

Revenue Forecasting

This Revenue Summary illustrates trends impacting the City's General Fund. These revenues are derived from specific activities and are legislatively sanctioned by the Commonwealth of Virginia. Because of this sanctioning, the City of Portsmouth Council is authorized to enact, collect, and appropriate levies, fees, reimbursements and aid.

For analytical reasons, General Fund Total Revenues are subdivided into categories representing specific commonalities. The categories are:

- *Local Tax Revenue* – These revenues include property taxes, meal taxes, and other local levies.
- *Fee and User Charges* – These revenues offset activity costs and are composed of recreation fees, court costs, and other user based activities.
- *Licenses and Permits* – These revenues pertain to building permits, dog licenses, and other required credentialing.
- *State Aid and Recovered Costs* – State government, federal government, and other entities provide these revenues. They are enacted by code or policy and designated for special purposes. For instance, the state run VDOT funds road maintenance and the Compensation Board reimburses Constitutional Officers' salaries.

Each of the four categories is further subdivided into specific sub-categories. For instance, Local Tax Revenue is comprised of four groups. They are Total General Property Taxes, Total Other Local Taxes, Total Utility Taxes, and Total Payment in Lieu of Taxes.

On a more specific level, General Fund revenues are comprised of more than 160 line items. This summary will primarily discuss categories and subcategories; however, when necessary, to amplify the sub-categories, specific line items will also be discussed.

Forecasting revenue growth is econometrically, formulaically, and statistically based. While mathematically oriented, revenue forecast derivations also require institutional and political knowledge. Understanding the local legislative initiatives, desires, and mission is paramount. The City Council Vision principles are a cornerstone for developing revenue strategies. The Vision principles are:

- **Bold New Directions**
 - Our visionary leadership is proactive in anticipating the ever-changing world. We boldly embrace the future in ways that inspire and challenge our citizens to seize the opportunities of the new era. As a historic regional partner, the City engages neighboring communities to solve area challenges. We are committed to using innovation and emerging technologies to succeed in the information and knowledge-based society. Portsmouth has become the hometown of choice and a community of international reputation.

- A Robust and Prospering Economy
 - Portsmouth is a financially prosperous community with a superior quality of life. Residents enjoy diverse employment choices from maritime, manufacturing, medical, military, marketing, and management opportunities. Portsmouth municipal government has created an environment that has generated significant private investment resulting in job creation, expanded tax revenue, and one of the region's lowest real estate tax rates, along with an enviable bond rating.

- World Class Maritime Center
 - As a historic waterfront city, Portsmouth is strategically located in the center of the eastern seaboard on the world's largest natural harbor at mile marker "0" on the intra-coastal waterway. The City boasts a world-class, inter-modal transportation system and is home to the world's largest container line and America's oldest naval shipyard. Portsmouth is the gateway to international shipping, hosting private and state operated shipping terminals with a worldwide reach. Our waterfront offers a diverse, unique mixture of recreational boating, marinas, tours, and maritime support industries.

- Lifelong Learning Community
 - Education is the foundation of our social, political, and economic wellbeing and is the top priority of the City. Through collaborative efforts of City Council, School Board, and the private sector, Portsmouth has exceptional public and private schools. This includes learning opportunities for early childhood, primary and secondary education, higher education, vocational training, and workforce development. Its preferred educational system has made Portsmouth a top choice for employers and families.

- Thriving Neighborhoods and a Sense of Community
 - Portsmouth citizens are empowered to create their own quality of life, to ensure community safety and to elevate the livability of their own neighborhoods, creating true communities of choice for the 21st Century. Citizens work together with local government to fully utilize human and community assets, thus producing a state-of-the-art environment that includes excellent schools, public facilities, parks, green spaces, gateways, and roadway corridors. Our neighborhoods have been transformed into communities that promote and celebrate diversity, equity, and the inclusiveness of all citizens.

- Pride of Past, Promise of Future
 - Portsmouth's tomorrows are found in the footsteps of the richest traditions of America, from the earliest days of Colonial Virginia through the victories of equality, dignity, and diversity. As guardian of the collective heritage of many people, we have become one. The Portsmouth family preserves the proudest traditions of the past as the compass for our future, drawing the grace of our spirit into the nobility of what we have become.

Portsmouth's rich historical diversity is celebrated throughout the year in festivals, concerts, and ceremonies. Portside, which sits at the center of our "Path of History," serves as our signature community-gathering place. Seasonal programs and entertainment punctuate the year, drawing neighbors, families, and guests from throughout the City, the region, and the world to celebrate Portsmouth's people, history and future.

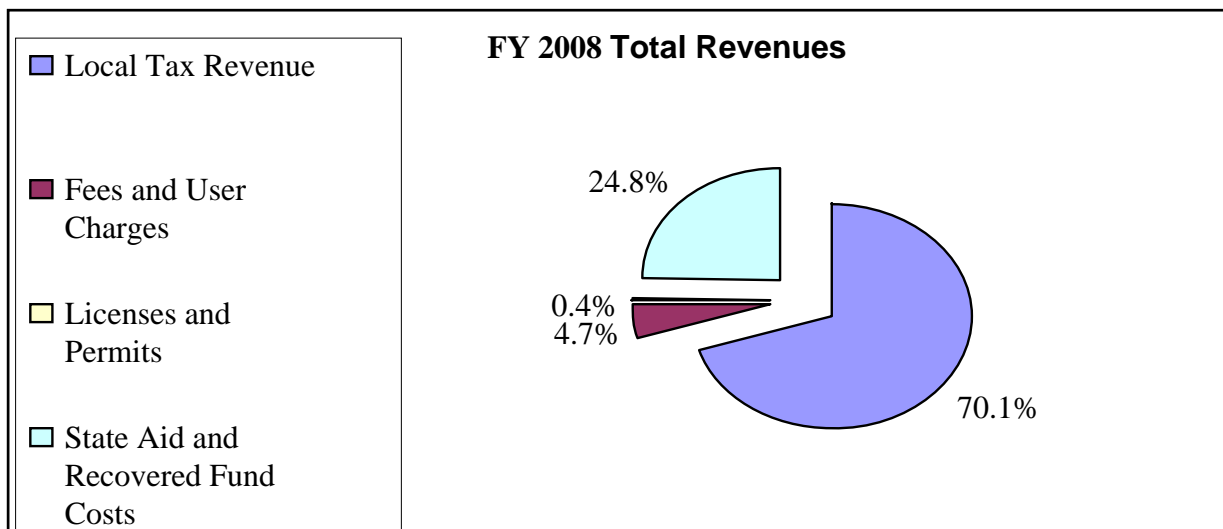
Encompassing these thoughts, a number of methodologies are used. They are:

- A review of current national, regional, and local economic data.
- Acknowledgement of new economic development projects.
- Consensus forecasting (using the opinion of local government experts).
- Evaluation of current revenue trends.
- Statistical methods such as exponential smoothing, auto regressive integrated moving averages (ARIMA), and regression analyses.
- Financial modeling and sensitivity analyses.
- Surveying to derive qualitative analyses.

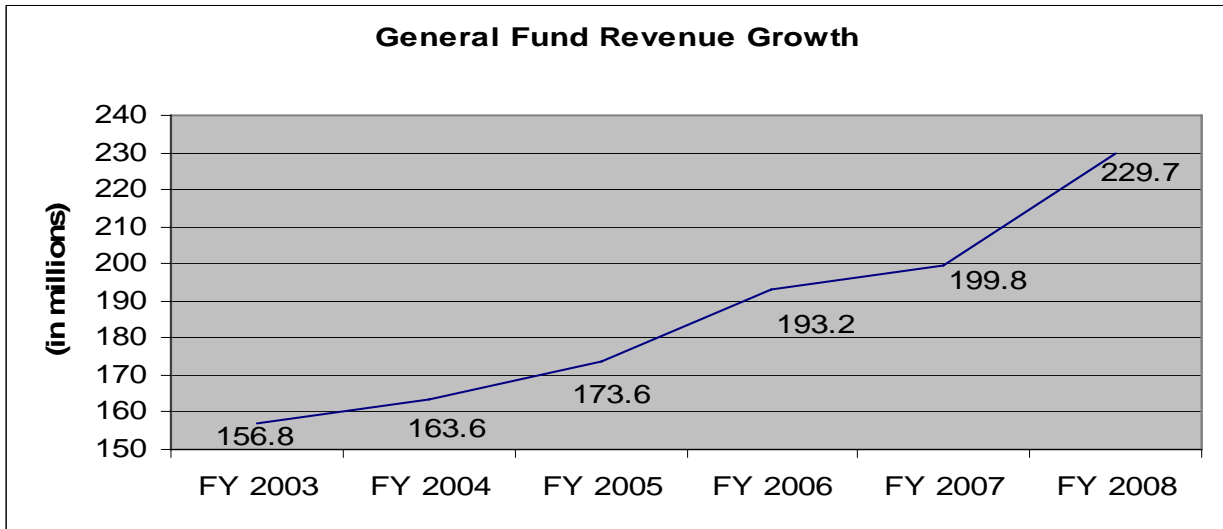
Total General Fund Revenues

General Fund Revenue by Category						
Category	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Amended	FY 2008 Adopted
Local Tax Revenue	103,261,494	107,413,466	117,964,256	130,958,232	140,201,142	160,964,653
Fees and User Charges	11,177,550	12,907,212	6,114,249	11,773,284	7,723,424	10,747,985
Licenses and Permits	584,410	952,160	991,695	1,162,977	763,182	1,023,922
State Aid & Recovered Costs	41,792,246	42,341,696	48,501,295	49,289,169	51,097,857	56,983,442
Total Revenues	156,815,700	163,614,534	173,571,495	193,183,662	199,785,605	229,720,002

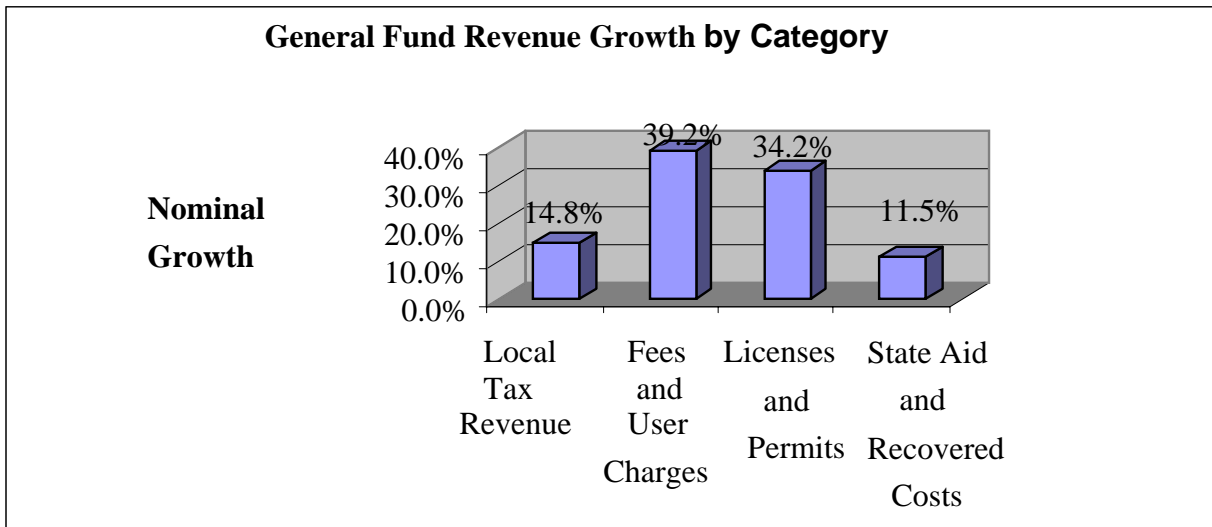
As previously stated, General Fund revenues are subdivided into four major categories. They are Local Tax Revenue, Fees and User Charges, Licenses and Permits, and State Aid and Recovered Costs. Of the four categories, Local Tax Revenue is the largest contributor to the General Fund. With \$161 million forecasted, it represents 70% of General Fund revenues. Compared to FY 2007, the percentage has remained relatively stable at 70%. Proportionally, other revenue categories have kept pace with Local Tax Revenues. State Aid and Recovered Costs should generate approximately \$57 million, Fee and User Charges \$10.7 million, and Licenses and Permits \$1 million. As the graph indicates, these represent 24.8%, 4.7%, and 0.4% respectively.



Based upon actual and projected collections, total General Fund revenues continue their increasing trend. The steady growth of revenues between FY 2001 and FY 2008 is illustrated in the graph.



Local Tax revenues are forecasted to increase 14.8%, Fee and User Charges 39.2%, Licenses and Permits 34.2%, and State Aid and Recovered Costs 11.5%. While Fee and User Charges indicate the highest percentage increase, it only represents a marginal valuation of \$977,000. This is beneficial to the City; however, the greater marginal monetary valuation is in Local Taxes. The smaller Local Tax increase represents an additional \$20.7 million.



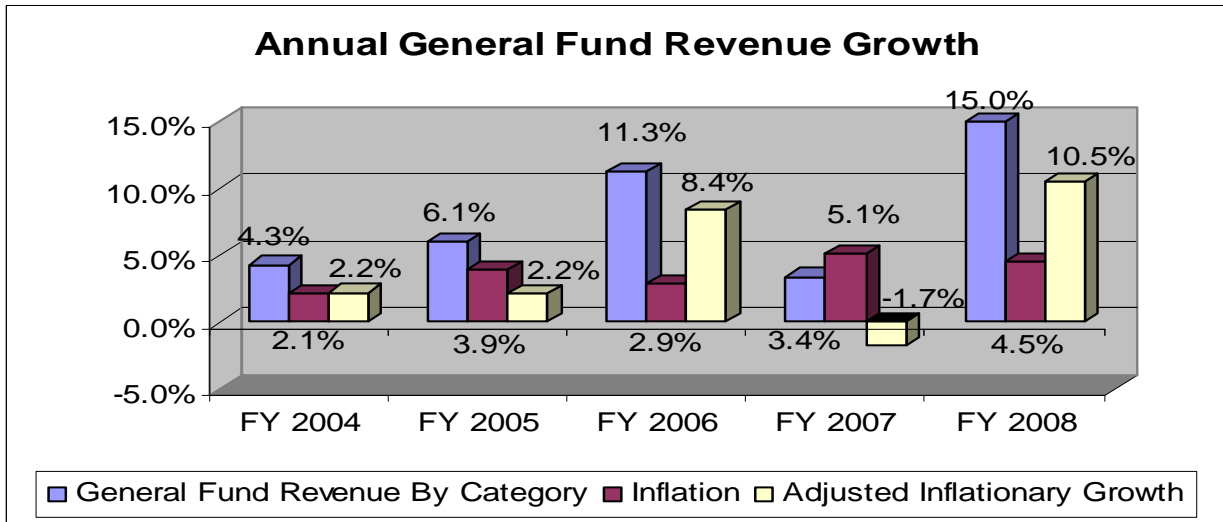
The previous tax revenue analysis illustrates a very important statistical principle. While percentages are viable marginal measures, when fiscal years are compared for each category, categorical cross comparisons can be misleading. When balancing a budget, monetary valuations are the most relevant comparative tool available.

Overall, Local Tax Revenues, spurred by increased property and building assessed values, has driven Total Revenues upward by 14.98%.

Again, while Fee and Service Charges are increasing at a larger percentage rate than other categories, the magnitude of Local Tax Revenues contribute more to the overall General Fund revenue base and is this fiscal year's primary growth catalyst.

When a comparative total revenue marginal analysis between fiscal years is conducted, and inflation is factored into growth, a real growth rate can be determined. Preliminarily, FY 2008 appears to have the largest real growth rate (10.5%); however, when FY 2007's negative growth rate (-1.7%) is considered in conjunction with FY 2008, the average real growth for FY 2007 and FY 2008 becomes a more modest 4.4%. At writing, FY 2007 audited revenue totals are not available. The audit will be complete in FY 2008.

With a 10.5% real Total Revenue increase forecasted in FY 2008, the compound real average growth rate, adjusted for inflation over the FY 2004 to FY 2008 time horizon, increased 1.54% to 4.32%. Over the same horizon, the nominal compound growth rate (unadjusted totals) is 8.02%.

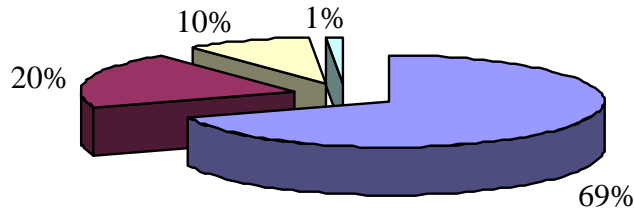


Local Tax Revenues

Local Tax Revenue by Sub-Category						
Category	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Amended	FY 2008 Adopted
Total General Property Taxes	64,888,305	67,074,188	76,180,270	87,302,104	96,565,992	111,913,450
Total Other Local Taxes	22,426,385	24,370,065	25,714,885	27,002,059	27,205,075	31,592,146
Total Utility Taxes	14,572,823	14,523,797	14,627,995	15,032,685	14,890,963	15,378,810
Total Payment In Lieu of Taxes	1,373,981	1,445,416	1,441,106	1,621,384	1,539,112	2,080,247
Total Local Tax Revenue	103,261,494	107,413,466	117,964,256	130,958,232	140,201,142	160,964,653

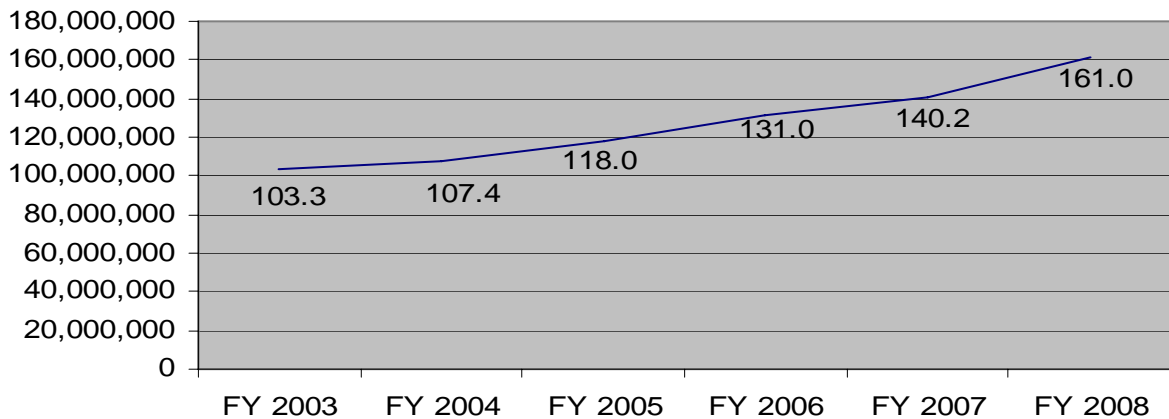
In FY 2008, representing 69% of Local Tax revenues, Total General Property Taxes is the largest sub-category contributor. It is comprised of real and personal property levies and supplemented by delinquencies, interest, and penalties. This is followed by Total Other Local Taxes (20%), Total Utility Taxes (10%), and Total Payment in Lieu of Taxes (1%).

FY 2008 Local Tax Revenue by Sub-Category

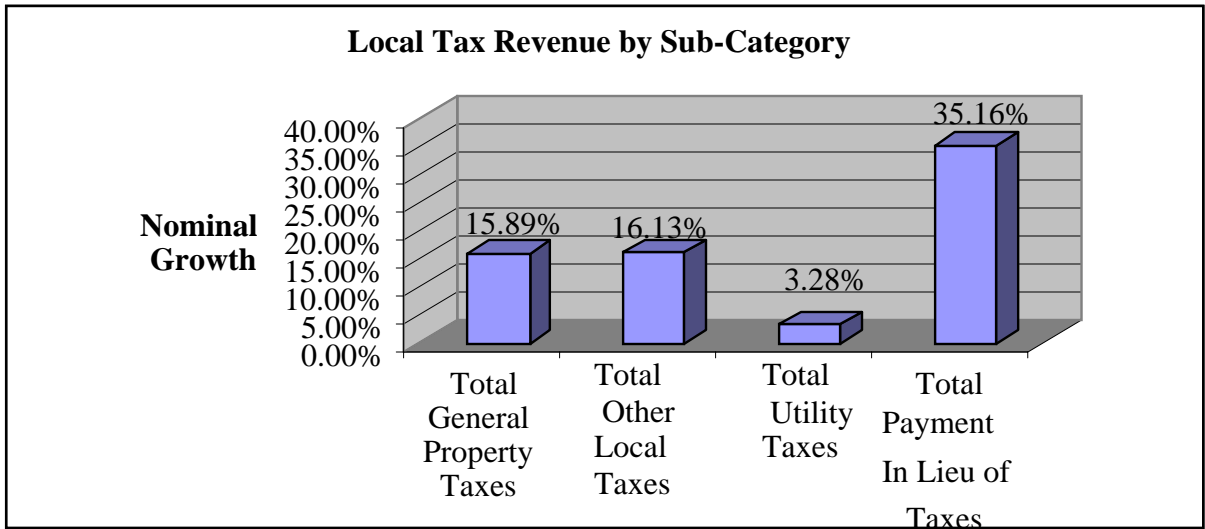


Based upon actual and projected collections, total Local Tax revenues continue their increasing trend. The steady growth of revenues between FY 2001 and FY 2008 is illustrated in the graph.

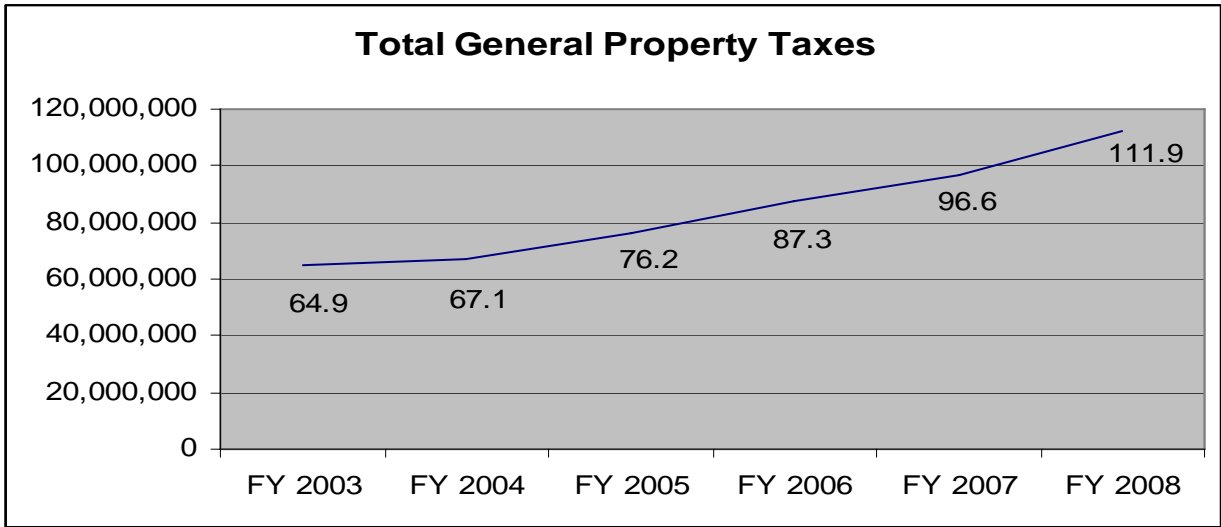
Total Local Tax Revenue



In FY 2007, Local Tax revenues were anticipated to grow at a nominal rate of 7%, and for FY 2008, Local Tax revenues are anticipated to grow by 15%.



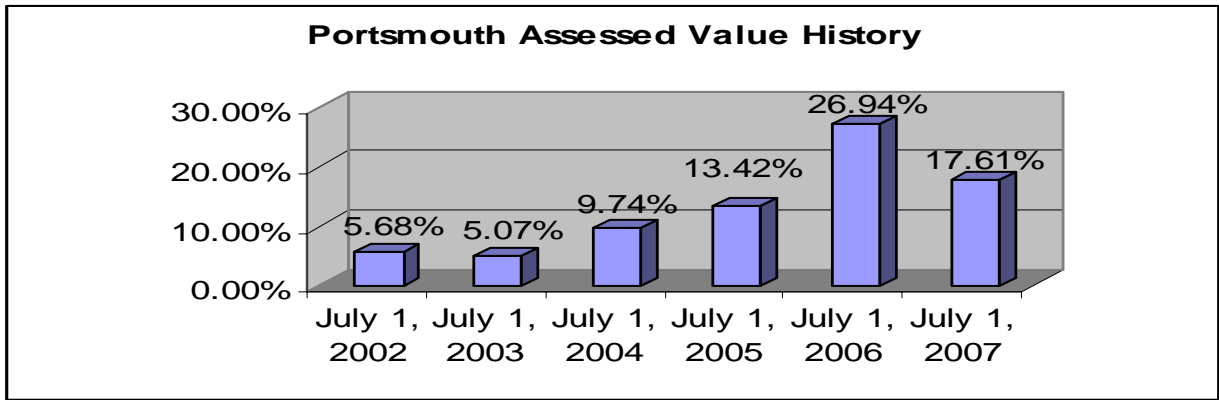
Similar to the General Fund revenue growth discussion, utilizing marginal percentage growth rate comparisons to analyze categorical growth can be misleading. For instance while Total Payment in Lieu of Taxes grew 35%, the monetary valuation represents \$541,135. Conversely, Total General Property Taxes grew a modest 15.9%, but it contributed \$15.3 million to the Local Tax category. The second largest contributor was Total Utility Taxes with a growth rate of 3.3%, but monetarily, it only contributed an additional \$4.4 million.



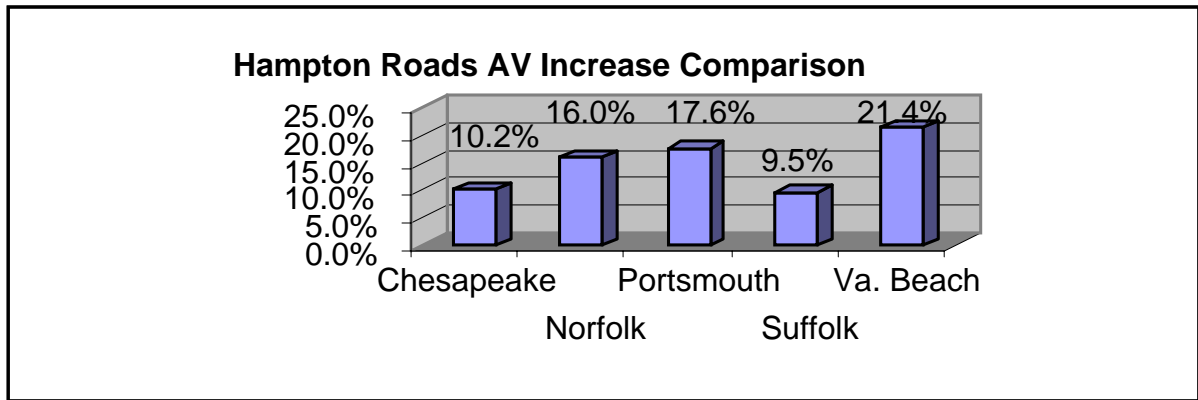
Total General Property Tax collections have risen at a nominal compounded rate of 9.3%. In FY 2008, this sub-category is anticipated to increase 14.8%. While real property assessments are forecast to increase \$1.25 billion citywide, \$118 million is attributed to the new Maersk APM Terminal and \$159 million to supplements. Supplements are comprised of home improvements and new homes. Of significance is the Newport community with proposed construction of approximately 200 homes in FY 2008.

In FY 2007's assessment calculation, existing residential, commercial, and industrial assessed values increased 17.61%. This is primarily due to the lag in the assessor's reporting requirements.¹

¹ Minium, Harry, September 13, 2006, "Housing's 1-2 Punch," The Virginian-Pilot, p. A1.



Comparatively, Portsmouth's average assessed value change was second to Virginia Beach (21.4%).



To compensate for the large assessed value increase and to mediate the Robust and Prospering Economy, the real property tax rate was reduced 10 cents from \$1.36/\$100 of assessed value to \$1.26/\$100.

Nationally, the housing market is going through a market correction cycle. There are several contributors to this trend. Over the past five years, home prices have escalated significantly. This precludes some buyers from owning a home. Evidence of this is contained in Portsmouth's assessed valuation increases over the past three years.

Until market prices settle,² which could take as long as three years,³ this will deter many first time home buyers; moreover home ownership is at a near record high of 68.7%. On average, homeowners are utilizing 21% of their income to maintain their homes. 34.5% of homeowners are spending more than 30% of their income on their homes. By government standards this is excessive. Between 2000 and 2005, median home prices nationally have increased 32% while household incomes have dropped 2.8%.⁴ Presently, existing homeowners have a choice to either remain in their homes or upgrade, but to upgrade, there has to be another homeowner willing to upgrade or a new homeowner to enter the market.

Nationally, existing home sales began dropping in April 2006,⁵ and in August, prices slipped for the first time in a decade.⁶ New home prices began their downward correction in September 2006. The 9.7% new home price decline was the largest decrease since December 1970. Economically, new home price reductions bolstered sales by 5.3% offsetting the 14.2% year over year decrease. New home median sale prices increased 7.3%.⁷ Following basic economic principles, October 2006 recorded a new construction

² Crutsinger, Martin, October 4, 2006, "Housing Market Fading," The Virginian-Pilot, p. D3

³ Swift, Earl, May 21, 2006, "Is It Time to Buy or Sell?," Parade, pp. 4-6.

⁴ Ohlemacher, Stephen, October 3, 2006, "Putting Our Money Where Our House Is," The Virginian-Pilot, pp. A1 and A8.

⁵ Daily Briefing, October 26, 2006, "Existing-home Sales Fall in September," The Virginian-Pilot, p. D1.

⁶ Crutsinger, Martin, September 26, 2006, "Existing Home Prices Fall for First Time in Years," The Virginian-Pilot, p. D5.

⁷ McWilliams, Jeremiah, October 27, 2006, "New Home Prices Fall While Sales Rebound," The Virginian-Pilot, pp. A1 and A10.

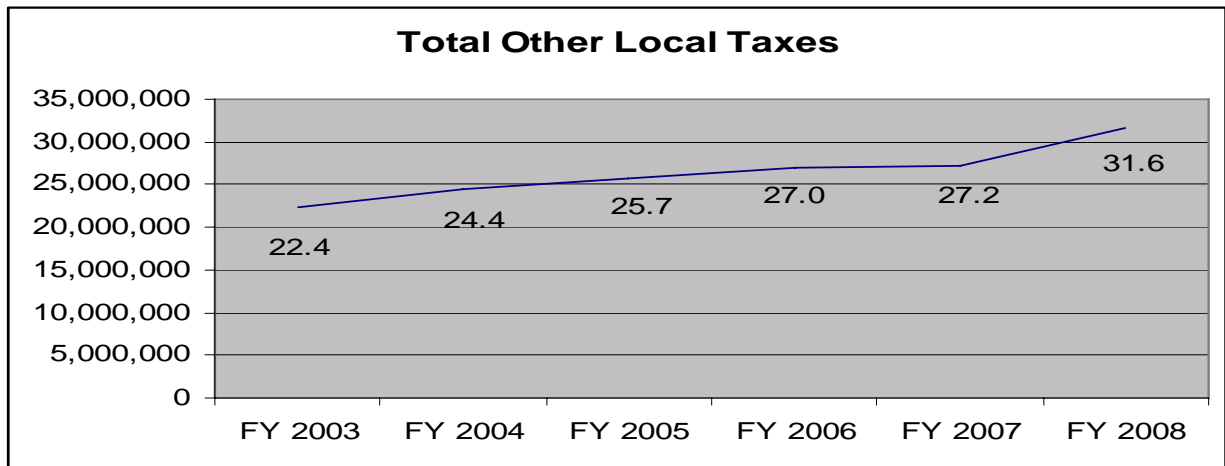
plunge of 14.6%. It had been six years since a correction of this magnitude.⁸ The existing home market began a modest recovery in October 2006 with a 0.5% increase in sales,⁹ but this has been unsustainable. The new home market began to recover some in February 2007 with new construction rebounding 9%.¹⁰

Hampton Roads showed some resilience to national trends. Much of Hampton Roads' resilience stems from the continual effort by Federal legislators to increase military pay, but large increases will be curbed in FY 2008. Military pay will only increase 2%.¹¹ Already, the market is seeing the effects. In October 2006, properties sold in Hampton Roads fell 17.5%.¹² In February 2007, median sale prices fell \$3,900 in Portsmouth. The average time on the market increased to 70 days vs. 46 one year earlier.¹³ The most vulnerable new housing market sector appears to be the condominium industry.¹⁴

Another factor affecting demand is the banking industry. While interest rates are still attractive for those with exemplary credit, exotic loans, which allowed potential homeowners who couldn't previously buy homes in the market, are becoming scarce. Nationally, foreclosures are on the rise due to interest only arrangements, adjustable rate mortgages, and subprime loans; moreover foreclosure rates are increasing¹⁵ and banks are tightening their lending standards. In Hampton Roads, foreclosures are running below the national average, but Hampton Road's residents will not be immune from these banking practice trends. The higher standards will make it more difficult for first time home buyers to purchase. As the standards tighten, banks will require larger down payments and better credit. Nationally, the personal savings rate has been -1% indicating more is owed than saved. This is the lowest it's been since the Great Depression.¹⁶

Overall, Portsmouth property revenues, which include real and personal property, will increase 11%. The remaining collections will pertain to delinquencies and penalties. Since adding an attorney, The City Treasurer has been able to aggressively collect delinquencies. These revenues will increase \$11.5 million over FY 2007's amended budget. One item of concern affecting FY 2009, more than FY 2008, will pertain to the Machine and Tool tax. In FY 2007, the General Assembly passed exempt legislation for businesses with idle machinery. While futile, the attempt was to anchor the textile industry in southern Virginia. Failing to recognize international labor economics, legislators passed the amendment to the detriment of all Virginia localities.

The Total Other Local Tax sub-category is anticipated to grow \$4.4 million to \$31.6 million.



⁸ Daily Briefing, November 18, 2006, "Housing Construction Sinks," The Virginian-Pilot, p. D1.

⁹ Daily Briefing, December 29, 2006, "Home Resales Up," The Virginian-Pilot, p. D1.

¹⁰ Daily Briefing, March 21, 2007, "Home Construction Up," The Virginian-Pilot, p. D1.

¹¹ Shean, Tom, October 3, 2006, "Worrying Signs," The Virginian-Pilot, pp. D1 and D2.

¹² Daily Briefing, November 11, 2006, "Local Property Sales," The Virginian-Pilot, p. D1.

¹³ Daily Briefing, March 14, 2007, "Report: Some Local Median Sale Prices Fall," The Virginian-Pilot, p. D1.

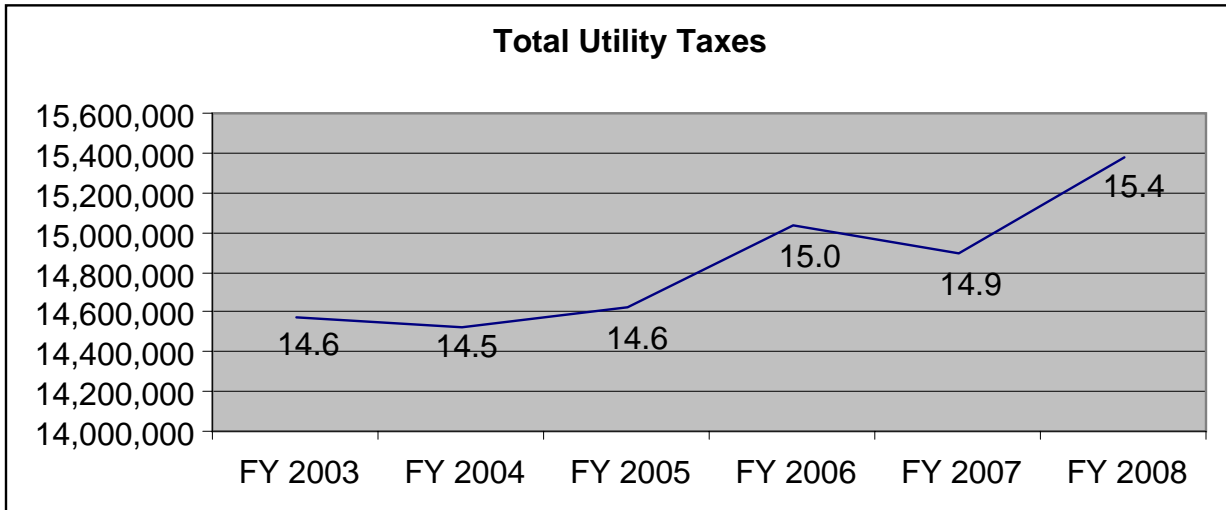
¹⁴ Shean, Tom, October 3, 2006, "Worrying Signs," The Virginian-Pilot, pp. D1 and D2.

¹⁵ Elphinstone, J.W., June 20, 2006, "A Coming Foreclosure Explosion?," The Virginian-Pilot, p. D4.

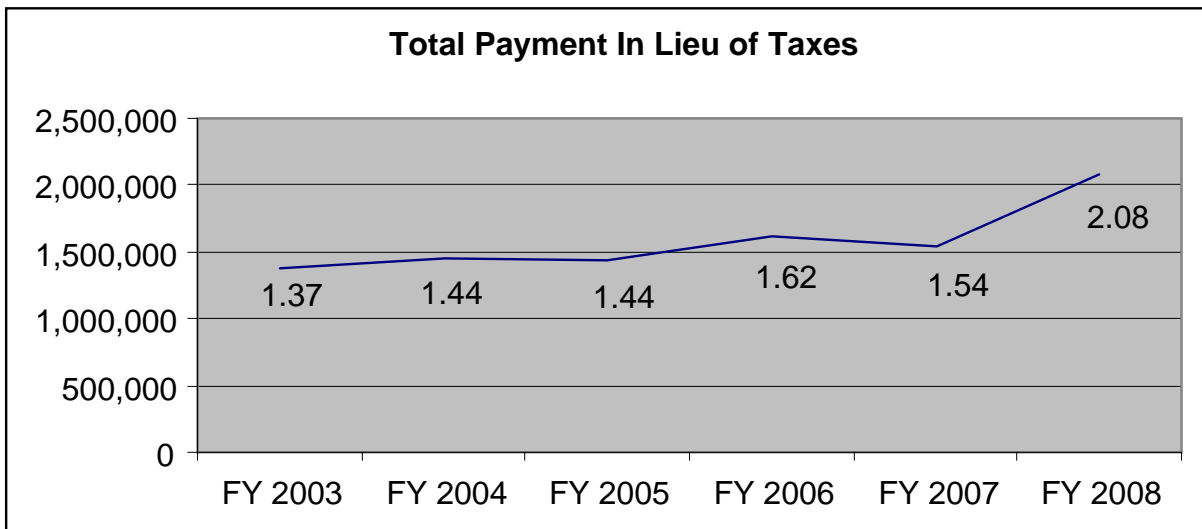
¹⁶ Daily Briefing, October 26, 2006, "Existing-home Sales Fall in September," The Virginian-Pilot, p. D1.

The primary growth contributor to this sub-category is additional collections attributable to the enforcement of the business and occupational license (BPOL) tax code standards. In FY 2008, the Commissioner of Revenue requested additional funding to bolster enforcement efforts. By funding the request, \$2.5 million was forecast in additional BPOL and personal property tax assessments and collections.

In FY 2007, the General Assembly passed new telecommunication legislation. In prior meetings, localities were warned of revenue neutrality. So far, this has been the case, and accordingly Total Utility Tax revenues reflect this. In the out years, the city should see this sub-category increase to reflect collections from satellite radio and television.



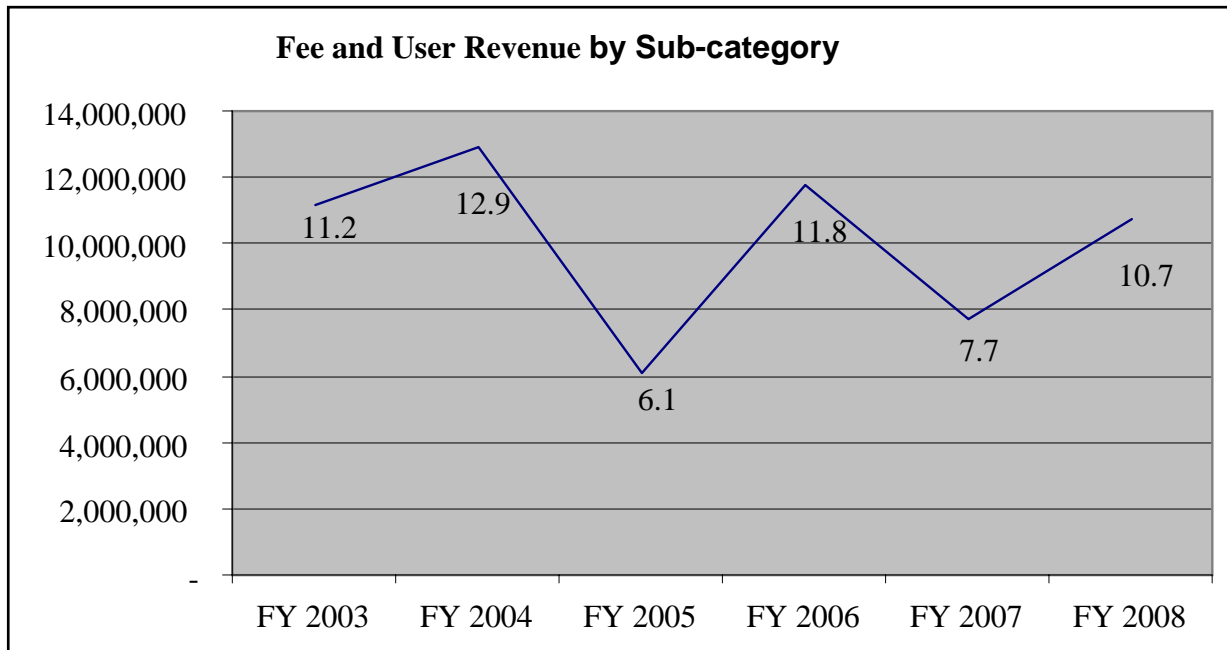
While General Assembly tax revenue legislation was somewhat detrimental to localities, there was one small area of consolation. It pertained to the Virginia Port Authority's (VPA) payment in lieu of taxes (PILOT). For years, there have been two calculation methods for determining the PILOT; however, the more equitable method was left unfunded. Spurned by this inequity, Hampton Roads governmental entities lobbied for restitution and funding. The calculation methodology was not restored, but an additional \$300,000 was obtained. By calculation, the proper PILOT payment should be approximately \$1.2 million. The payment will increase to \$550,000 in FY 2008.



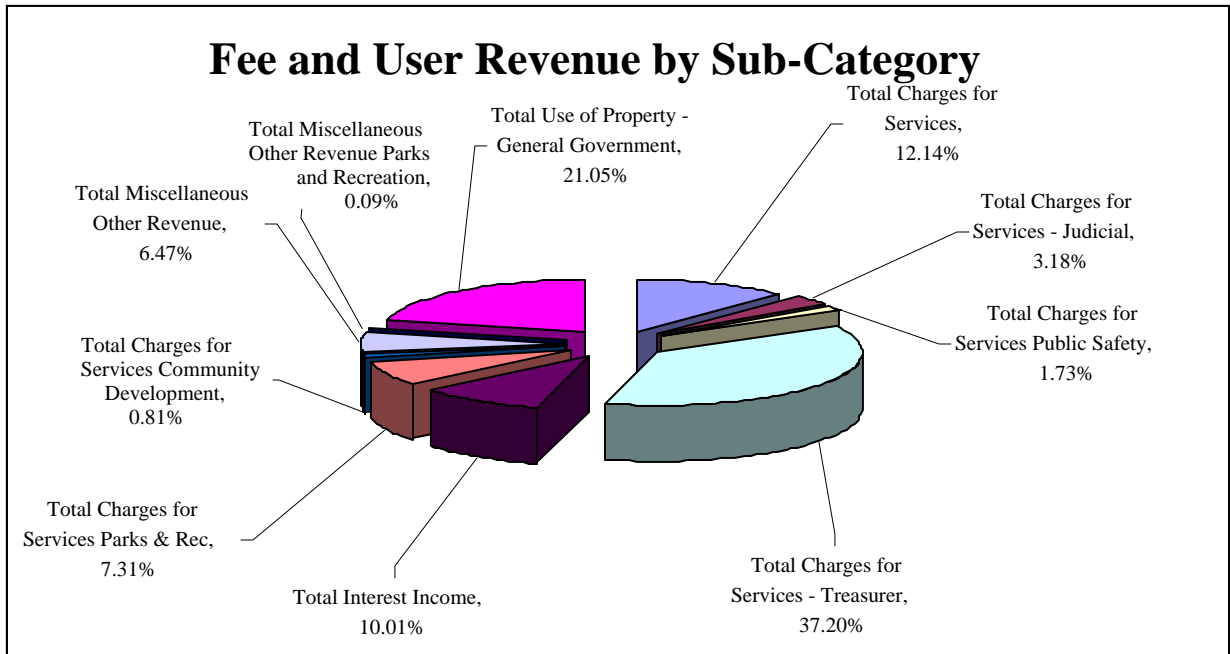
Fees and User Charges

Fee and User Revenue by Sub-Category						
Category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
	Actual	Actual	Actual	Actual	Amended	Adopted
Total Charges for Services	6,225,980	7,340,308	1,331,233	1,840,140	1,397,152	1,305,205
Total Charges for Services - Gen Government	4,315	-	3,813	-	-	-
Total Charges for Services - Judicial	295,447	377,115	130,637	352,682	276,019	341,454
Total Charges for Services Public Safety	1,391,934	1,359,385	63,658	71,231	178,064	185,679
Total Charges for Services - Treasurer	100,016	672,793	814,788	2,357,250	1,085,883	3,997,722
Total Interest Income	28,045	48,291	627,454	394,402	1,025,000	1,076,250
Total Charges for Services Parks & Rec	804,581	755,495	720,642	739,258	697,662	786,026
Total Charges for Services - Sheriff	-	-	-	-	4,388	-
Total Charges for Services Community Development	103,850	103,762	117,040	83,175	129,398	87,386
Total Miscellaneous Other Revenue	51,615	38,446	88,773	3,831,531	680,168	695,300
Total Misc. Other Revenue Parks and Recreation	10,424	1,624	782	-	10,000	10,000
Total Use of Property - General Government	2,161,343	2,209,993	2,215,429	2,103,615	2,239,690	2,262,963
Total Fee and User Charges	11,177,550	12,907,212	6,114,249	11,773,284	7,723,424	10,747,985

In FY 2008, revenues will increase by 39% to \$10.7 million. The Treasurer's ability to collect administrative fees has bolstered the Total Charges for Services – Treasurer sub-category by 268%.



The largest sub-category within the Fee and User category is the Total Charges for Services – Treasurer. It will comprise 37% of the category's revenues overtaking Total Use of Property – General Government at 21%.



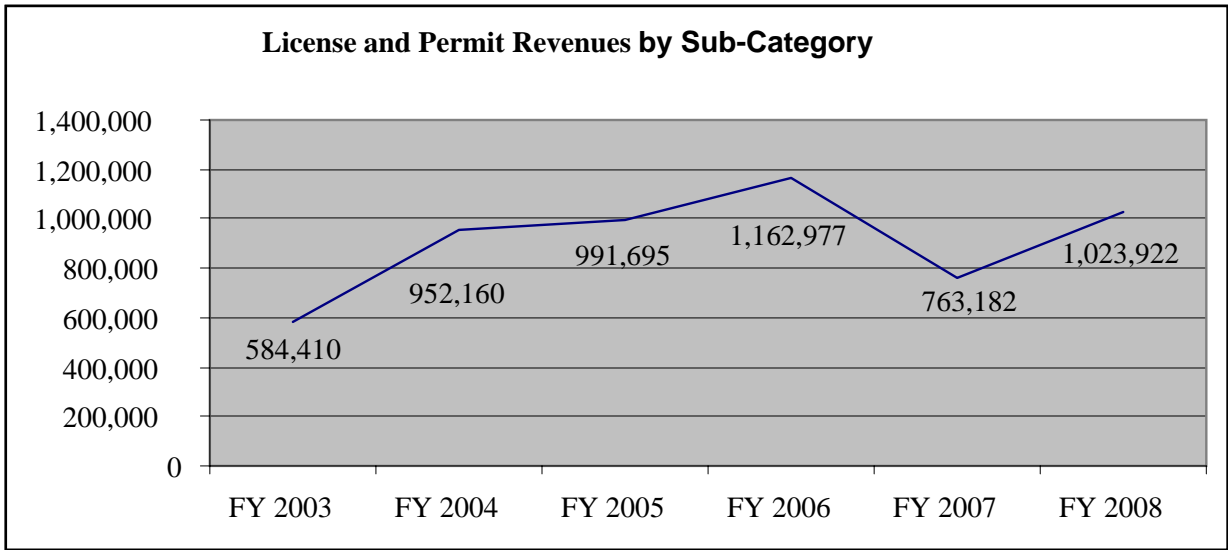
Before FY 2003-04, Total Charges for Services was the largest contributor. Prior to FY 2004-05, this sub-category accounted for bulk water sales to Chesapeake and Suffolk. Because Public Utilities is an Enterprise Fund, the generated revenues from bulk water sales are reflected in the Public Utility fund.

For FY 2008, the Sheriff has elected to eliminate seven revenue sources focusing upon court security, elderly services, and funeral escorts. The eliminated revenues are Weekender Fees, Prisoner Upkeep Fees, Locker Rentals, Sheriff Attendance Fees, Jail Social Security Payments, DMV Fees, and DMV Fines: Overweight Vehicles. The Weekender program was eliminated for manpower purposes, lockers were removed for security reasons, Sheriff Attendance Fees were waived, Jail Social Security Payments were deemed questionable, DMV no longer needs the Sheriff's services, and DMV Fines: Overweight Vehicles were shifted to the Police Department.

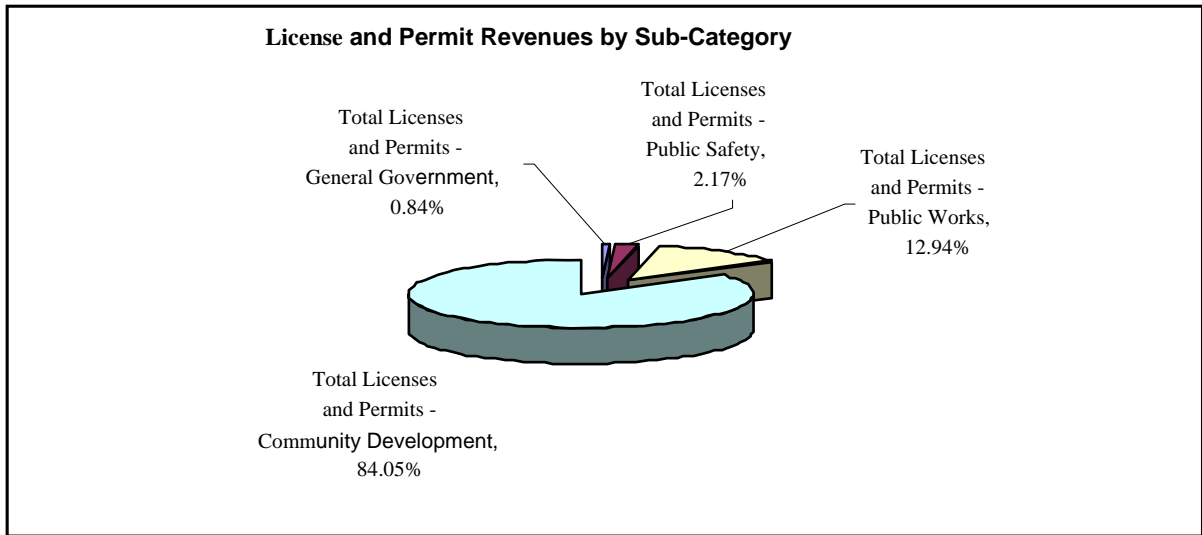
Licenses and Permits

License and Permit Revenues by Sub-Category						
Category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
	Actual	Actual	Actual	Actual	Amended	Adopted
Total Licenses and Permits - General Govt	7,891	8,762	8,947	8,863	8,567	8,596
Total Licenses and Permits - Public Safety	23,314	24,815	22,655	25,063	21,516	22,237
Total Licenses and Permits - Public Works	61,525	247,158	216,686	143,400	76,093	132,500
Total Licenses and Permits - Comm Dev	491,680	671,425	743,407	985,651	657,006	860,589
Total Licenses and Permits	584,410	952,160	991,695	1,162,977	763,182	1,023,922

With ample construction efforts in the city, the License and Permit sub-category will grow by 34% correlating with the city's economic development.



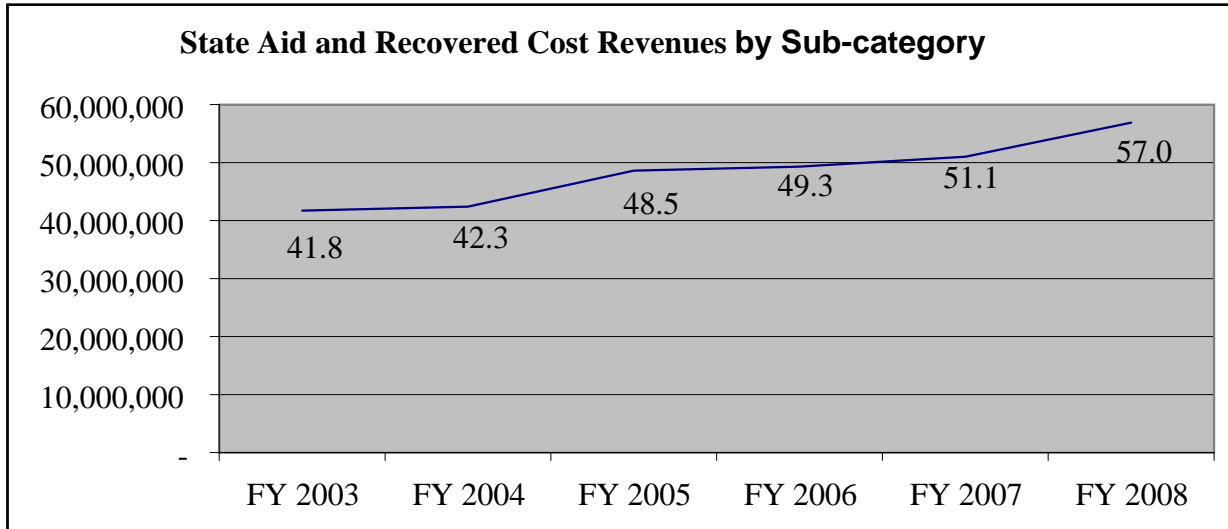
Building construction requests, inspections, and other miscellaneous residential needs generate License and Permit revenues. This category reflects a modest construction and inspection growth pattern. Total License and Permit: Community Development comprises 84% of this category's revenues and contains most construction permit fees.



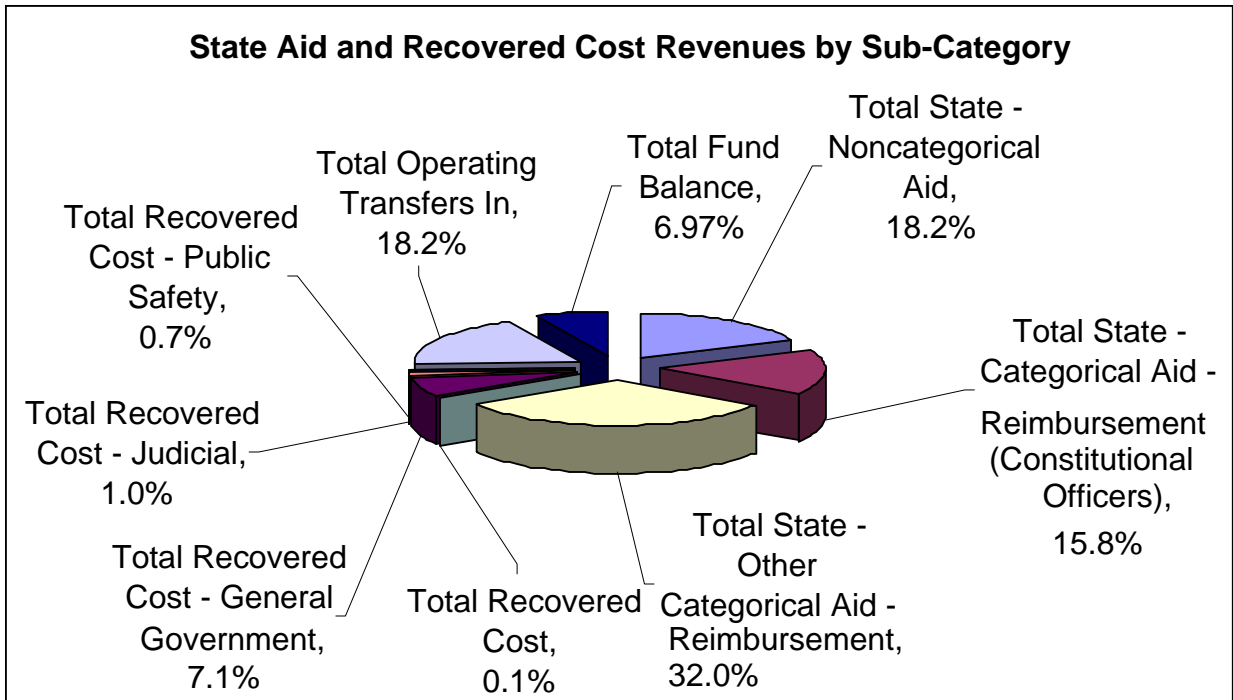
State Aid and Recovered Costs

State Aid and Recovered Cost Revenues by Sub-Category						
Category	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Amended	FY 2008 Adopted
Total State - Noncategorical Aid	9,884,803	9,905,454	10,107,152	11,404,530	10,420,897	10,388,563
Total State - Categorical Aid - Reim (CO)	7,042,923	7,251,268	8,050,834	8,059,923	8,568,450	9,005,613
Total State - Other Categorical Aid - Reim	15,632,563	15,839,431	16,248,180	17,210,880	16,962,730	18,240,357
Other Governments	306,090	312,873	320,073	327,718	335,835	-
Total Federal Direct Funding	-	1,606,171	614,238	-	-	-
Total Recovered Cost	127,322	173,343	91,684	17,630	60,000	50,000
Total Recovered Cost - General Govt	2,257,341	2,239,632	2,728,294	2,878,290	3,479,699	4,018,695
Total Recovered Cost - Judicial	482,165	470,206	719,805	272,634	619,279	567,643
Total Recovered Cost - Housing Auth	246,693	109,412	-	-	-	-
Total Recovered Cost - Public Safety	237,563	480,246	409,095	370,494	434,395	382,315
Total Operating Transfers In	3,774,783	3,953,660	9,211,940	8,747,070	9,481,743	10,360,234
Total Fund Balance	1,800,000	-	-	-	734,829	3,970,022
Total State Aid and Recovered Costs	41,792,246	42,341,696	48,501,295	49,289,169	51,097,857	56,983,442

The Total State Aid and Recovered Cost revenue increase of 12% will largely be reflected in the Total State Aid – Categorical Aid – Reimbursement, Total Operating Transfers In, and Total Fund Balance.



Of all the sub-categories, Total Operating Transfers In contribute the largest revenue pool (18.4%) to the category, but it is closely followed by Total State – Non-categorical Aid (18.2%)



Within the Total State – Other Categorical Aid – Reimbursement sub-category, the Law Enforcement and Correctional Facilities Block Grant will realize an additional \$1 million. The Total Recovered Cost – General Government sub-category will increase by \$451,000. This is an accounting procedural change and is not new revenue. Lastly, for three years, the Finance Department has diligently worked to build an adequate fund balance. In FY 2008, the general fund is projected to exceed the fund balance target by \$3.9 million and this allocable amount has been utilized to balance program and funding needs in FY 2008.

Summary

Overall the General Fund’s revenues will increase 15%. The Local Tax category will contribute approximately \$20 million, State Aid and Recovered Costs \$6 million, and Fee and User Charges \$3 million.

With the Commissioner of Revenue’s request for additional enforcement funding, the department will take the city in Bold New Directions generating an additional \$2.5 million.

The housing market continues to show some resilience in some key economic indicators. This typifies a Robust and Prospering Economy.

The new Maersk facility will be opening in July 2007 and is a beacon for the city’s quest to become a World Class Maritime Center.

With a new Tidewater Community College being built and revenues emanating from spin-off business developing, the city is striving to become a Lifelong Learning Community.

As the Newport development increases housing construction, other neighborhoods will benefit from the additional revenues raised stimulating Neighborhood and Community Transformation projects.

Preserving the Portsmouth heritage is paramount. To do this revenues must be generated to preserve The Pride of Past and build Promise of the Future.

City of Portsmouth
Fiscal Year 2008 Adopted Budget Revenue Summary

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>001 General Fund</u>				
Taxes				
General Property Taxes	88,861,657	96,565,992	98,567,166	111,913,450
Other Local Taxes	25,442,506	27,205,075	25,203,901	31,592,146
Utility Taxes	15,032,685	14,890,963	14,890,963	15,378,810
	<u>129,336,848</u>	<u>138,662,030</u>	<u>138,662,030</u>	<u>158,884,406</u>
Intergovernmental Revenue				
State - Noncategorical Aid	11,404,530	10,420,897	10,420,897	10,388,563
State - Categorical Aid: Reimbursement	8,059,923	8,568,450	8,568,450	9,005,613
State - Other Categorical Aid	17,210,880	16,947,165	16,962,730	18,240,357
Other Governments	327,718	335,835	335,835	-
	<u>37,003,051</u>	<u>36,272,347</u>	<u>36,287,912</u>	<u>37,634,533</u>
Charges For Services				
Charges For Services	1,860,062	1,397,152	1,397,152	1,305,206
Charges For Services - Judicial	364,721	276,019	276,019	341,454
Charges For Services - Public Safety	71,231	178,064	178,064	185,679
Charges For Services - Treasurer	2,342,811	1,085,883	1,085,883	3,997,722
Charges For Services- Parks and Rec	739,258	697,662	697,662	786,026
Charges for Services - Sheriff	-	4,388	4,388	-
Charges For Services - Community Develop	83,175	129,398	129,398	87,386
	<u>5,461,257</u>	<u>3,768,566</u>	<u>3,768,566</u>	<u>6,703,473</u>
Other Financing Sources				
Interest	394,402	1,025,000	1,025,000	1,076,250
Recovered Costs				
Recovered Costs	17,630	60,000	60,000	50,000
Recovered Costs - General Govt	2,878,290	3,479,699	3,479,699	4,018,693
Recovered Costs - Judicial	255,112	619,279	619,279	567,643
Recovered Cost - Public Safety	370,494	434,395	434,395	382,315
	<u>3,521,527</u>	<u>4,593,373</u>	<u>4,593,373</u>	<u>5,018,651</u>
Licenses And Permits				
Licenses and Permits - General Government	8,863	8,567	8,567	8,596
Licenses And Permits - Public Safety	25,063	21,516	21,516	22,237
Licenses And Permits - Public Works	143,400	76,093	76,093	132,500
Licenses And Permits - Community Develop	985,651	657,006	657,006	860,590
	<u>1,162,977</u>	<u>763,182</u>	<u>763,182</u>	<u>1,023,923</u>
Use Of Property				
Use Of Property - General Govt	2,088,293	2,239,690	2,239,690	2,262,963
Miscellaneous Other Revenues				
Miscellaneous	3,831,531	680,168	680,168	695,300
Miscellaneous- Parks and Recreation	-	10,000	10,000	10,000
	<u>3,831,531</u>	<u>690,168</u>	<u>690,168</u>	<u>705,300</u>
Payment In Lieu Of Taxes				
Payment In Lieu Of Taxes	1,621,384	1,539,112	1,539,112	2,080,247
Operating Transfers In				
Operating Transfers In	10,202,977	9,457,204	9,457,204	10,360,234
Bond Proceeds - Bau				
Miscellaneous	40,624,787	-	-	-
Bond Proceeds - Bonds				
N/A	-67,183	-	-	-
Fund Balance				
Fund Balance	-	-	734,829	3,970,022
Total General Fund	<u>235,181,850</u>	<u>199,010,672</u>	<u>199,761,066</u>	<u>229,720,002</u>

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

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>005 Behavioral Healthcare Services</u>				
Intergovernmental Revenue				
State - Noncategorical Aid	4,233,464	4,273,305	4,297,355	4,467,576
State - Categorical Aid: Reimbursement	3,143,039	3,249,868	3,249,868	1,836,000
State - Noncategorical	39,247	-	-	1,786,972
Other Governments	140,324	173,200	173,200	100,000
Federal Direct	1,658,330	1,652,896	1,721,662	1,736,639
	<u>9,214,404</u>	<u>9,349,269</u>	<u>9,442,085</u>	<u>9,927,187</u>
Other Financing Sources				
Interest	65,395	10,000	10,000	70,000
Miscellaneous Other Revenues				
Miscellaneous	61,553	200,000	107,184	1,282,445
Operating Transfers In				
Operating Transfers In	519,014	664,724	664,724	526,278
Fund Balance				
Fund Balance	-	-	-	1,126,105
Total Behavioral Healthcare Services	<u>9,860,366</u>	<u>10,223,993</u>	<u>10,223,993</u>	<u>12,932,015</u>
<u>006 Public Law Library</u>				
Charges For Services				
Charges For Services	29,696	34,845	34,845	34,635
Other Financing Sources				
Interest	1,551	-	-	-
Fund Balance				
Fund Balance	-	-	-	51,975
Total Public Law Library	<u>31,247</u>	<u>34,845</u>	<u>34,845</u>	<u>86,610</u>
<u>007 Social Services</u>				
Intergovernmental Revenue				
State - Categorical Aid: Reimbursement	17,909,208	20,378,579	20,378,579	19,486,684
Other Governments	177,257	50,000	50,000	168,288
Federal Direct	7,953	12,000	12,000	25,000
	<u>18,094,419</u>	<u>20,440,579</u>	<u>20,440,579</u>	<u>19,679,972</u>
Miscellaneous Other Revenues				
Miscellaneous	-	1,000	1,000	5,000
Operating Transfers In				
N/A	134,700	-	-	-
Operating Transfers In	3,453,112	3,196,150	3,196,150	7,519,971
	<u>3,587,812</u>	<u>3,196,150</u>	<u>3,196,150</u>	<u>7,519,971</u>
Total Social Services	<u>21,682,231</u>	<u>23,637,729</u>	<u>23,637,729</u>	<u>27,204,943</u>
<u>011 Willett Hall Fund</u>				
Intergovernmental Revenue				
State - Categorical Aid: Reimbursement	-	-	-	307,362
Charges For Services				
Charges For Services	966,085	827,610	827,610	107,554
Charges For Services - Judicial	-	-	-	523,212
	<u>966,085</u>	<u>827,610</u>	<u>827,610</u>	<u>630,766</u>
Other Financing Sources				
Interest	6,156	-	-	-
Operating Transfers In				
Operating Transfers In	-	174,435	174,435	-
Fund Balance				
Fund Balance	-	-	-	299,075
Total Willett Hall Fund	<u>972,242</u>	<u>1,002,045</u>	<u>1,002,045</u>	<u>1,237,203</u>

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

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>019 CSA</u>				
Intergovernmental Revenue				
State - Categorical Aid: Reimbursement	3,451,095	2,390,426	2,390,426	6,243,074
Operating Transfers In				
Operating Transfers In	1,707,443	1,253,979	1,253,979	2,451,329
Total CSA	5,158,538	3,644,405	3,644,405	8,694,403
<u>020 Stormwater Management</u>				
Charges For Services				
Charges For Services	3,642,061	4,000,362	4,000,362	4,433,306
Other Financing Sources				
Interest	62,201	-	-	-
Fund Balance				
Fund Balance	-	-	2,578,953	-
Total Stormwater Management	3,704,263	4,000,362	6,579,315	4,433,306
<u>033 Community Development</u>				
Intergovernmental Revenue				
Federal Direct	227,746	3,410,178	3,410,178	2,544,370
Sale Of Commodities And Property				
Sale Of Commodities And Property	-	100,000	100,000	-
Other Financing Sources				
Program Income	114,469	-	-	100,000
Total Community Development	342,215	3,510,178	3,510,178	2,644,370
<u>040 Public Utilities</u>				
Charges For Services				
Charges For Services	30,947,696	32,468,652	32,468,652	34,477,752
Miscellaneous Revenue				
Program Income	75,480	57,800	57,800	75,500
Miscellaneous	-282	-	-	-
	75,197	57,800	57,800	75,500
Sale Of Commodities And Property				
Miscellaneous	10,597	20,000	20,000	12,000
Other Financing Sources				
Interest	1,061,153	175,000	175,000	175,000
Recovered Costs				
Recovered Costs	100,671	145,500	145,500	143,500
Licenses And Permits				
Licenses And Permits	9,970	9,000	9,000	9,000
Miscellaneous Other Revenues				
Miscellaneous	73,632	60,000	60,000	70,000
Total Public Utilities	32,278,916	32,935,952	32,935,952	34,962,752
<u>042 Port Facility And Economic Development</u>				
Sale Of Commodities And Property				
Miscellaneous	21,671	-	-	-
Other Financing Sources				
Interest	9,164	-	-	-
Use Of Property				
Use Of Property - General Govt	568,279	580,000	580,000	580,000
Fund Balance				
Fund Balance	-	570,000	570,000	-
Total Port Facility And Economic Development	599,114	1,150,000	1,150,000	580,000

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

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>044 Golf Enterprise Fund</u>				
Charges For Services				
Charges For Services	1,437,910	1,398,250	1,398,250	1,466,000
Other Financing Sources				
Interest	42,992	-	-	-
Use Of Property				
Program Income	222,800	236,600	236,600	242,900
Operating Transfers In				
Operating Transfers In	241,956	-	-	-
Fund Balance				
Fund Balance	-	676,052	676,052	1,229,400
Total Golf Enterprise Fund	1,945,658	2,310,902	2,310,902	2,938,300
<u>048 Waste Management Fund</u>				
Intergovernmental Revenue				
State - Categorical Aid: Reimbursement	685,994	685,994	685,994	685,994
Charges For Services				
Charges For Services	7,440,339	8,532,480	8,532,480	12,164,400
Sale Of Commodities And Property				
Miscellaneous	2,526	4,755	4,755	-
Other Financing Sources				
Interest	1,559	-	-	-
Miscellaneous Other Revenues				
Miscellaneous	-	50,000	50,000	4,650
Miscellaneous- Parks and Recreation	20,006	-	-	-
	20,006	50,000	50,000	4,650
Fund Balance				
Fund Balance	-	-	-	212,990
Total Waste Management Fund	8,150,425	9,273,229	9,273,229	13,068,034
<u>049 Parking Authority</u>				
Charges For Services				
Charges For Services	1,010,414	1,090,000	1,090,000	1,189,711
Fines & Forfeits				
Recovered Cost - Public Safety	251,895	250,000	250,000	250,000
Miscellaneous Revenue				
Miscellaneous	9,186	600	600	600
Other Financing Sources				
Interest	5,158	1,650	1,650	1,650
Operating Transfers In				
Operating Transfers In	355,620	447,564	447,564	447,564
Total Parking Authority	1,632,272	1,789,814	1,789,814	1,889,525
<u>050 City Garage</u>				
Charges For Services				
Charges For Services	7,399,491	7,938,583	7,938,583	8,621,664
Other Sources				
Miscellaneous	250	10,000	10,000	10,000
Miscellaneous Other Revenues				
Miscellaneous	90,994	81,990	81,990	110,340
Operating Transfers In				
Operating Transfers In	-	-	350,000	-
Total City Garage	7,490,735	8,030,573	8,380,573	8,742,004

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

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
<u>052 Information Technology Fund</u>				
Charges For Services				
Charges For Services	1,369,429	1,458,020	1,458,020	1,380,427
Charges For Services				
Charges For Services	3,665,519	4,524,627	4,524,627	4,731,743
Miscellaneous Revenue				
Charges For Services	20,820	34,078	34,078	26,074
Other Financing Sources				
Interest	16,165	500	500	500
Miscellaneous Other Revenues				
Miscellaneous	28,190	35,000	35,000	35,000
Total Information Technology Fund	5,100,123	6,052,225	6,052,225	6,173,744
<u>054 Risk Management and Insurance</u>				
Charges For Services				
Charges For Services	6,258,395	6,383,739	6,383,739	6,670,620
Other Financing Sources				
Interest	56,515	-	-	-
Recovered Costs				
Recovered Costs	201,247	50,000	710,000	50,000
Total Risk Management and Insurance	6,516,157	6,433,739	7,093,739	6,720,620
<u>056 Health Insurance Fund</u>				
Intergovernmental Revenue				
State - Noncategorical Aid	-	-	-	248,592
Charges For Services				
Charges For Services	15,441,851	16,814,479	16,814,479	21,677,214
Total Health Insurance Fund	15,441,851	16,814,479	16,814,479	21,925,806
<u>060 Portsmouth City Public Schools</u>				
State - Categorical Aid - Shared Costs				
Other Governmental	86,416,348	95,369,587	95,369,587	95,308,444
Federal Direct				
Other Governmental	660,000	660,000	660,000	660,000
Other Governmental				
Other Governmental	36,670,336	65,975,262	65,975,262	73,926,318
Total Portsmouth City Public Schools	123,746,684	162,004,849	162,004,849	169,894,762
<u>068 Cemetery Perpetual Care</u>				
Charges For Services				
Charges For Services	-	20,000	20,000	55,000
Charges For Services				
Charges For Services	26,500	-	-	-
Other Financing Sources				
Interest	48,309	50,000	50,000	50,000
Fund Balance				
Fund Balance	-	130,000	130,000	55,000
Total Cemetery Perpetual Care	74,809	200,000	200,000	160,000
<u>069 Recreation Fund</u>				
Charges For Services				
Charges For Services	-	-	-	1,143,000
Total Recreation Fund	-	-	-	1,143,000

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

Funding Sources	FY 2006 Actual	FY 2007 Adopted	FY 2007 Amended	FY 2008 Adopted
Total Funding Sources	479,909,694	492,059,991	496,399,338	555,151,399