
Engineering	1,497,412	1,525,326	1,525,326	1,915,162
Traffic Engineering	2,332,529	2,494,675	2,494,675	2,616,576
Property Management	3,645,098	3,774,165	3,753,624	3,828,593
Utilities	1,925,361	1,649,000	1,649,000	1,686,000
Rental Of Land	1,470,863	1,420,824	1,420,924	1,178,203
Harbor Center Pavilion	90,454	388,655	388,655	421,116
	14,693,937	15,453,351	15,432,910	16,744,701

**City of Portsmouth
Fiscal Year 2008 Adopted Budget Fund Summary**

Business Units	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>001 General Fund</u>				
Public Health and Welfare				
Department Of Health	1,235,850	1,272,507	1,272,507	1,290,953
Parks, Recreation, and Cultural				
Department Of Museums	1,494,108	1,665,673	1,715,673	2,047,983
Department Of Public Library	2,051,601	2,118,207	2,197,426	2,471,212
Parks, Recreation and Leisure Services - Administration	3,763,618	911,435	1,282,179	4,829,196
Parks, Recreation and Leisure Services - Parks	1,713,326	4,003,372	4,023,913	2,693,335
Parks, Recreation and Leisure Services - Recreation	-	1,600,350	1,229,606	442,362
	<u>9,022,654</u>	<u>10,299,037</u>	<u>10,448,797</u>	<u>12,484,088</u>
Community and Economic Development				
Permits and Inspections	2,806,009	3,151,079	3,151,079	3,526,303
Department Of Economic Development	1,090,369	1,521,206	1,521,206	1,560,752
Department Of Planning	929,227	1,769,144	1,813,811	1,845,537
Convention and Visitor's Bureau	671,239	653,258	653,258	699,988
	<u>5,496,845</u>	<u>7,094,687</u>	<u>7,139,354</u>	<u>7,632,580</u>
Total General Fund	<u>186,331,590</u>	<u>199,010,672</u>	<u>199,761,066</u>	<u>229,720,002</u>
<u>005 Behavioral Healthcare Services</u>				
Public Health and Welfare				
Department Of Behavioral Healthcare Services	8,451,849	10,223,993	10,160,339	12,932,015
Total Behavioral Healthcare Services	<u>8,451,849</u>	<u>10,223,993</u>	<u>10,160,339</u>	<u>12,932,015</u>
<u>006 Public Law Library</u>				
Parks, Recreation, and Cultural				
Law Library	31,867	34,845	34,845	86,610
Total Public Law Library	<u>31,867</u>	<u>34,845</u>	<u>34,845</u>	<u>86,610</u>
<u>007 Social Services</u>				
Public Health and Welfare				
Department Of Social Services	22,226,089	23,637,729	23,637,730	27,204,943
Total Social Services	<u>22,226,089</u>	<u>23,637,729</u>	<u>23,637,730</u>	<u>27,204,943</u>
<u>011 Willett Hall Fund</u>				
Community and Economic Development				
Willett Hall	886,316	1,002,045	1,002,045	1,237,203
Total Willett Hall Fund	<u>886,316</u>	<u>1,002,045</u>	<u>1,002,045</u>	<u>1,237,203</u>
<u>019 CSA</u>				
Public Health and Welfare				
CSA	5,076,103	3,644,405	3,644,405	8,694,403
Total CSA	<u>5,076,103</u>	<u>3,644,405</u>	<u>3,644,405</u>	<u>8,694,403</u>
<u>020 Stormwater Management</u>				
Public Works				
Storm Water Management	3,323,469	4,000,362	6,579,315	4,433,306
Total Stormwater Management	<u>3,323,469</u>	<u>4,000,362</u>	<u>6,579,315</u>	<u>4,433,306</u>

**City of Portsmouth
Fiscal Year 2008 Adopted Budget Fund Summary**

Business Units	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>033 Community Development</u>				
Community and Economic Development				
Community Planning and Development Program	882,048	3,510,178	3,510,178	2,644,370
Total Community Development	882,048	3,510,178	3,510,178	2,644,370
<u>040 Public Utilities</u>				
Public Works				
Department of Public Utilities	25,517,103	32,935,952	32,935,952	34,962,752
Total Public Utilities	25,517,103	32,935,952	32,935,952	34,962,752
<u>042 Port Facility And Economic Development</u>				
Community and Economic Development				
Port Facility and Economic Development	87,904	1,150,000	1,150,000	580,000
Total Port Facility And Economic Development	87,904	1,150,000	1,150,000	580,000
<u>044 Golf Enterprise Fund</u>				
Parks, Recreation, and Cultural				
Golf Services	1,892,244	2,310,902	2,310,902	2,938,300
Total Golf Enterprise Fund	1,892,244	2,310,902	2,310,902	2,938,300
<u>048 Waste Management Fund</u>				
Public Works				
Waste Management	8,706,915	9,273,229	9,273,229	13,068,034
Total Waste Management Fund	8,706,915	9,273,229	9,273,229	13,068,034
<u>049 Parking Authority</u>				
Public Works				
Parking Authority	1,596,463	1,789,814	1,789,814	1,889,525
Total Parking Authority	1,596,463	1,789,814	1,789,814	1,889,525
<u>050 City Garage</u>				
Public Works				
City Garage	8,245,038	8,030,573	8,380,573	8,742,004
Total City Garage	8,245,038	8,030,573	8,380,573	8,742,004
<u>052 Information Technology Fund</u>				
General Government				
Department Of Information Technology	3,750,513	4,462,680	4,462,680	4,681,252
Telecommunications	758,521	1,589,545	1,589,545	1,492,492
	4,509,033	6,052,225	6,052,225	6,173,744
Total Information Technology Fund	4,509,033	6,052,225	6,052,225	6,173,744
<u>054 Risk Management and Insurance</u>				
General Government				
Department Of Procurement And Risk Management	2,696,832	6,433,739	7,093,739	6,720,620
Total Risk Management and Insurance	2,696,832	6,433,739	7,093,739	6,720,620

**City of Portsmouth
Fiscal Year 2008 Adopted Budget Fund Summary**

Business Units	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>056 Health Insurance Fund</u>				
General Government				
Health Insurance Fund	14,864,842	16,814,479	16,814,479	21,925,806
Total Health Insurance Fund	14,864,842	16,814,479	16,814,479	21,925,806
<u>060 Portsmouth City Public Schools</u>				
Education				
Portsmouth City Public Education	124,421,684	162,004,849	162,004,849	169,894,762
Total Portsmouth City Public Schools	124,421,684	162,004,849	162,004,849	169,894,762
<u>068 Cemetery Perpetual Care</u>				
Public Works				
Cemetery Perpetual Care Fund	29,880	200,000	200,000	160,000
Total Cemetery Perpetual Care	29,880	200,000	200,000	160,000
<u>069 Recreation Fund</u>				
Parks, Recreation, and Cultural				
Recreation Fund	-	-	-	1,143,000
Total Recreation Fund	-	-	-	1,143,000
City Total Budget	419,777,268	492,059,991	496,335,685	555,151,399