

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 make adjustments.

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, Video Services, 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.

General Fund Expenditures in Total

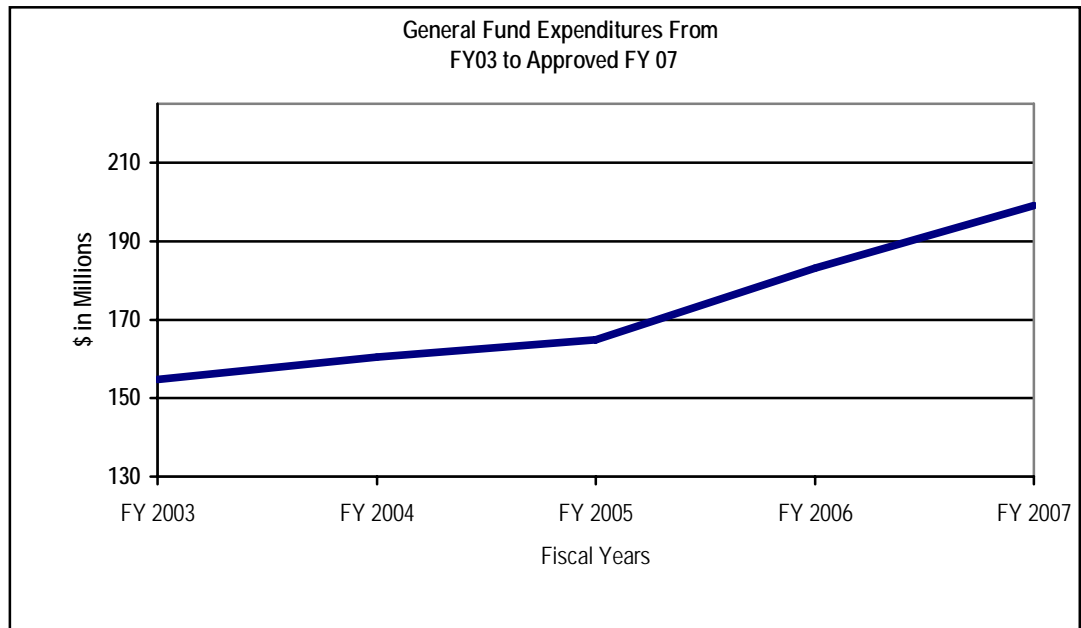
Controlling expenditures is paramount for the City to maintain a stable tax rate. As the following schedules indicate, general fund expenditures increased by 8.64% or \$15.8 million over the previous fiscal year. The largest increases are Community and Economic

Expenditure Summary

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 07 and pay and compensation funding for City employees.,

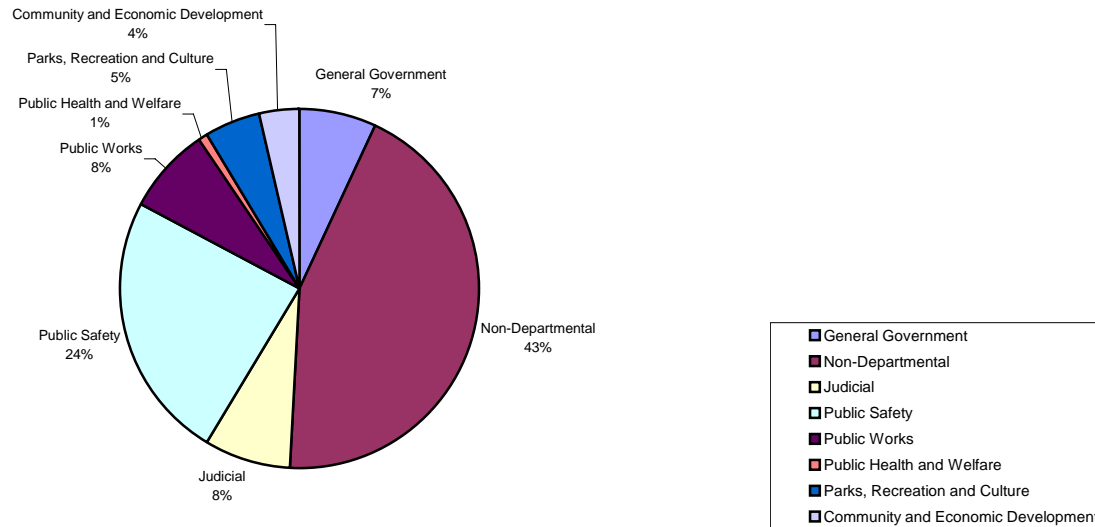
Category	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2007 Adopted
Total Operating Budget	154,784,283	160,429,821	164,815,785	183,168,889	199,010,672

As the graph below indicates, the general fund growth has been moderate or approximately 4.5% growth over the past four years (FY 03 – FY 06). Much like the cost of living or consumer price index would demonstrate over this same period of time, there has been moderate growth in the cost of goods and services. Highlights of the FY 07 Budget include \$3.1 million cash funding for the CIP budget, \$6 million increase in local school funding, \$3.5 million city wide employee salary increases, commitment of 12% funding for health insurance premiums effective January 1, 2006 and fully funding actuarially-determined retirement contributions.



Expenditure Summary

General Fund: Appropriation by Categories



Comparative expenditures by category:

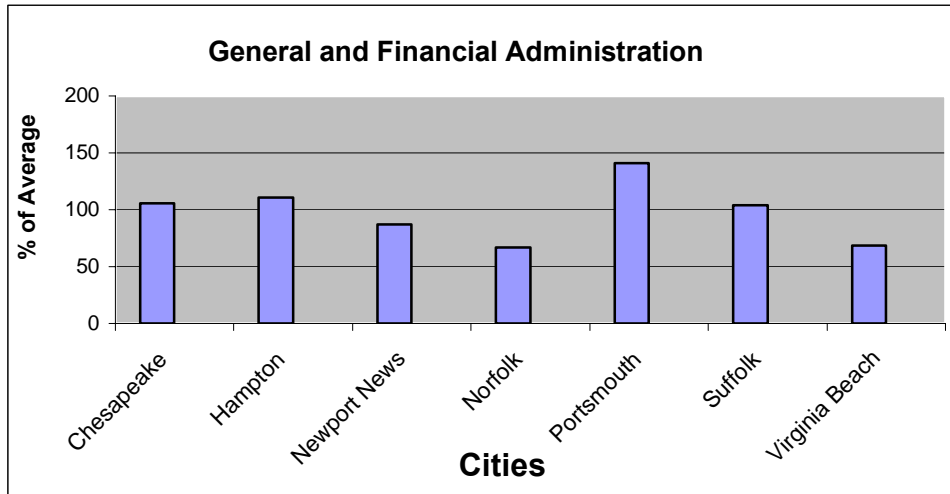
This section highlights expenditures per the “Comparative Report of Local Government Revenues and Expenditures” for the period ending June 30, 2005. This information is utilized as an analytical tool to display categories of expenditures across the governing counties, cities and towns within the State 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 highest of the seven localities in per capita spending for this category and 120.14% of the average for the State of Virginia. The City of Hampton ranks the second highest in per capita spending with the City of Chesapeake ranking the third highest for the seven localities.

Expenditure Summary

Cities	Per Capita \$	% of Avg.
Chesapeake	105.62	89.91
Hampton	110.40	93.98
Newport News	86.98	74.04
Norfolk	66.72	56.80
Portsmouth	141.13	120.14
Suffolk	103.82	88.38
Virginia Beach	68.61	58.41
Average per capita \$117.47		

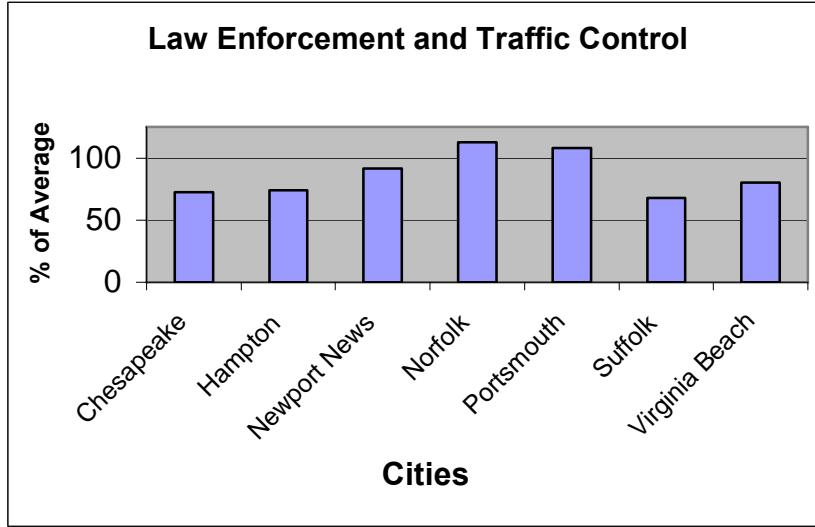


Public Safety Expenditures – This category includes Law Enforcement and Traffic Control, Fire and Rescue Services, Correction and Detention, Inspections and Other Protection. Law Enforcement and Traffic Control , Fire and Rescue Services and Correction and Detention per capita expenditures and rankings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

Law Enforcement and Traffic Control

Cities	Per Capita \$	% of Avg.
Chesapeake	163.82	72.34
Hampton	167.93	74.16
Newport News	207.79	91.76
Norfolk	255.13	112.66
Portsmouth	244.48	107.96
Suffolk	154.13	68.06
Virginia Beach	181.75	80.26
Average per capita is \$226.45		

Expenditure Summary

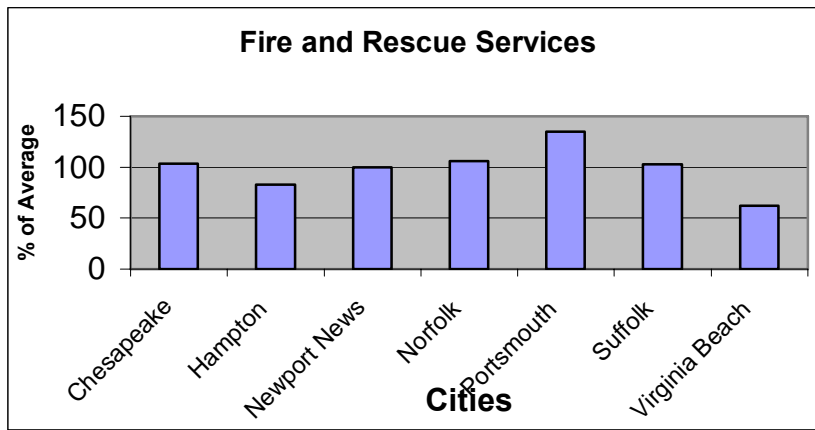


The City of Portsmouth ranks the second highest of the seven localities in per capita spending for Law Enforcement and Traffic Control and 107.96% of the average for the State of Virginia. The City of Norfolk ranks the highest of the seven cities with per capita spending at 112.66% of the State average.

Fire and Rescue Services

Cities	Per Capita \$	% of Avg.
Chesapeake	156.65	103.52
Hampton	125.42	82.89
Newport News	151.03	99.81
Norfolk	160.21	105.88
Portsmouth	204.31	135.02
Suffolk	155.98	103.08
Virginia Beach	93.64	61.88
Average per capita is \$151.32		

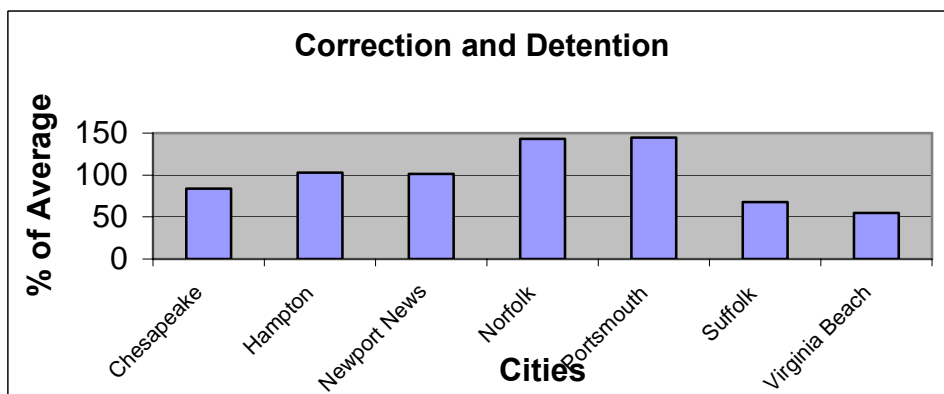
Expenditure Summary



The City of Portsmouth ranks the highest of the seven localities in per capita spending for Fire and Rescue services and 135.02% of the State average. The Cities of Norfolk, Chesapeake, and Suffolk rank the next highest with per capita spending of 105.88% and 103% respectively of the average per capita spending for the State.

Correction and Detention

Cities	Per Capita \$	% of Avg.
Chesapeake	95.10	83.43
Hampton	117.49	103.08
Newport News	115.07	100.96
Norfolk	162.90	142.92
Portsmouth	165.03	144.79
Suffolk	76.97	67.53
Virginia Beach	62.35	54.70
Average per capita is \$113.98		



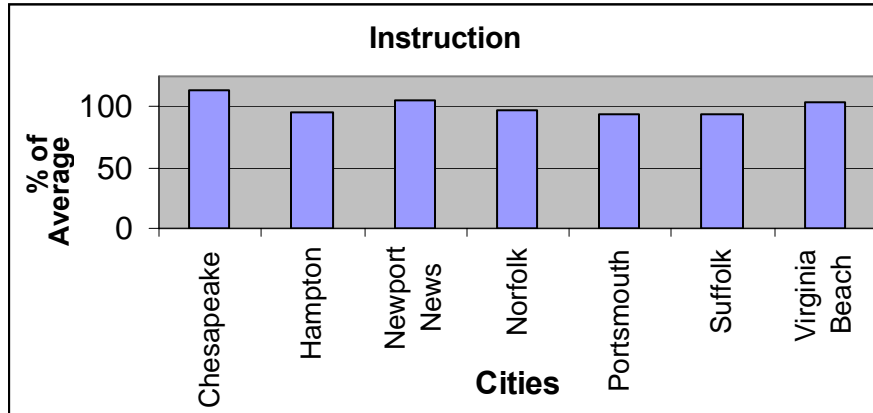
The City of Portsmouth ranks the highest of the seven localities in per capita spending for Correction and Detention services and 144.79% of the State average. The Cities of Norfolk and Hampton rank the next highest with per capita spending of 142.92% and 103.08% respectively of the average per capita spending for the State.

Expenditure Summary

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	1,169.33	114.08
Hampton	977.53	95.37
Newport News	1,073.08	104.69
Norfolk	996.66	97.23
Portsmouth	961.08	93.76
Suffolk	952.8	92.95
Virginia Beach	1,067.63	104.15
Average per capita \$ is 1,025.04		

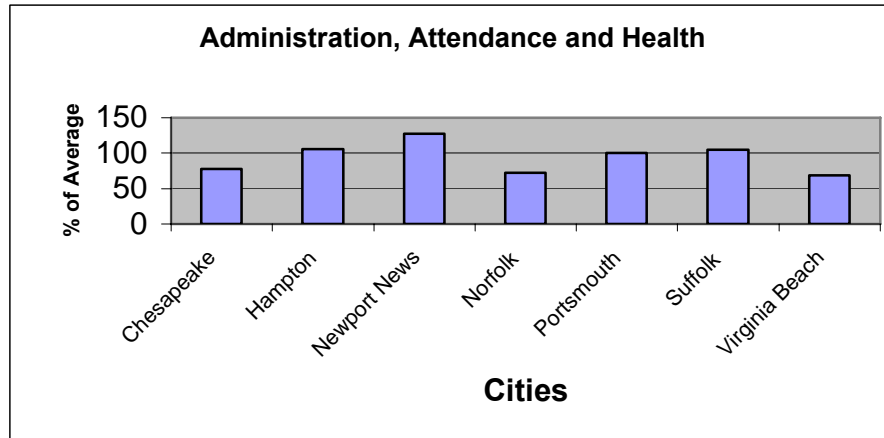


The City of Portsmouth ranks the second lowest of the seven localities in per capita spending for Instructional services and 93.76% of the State average. The cities of Suffolk and Hampton rank comparable in spending with 92.95% and 95.37% of average per capita spending.

Administration, Attendance and Health

Cities	Per Capita \$	% of Avg.
Chesapeake	48.14	77.63
Hampton	65.31	105.34
Newport News	79.05	127.49
Norfolk	44.71	72.10
Portsmouth	62.38	100.60
Suffolk	65.24	105.22
Virginia Beach	42.47	68.49
Average per capita \$ is 62.01		

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 100.60% of the State average. The City of Newport News ranks the highest with 127.49% of the State average with Hampton and Suffolk ranking second and third, respectively.

City of Portsmouth
Fiscal Year 2007 Adopted Budget Fund Summary

Business Units	FY 2005 Actual	FY 2006 Adopted	FY 2006 Amended	FY 2007 Adopted
<u>001 General Fund</u>				
General Government				
City Council	347,642	377,410	377,410	439,239
City Clerk	293,458	312,645	312,645	311,161
City Manager	1,756,417	1,853,363	1,853,363	1,564,737
Office Of Management Services	320,945	381,812	381,812	501,951
Registrar	430,530	465,400	465,400	476,178
City Attorney	1,625,207	1,452,409	1,452,409	1,456,459
Department Of Human Resource Management	721,414	1,093,957	1,093,957	1,099,150
Civil Service Commission	65,862	54,844	54,844	64,409
Commissioner Of Revenue	1,133,533	1,237,005	1,237,005	1,227,550
City Assessor	758,502	1,030,697	1,030,697	856,466
City Treasurer	1,624,818	1,671,689	1,671,689	1,793,511
Department Of Finance	1,616,641	1,887,151	1,887,151	1,927,209
Department Of Procurement And Risk Management	716,483	565,146	565,146	646,242
Office of Video Services	-	219,519	219,519	186,450
Office of Marketing	-	-	-	996,013
	11,411,452	12,603,047	12,603,047	13,546,725
Non-Departmental				
Non-Departmental Accounts	4,422,821	4,355,422	4,372,922	6,580,735
Transfers and Contingencies	38,712,073	44,571,278	44,392,394	51,938,094
Public Transportation	1,322,704	1,642,931	1,642,931	2,157,632
Debt Service	20,395,127	22,080,050	22,240,050	25,416,951
Support to Civic Organizations	1,184,843	1,486,038	1,471,038	1,222,592
	66,037,568	74,135,719	74,119,335	87,316,004
Judicial				
Circuit Court Judges	387,793	423,857	423,857	462,222
Circuit Court Clerk	1,242,127	1,369,479	1,372,983	1,307,628
Magistrate	7,498	8,367	8,367	19,362
General District Court	33,692	45,646	45,646	47,214
Juvenile And Domestic Relations Court	733,546	803,435	803,435	814,635
Juvenile Court Services	294,003	331,689	331,689	373,313
Commonwealth Attorney	1,864,153	1,882,782	1,882,782	1,912,269
Sheriff	10,140,929	10,845,130	10,857,010	10,838,486
	14,703,742	15,710,385	15,725,769	15,775,129
Public Safety				
Police Department	22,205,594	24,218,878	24,218,878	23,947,281
E-911	1,902,148	2,125,447	2,125,447	2,280,095
Security and Animal Control	573,254	748,000	748,000	677,237
Department Of Fire, Rescue And Emergency	20,095,642	22,499,214	22,499,214	21,348,619
	44,776,637	49,591,539	49,591,539	48,253,232
Public Works				
Streets And Highways	3,186,561	3,437,000	3,437,000	3,714,731
Mosquito Control	316,410	481,720	481,720	485,975
Engineering	1,319,964	1,501,750	1,501,750	1,525,326
Traffic Engineering	1,918,457	2,399,124	2,399,124	2,494,675
Property Management	3,326,446	3,648,561	3,648,561	3,774,165
Utilities	1,488,635	1,523,850	1,523,850	1,649,000
Rental Of Land	1,425,136	1,557,743	1,557,743	1,420,824
Harbor Center Pavilion	-	-	-	388,655
	12,981,609	14,549,748	14,549,748	15,453,351

**City of Portsmouth
Fiscal Year 2007 Adopted Budget Fund Summary**

Business Units	FY 2005 Actual	FY 2006 Adopted	FY 2006 Amended	FY 2007 Adopted
<u>001 General Fund</u>				
Public Health and Welfare				
Department Of Health	1,192,367	1,223,534	1,223,534	1,272,507
Parks, Recreation, and Cultural				
Department Of Museums	1,367,363	1,444,174	1,444,174	1,665,673
Department Of Public Library	1,872,268	2,051,160	2,057,092	2,118,207
Parks, Recreation and Leisure Services - Administration	3,647,975	3,907,949	3,104,639	911,435
Parks, Recreation and Leisure Services - Parks	3,034,387	3,607,267	3,607,267	4,003,372
Parks, Recreation and Leisure Services - Recreation	-	-	-	1,600,350
	<u>9,921,993</u>	<u>11,010,550</u>	<u>10,213,172</u>	<u>10,299,037</u>
Community and Economic Development				
Permits and Inspections	1,005,748	1,120,781	1,955,810	3,151,079
Department Of Economic Development	1,009,930	1,136,434	1,136,434	1,521,206
Department Of Planning	1,138,257	1,407,574	1,376,855	1,769,144
Convention and Visitor's Bureau	636,481	679,578	679,578	653,258
	<u>3,790,416</u>	<u>4,344,367</u>	<u>5,148,677</u>	<u>7,094,687</u>
Total General Fund	<u>164,815,785</u>	<u>183,168,889</u>	<u>183,174,821</u>	<u>199,010,672</u>
<u>005 Behavioral Healthcare Services</u>				
Public Health and Welfare				
Department Of Behavioral Healthcare Services	8,156,669	9,645,766	9,682,244	10,223,993
Total Behavioral Healthcare Services	<u>8,156,669</u>	<u>9,645,766</u>	<u>9,682,244</u>	<u>10,223,993</u>
<u>006 Public Law Library</u>				
Parks, Recreation, and Cultural				
Law Library	25,385	34,845	34,845	34,845
Total Public Law Library	<u>25,385</u>	<u>34,845</u>	<u>34,845</u>	<u>34,845</u>
<u>007 Social Services</u>				
Public Health and Welfare				
Department Of Social Services	19,679,303	22,771,518	22,771,518	23,637,729
Total Social Services	<u>19,679,303</u>	<u>22,771,518</u>	<u>22,771,518</u>	<u>23,637,729</u>
<u>011 Willett Hall Fund</u>				
Community and Economic Development				
Willett Hall	775,194	1,078,110	1,078,110	1,002,045
Total Willett Hall Fund	<u>775,194</u>	<u>1,078,110</u>	<u>1,078,110</u>	<u>1,002,045</u>
<u>019 CSA</u>				
Public Health and Welfare				
CSA	3,536,374	3,610,049	3,610,049	3,644,405
Total CSA	<u>3,536,374</u>	<u>3,610,049</u>	<u>3,610,049</u>	<u>3,644,405</u>
<u>020 Stormwater Management</u>				
Public Works				
Storm Water Management	2,376,420	3,768,970	3,768,970	4,000,362
Total Stormwater Management	<u>2,376,420</u>	<u>3,768,970</u>	<u>3,768,970</u>	<u>4,000,362</u>

**City of Portsmouth
Fiscal Year 2007 Adopted Budget Fund Summary**

Business Units	FY 2005 Actual	FY 2006 Adopted	FY 2006 Amended	FY 2007 Adopted
<u>033 Community Development</u>				
Community and Economic Development				
Community Planning and Development Program	3,737,138	3,567,334	3,567,334	3,510,178
Total Community Development	3,737,138	3,567,334	3,567,334	3,510,178
<u>040 Public Utilities</u>				
Public Works				
Department of Public Utilities	25,909,992	30,448,104	30,448,104	32,935,952
Total Public Utilities	25,909,992	30,448,104	30,448,104	32,935,952
<u>042 Port Facility And Economic Development</u>				
Community and Economic Development				
Port Facility and Economic Development	-72,582	821,207	821,207	1,150,000
Total Port Facility And Economic Development	-72,582	821,207	821,207	1,150,000
<u>044 Golf Enterprise Fund</u>				
Parks, Recreation, and Cultural				
Golf Services	2,101,542	2,511,002	2,511,002	2,310,902
Total Golf Enterprise Fund	2,101,542	2,511,002	2,511,002	2,310,902
<u>048 Waste Management Fund</u>				
Public Works				
Waste Management	8,455,004	8,573,760	8,573,760	9,273,229
Total Waste Management Fund	8,455,004	8,573,760	8,573,760	9,273,229
<u>049 Parking Authority</u>				
Public Works				
Parking Authority	1,376,637	1,734,651	1,734,651	1,789,814
Total Parking Authority	1,376,637	1,734,651	1,734,651	1,789,814
<u>050 City Garage</u>				
Public Works				
City Garage	6,380,403	6,785,073	6,785,073	8,030,573
Total City Garage	6,380,403	6,785,073	6,785,073	8,030,573
<u>052 Information Technology Fund</u>				
General Government				
Department Of Information Technology	3,482,994	3,827,522	4,197,822	4,462,680
Telecommunications	712,667	1,530,589	1,530,589	1,589,545
	4,195,662	5,358,111	5,728,411	6,052,225
Total Information Technology Fund	4,195,662	5,358,111	5,728,411	6,052,225
<u>054 Risk Management and Insurance</u>				
General Government				
Department Of Procurement And Risk Management	6,052,715	5,603,533	5,603,533	6,433,739
Total Risk Management and Insurance	6,052,715	5,603,533	5,603,533	6,433,739

**City of Portsmouth
Fiscal Year 2007 Adopted Budget Fund Summary**

Business Units	FY 2005 Actual	FY 2006 Adopted	FY 2006 Amended	FY 2007 Adopted
<u>056 Health Insurance Fund</u>				
General Government				
Health Insurance Fund	13,335,199	14,217,375	14,217,375	16,814,479
Total Health Insurance Fund	13,335,199	14,217,375	14,217,375	16,814,479
<u>060 Portsmouth City Public Schools</u>				
Education				
Portsmouth City Public Education	144,588,851	151,854,532	151,854,532	168,192,580
Total Portsmouth City Public Schools	144,588,851	151,854,532	151,854,532	168,192,580
<u>068 Cemetery Perpetual Care</u>				
Public Works				
Cemetery Perpetual Care Fund	-	200,000	200,000	200,000
Total Cemetery Perpetual Care	-	200,000	200,000	200,000
City Total Budget	415,425,690	455,752,829	456,165,539	498,247,722