

Estimating Expenditures

Estimating expenditures can be challenging, based on 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.

Due to fluctuating economic factors, Federal, State and local economies, 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 the Departments of Health, Behavioral Healthcare Services, Social Services and Comprehensive Services which address 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.

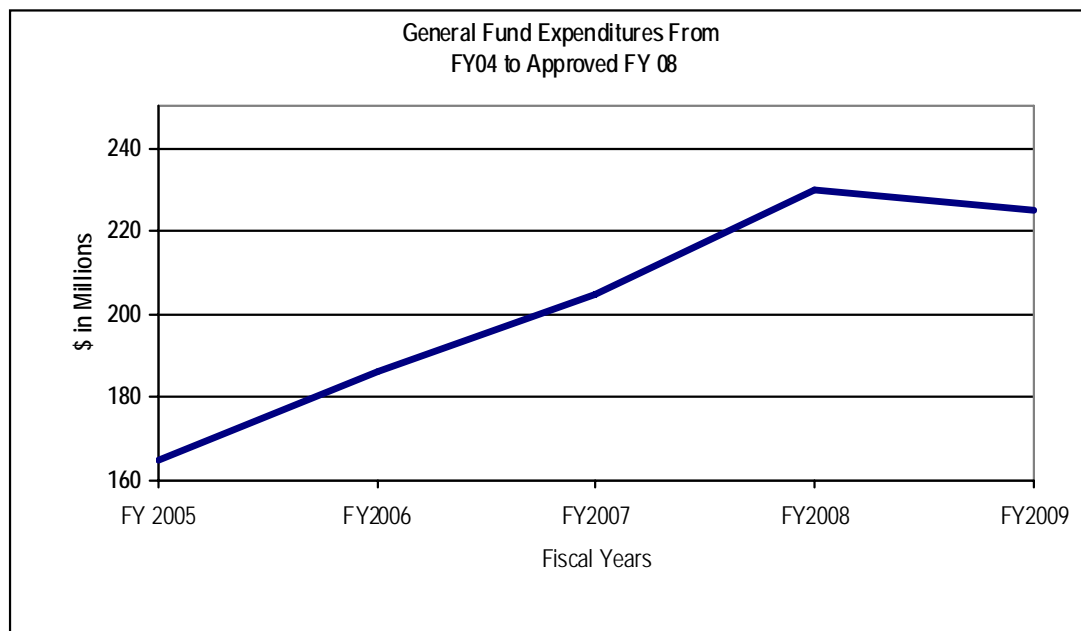
Expenditure Summary

General Fund Expenditures in Total

Controlling expenditures is paramount for the City to maintain a stable tax rate. As the following schedules indicate, the General Fund FY09 Adopted Budget decreased by 1.9% or \$4.5 million from the Fiscal Year 08 Adopted Budget. This decrease is due to a sluggish economy, declining housing market, state mandated reductions and an overall increase in cost of goods in FY2008 and projected in FY2009.

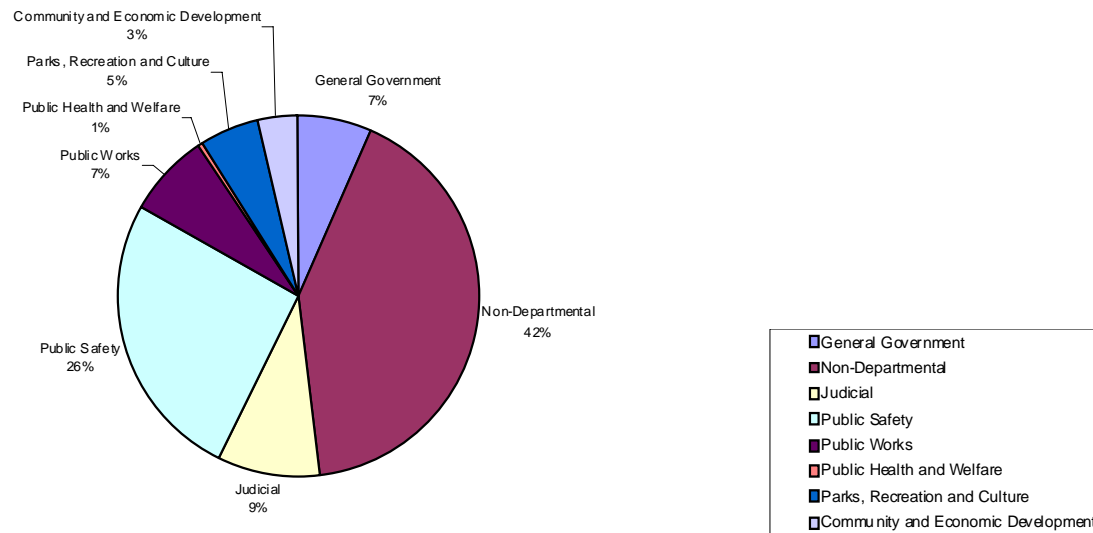
Category	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Total Operating Budget	164,815,785	186,331,590	204,368,763	229,720,002	225,234,475

As the graph below indicates, the general fund growth has been moderate over the past four years (FY05 – FY08). It is noteworthy to add that our revised projections for FY 2008 reflect a \$5.5 million revenue shortfall due to the economy and overestimated revenue projections. Much like the cost of living or consumer price index would demonstrate over this same period of time, there has been considerable spikes in growth for the cost of goods and services. Highlights of the FY 09 Budget include level funding for Portsmouth Public Schools, 3.0% general wage increase for full-time city employees, 4.0% for Public Safety employees, 3% compensation for Sheriff’s Deputies and \$1.75 million for inclusion in LEOS retirement and a 1.5% percent cola increase for retirees.



Expenditure Summary

General Fund: Appropriation by Categories



Comparative expenditures by category:

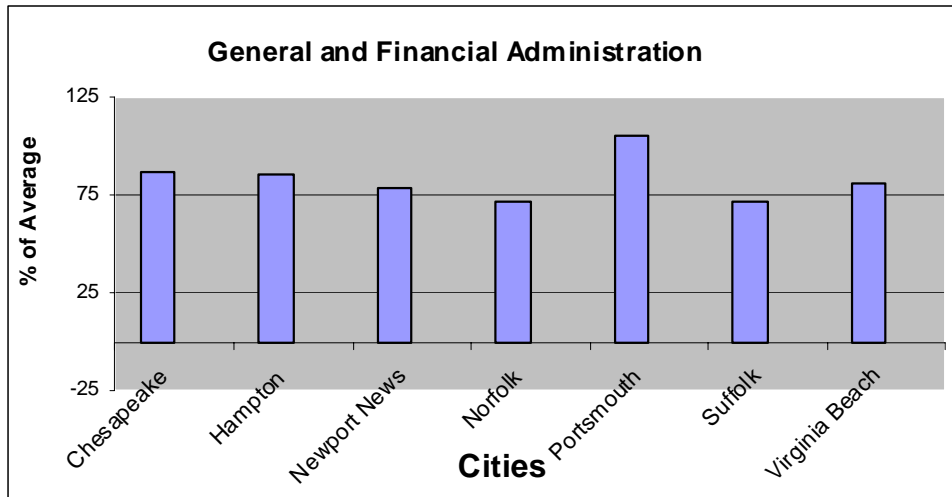
This section highlights expenditures per the “Comparative Report of Local Government Revenues and Expenditures” for the period ending June 30, 2007. This information is utilized as an analytical tool to display categories of expenditures across the governing counties, cities and towns within the State 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 six localities in per capita spending for this category and 104.88 % of the average for the State of Virginia. The City of Chesapeake ranks the second highest followed by the City of Hampton.

Expenditure Summary

Cities	Per Capita \$	% of Avg.
Chesapeake	115.81	86.72
Hampton	113.98	85.35
Newport News	104.42	78.19
Norfolk	94.72	70.93
Portsmouth	140.06	104.88
Suffolk	94.96	71.11
Virginia Beach	107.74	80.68
Average per capita \$133.54		

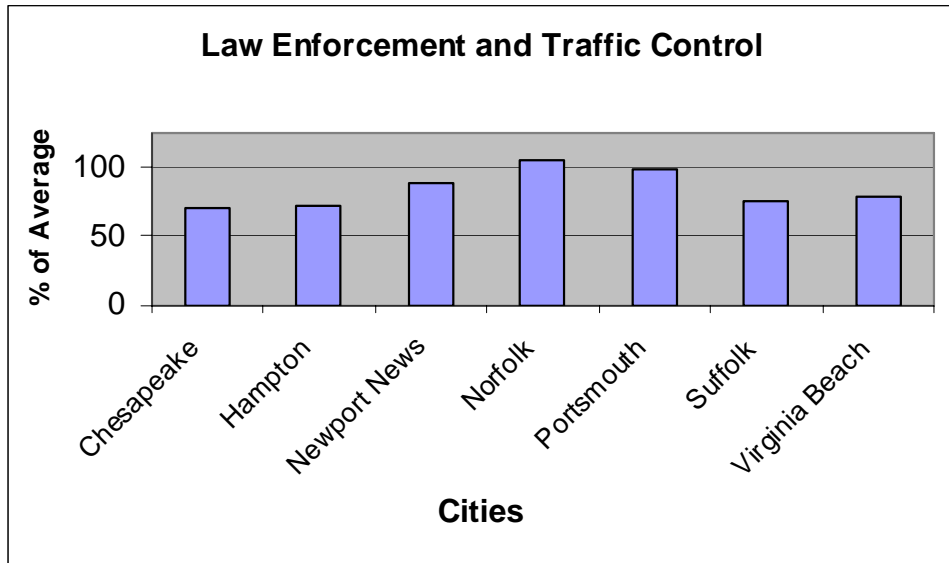


Expenditure Summary

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	187.00	70.88
Hampton	188.47	71.43
Newport News	234.94	89.05
Norfolk	275.08	104.26
Portsmouth	257.96	97.77
Suffolk	196.90	74.63
Virginia Beach	206.78	78.38
Average per capita is \$263.83		

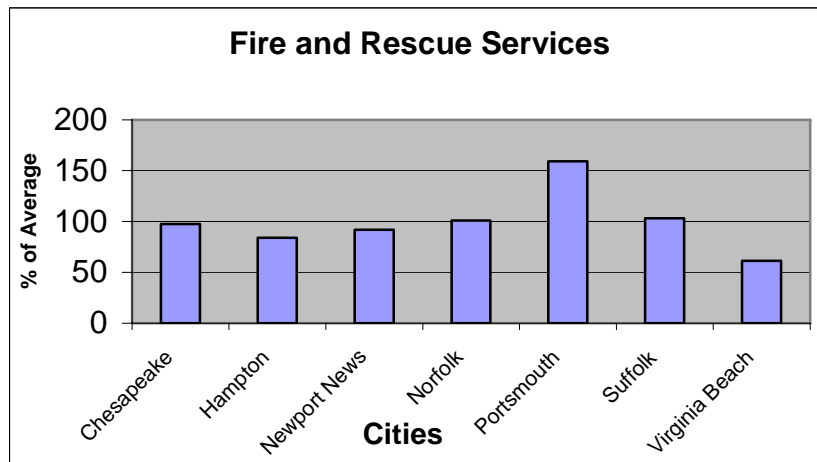


The City of Portsmouth ranks the second highest of the seven localities in per capita spending for Law Enforcement and Traffic Control and 97.77% of the average for the State of Virginia. The City of Norfolk ranks the highest of the seven cities with per capita spending at 104.26% of the State average.

Expenditure Summary

Fire and Rescue Services

Cities	Per Capita \$	% of Avg.
Chesapeake	178.55	105.78
Hampton	155.08	91.88
Newport News	162.60	96.33
Norfolk	166.55	98.68
Portsmouth	226.72	134.33
Suffolk	184.88	109.54
Virginia Beach	108.97	64.56
Average per capita is \$168.79		

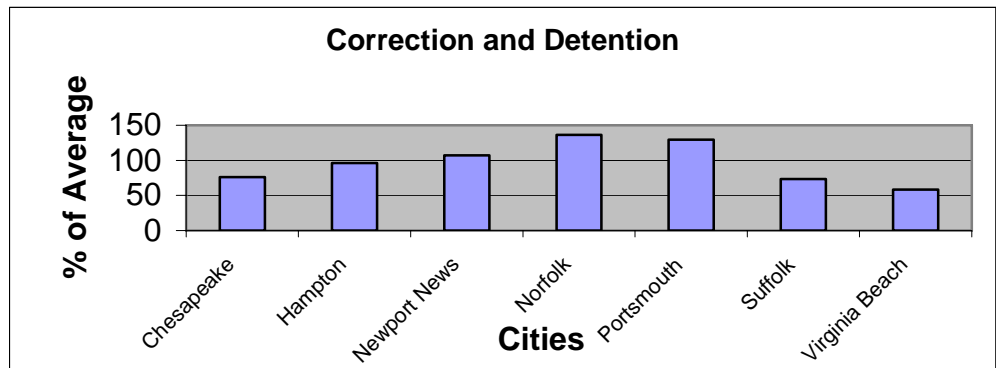


The City of Portsmouth ranks the highest of the seven localities in per capita spending for Fire and Rescue services and 134.33% of the State average. The Cities of Suffolk and Chesapeake rank the next highest with per capita spending of 109.54% and 105.78% respectively of the average per capita spending for the State.

Correction and Detention

Cities	Per Capita \$	% of Avg.
Chesapeake	103.30	76.36
Hampton	130.46	96.42
Newport News	145.25	107.35
Norfolk	184.57	136.42
Portsmouth	174.94	129.31
Suffolk	99.15	73.29
Virginia Beach	78.96	58.36
Average per capita is \$135.30		

Expenditure Summary



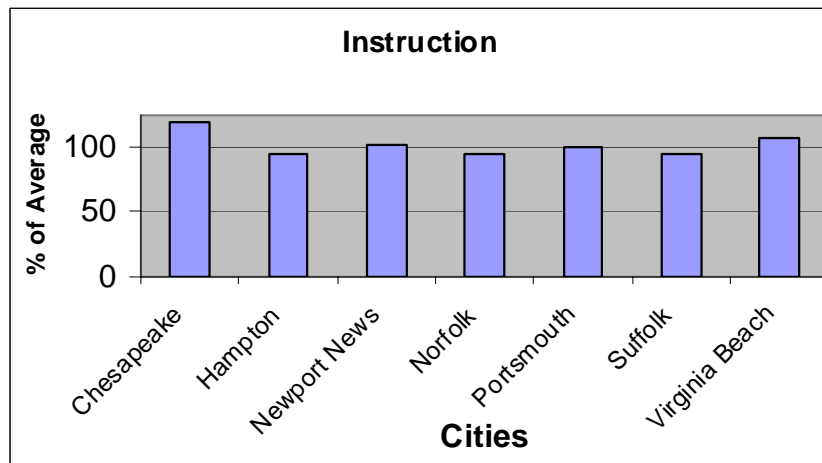
The City of Portsmouth ranks the second highest of the seven localities in per capita spending for Correction and Detention services and 129.31% of the State average. The City of Norfolk ranks the highest with per capita spending of 136.42% of the average per capita spending for the State.

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 1) Instruction and 2) Administration, Attendance and Health.

Instruction

Cities	Per Capita \$	% of Avg.
Chesapeake	1,488.02	119.56
Hampton	1,179.16	94.74
Newport News	1,263.29	101.50
Norfolk	1,179.18	94.74
Portsmouth	1,244.43	99.99
Suffolk	1,180.91	94.88
Virginia Beach	1,341.17	107.76

Average per capita is \$1,244.60

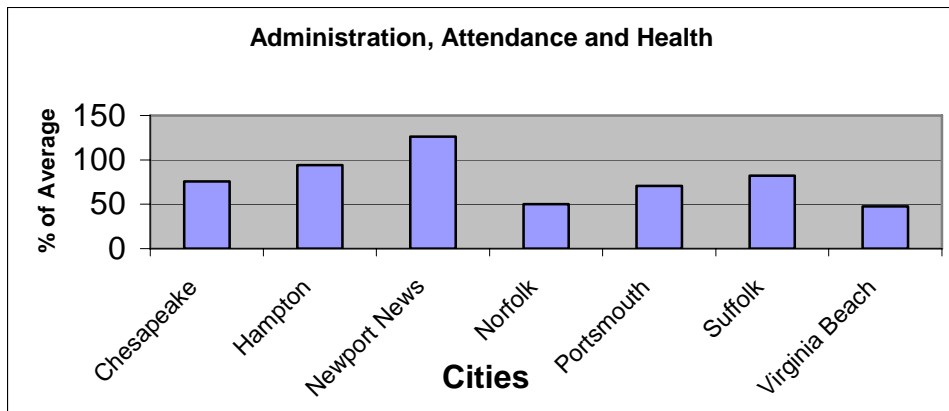


Expenditure Summary

The City of Portsmouth ranks fourth of the seven localities in per capita spending for Instructional services and 99.99% of the State average. The city of Newport News ranks comparable in spending with 101.50% of average per capita spending.

Administration, Attendance and Health

Cities	Per Capita \$	% of Avg.
Chesapeake	75.73	96.47
Hampton	93.94	119.67
Newport News	126.14	160.68
Norfolk	50.15	63.89
Portsmouth	70.69	90.06
Suffolk	82.31	104.85
Virginia Beach	47.48	60.48
Average per capita is \$78.50		



The City of Portsmouth ranks the fifth of the seven localities in per capita spending for Administration, Attendance and Health services and 90.06% of the State average. The City of Newport News ranks the highest with 160.68% of the State average with Hampton and Suffolk ranking second and third, respectively.

**City of Portsmouth
Fiscal Year 2009 Adopted Budget Fund Summary**

Business Units	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted
<u>100 General Fund</u>				
General Government				
City Council	427,058	437,450	437,450	440,969
City Clerk	325,773	345,793	345,793	363,066
City Manager	1,327,291	1,231,217	1,231,217	1,255,826
Management and Legislative Affairs	652,165	718,148	718,148	572,053
Registrar	425,508	587,082	587,082	617,704
City Attorney	1,361,678	1,648,350	1,648,350	1,575,660
Human Resource Management	1,048,938	1,259,592	1,259,592	1,217,607
Civil Service Commission	53,595	66,473	66,473	79,400
Commissioner of the Revenue	1,273,577	1,614,991	1,614,991	1,527,697
City Assessor	869,062	957,522	957,522	885,687
City Treasurer	1,744,435	1,878,978	1,878,978	1,875,278
Finance	1,881,513	2,129,514	2,129,514	2,047,863
Procurement And Risk Management	719,116	1,276,774	1,276,774	1,270,061
Communications	334,097	414,337	414,337	398,220
Marketing	1,013,170	1,103,186	1,103,186	1,089,810
	<u>13,456,976</u>	<u>15,669,407</u>	<u>15,669,407</u>	<u>15,216,901</u>
Non-Departmental				
Non-Departmental	5,520,420	6,912,233	6,912,233	-602,808
Transfers and Contingencies	55,139,836	64,509,363	64,509,363	64,222,664
Public Transportation	2,036,338	2,457,342	2,457,342	2,494,498
Debt Service	24,414,652	28,131,515	28,131,515	26,567,390
Support to Civic Organizations	1,160,269	623,800	623,800	592,500
	<u>88,271,514</u>	<u>102,634,253</u>	<u>102,634,253</u>	<u>93,274,244</u>
Judicial				
Circuit Court Judges	510,928	541,174	541,174	551,700
Circuit Court Clerk	1,411,781	1,473,585	1,473,585	1,400,107
Magistrate	12,587	11,412	11,412	12,269
General District Court	38,903	50,683	50,683	49,938
Juvenile And Domestic Relations Court	813,887	26,171	26,171	24,909
Juvenile Court Services	369,744	1,200,743	1,200,743	1,247,647
Commonwealth Attorney	2,272,149	2,283,861	3,024,098	2,858,299
Sheriff	11,527,740	11,929,006	11,929,006	14,065,613
	<u>16,957,718</u>	<u>17,516,635</u>	<u>18,256,872</u>	<u>20,210,482</u>
Public Safety				
Police Department	29,149,293	31,048,109	31,048,109	32,396,263
Fire, Rescue And Emergency	23,334,969	24,713,726	24,713,726	26,252,816
	<u>52,484,261</u>	<u>55,761,835</u>	<u>55,761,835</u>	<u>58,649,079</u>
Public Works				
Streets And Highways	3,550,127	4,606,964	4,606,964	4,517,689
Mosquito Control	440,205	492,085	492,085	501,823
Engineering	1,442,522	1,915,162	1,915,162	1,712,176
Traffic Engineering	2,498,477	2,616,575	2,616,575	2,597,303
Property Management	3,857,066	3,828,592	3,828,592	3,775,083
Utilities	1,781,454	1,686,000	1,686,000	2,123,200
Rental Of Land	1,437,707	1,178,203	1,178,203	987,921
Harbor Center Pavilion	407,870	421,115	421,115	397,836
	<u>15,415,428</u>	<u>16,744,696</u>	<u>16,744,696</u>	<u>16,613,031</u>
Public Health				
Health	1,267,040	1,290,953	1,290,953	1,327,506

**City of Portsmouth
Fiscal Year 2009 Adopted Budget Fund Summary**

Business Units	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted
<u>100 General Fund</u>				
Parks, Recreation, and Cultural				
Museums	1,765,733	2,047,984	2,047,984	1,968,599
Public Library	2,239,822	2,471,213	2,471,213	2,527,155
Parks, Recreation and Leisure Services - Administration	3,780,754	4,829,200	4,829,200	4,735,772
Parks, Recreation and Leisure Services - Parks	2,216,081	2,693,335	2,693,335	2,451,764
Parks, Recreation and Leisure Services - Recreation	328,586	442,362	442,362	439,319
	<u>10,330,975</u>	<u>12,484,094</u>	<u>12,484,094</u>	<u>12,122,609</u>
Community and Economic Development				
Permits and Inspections	3,469,765	3,526,303	3,526,303	3,499,080
Economic Development	1,183,686	1,560,752	1,560,752	1,477,497
Planning	1,136,459	1,845,538	1,845,538	2,180,249
Convention and Visitor's Bureau	714,035	699,988	699,988	663,797
	<u>6,503,945</u>	<u>7,632,581</u>	<u>7,632,581</u>	<u>7,820,623</u>
Total General Fund	<u>204,687,857</u>	<u>229,734,454</u>	<u>230,474,691</u>	<u>225,234,475</u>
<u>400 Behavioral Healthcare Svc Fun</u>				
Public Health				
Behavioral Healthcare Services	9,507,812	12,932,015	12,932,015	12,161,890
Total Behavioral Healthcare Svc Fun	<u>9,507,812</u>	<u>12,932,015</u>	<u>12,932,015</u>	<u>12,161,890</u>
<u>405 Public Law Library Fund</u>				
Parks, Recreation, and Cultural				
Law Library	30,655	86,610	86,610	33,757
Total Public Law Library Fund	<u>30,655</u>	<u>86,610</u>	<u>86,610</u>	<u>33,757</u>
<u>410 Social Services Fund</u>				
Public Health				
Social Services	22,767,241	26,421,675	26,421,675	27,341,863
Total Social Services Fund	<u>22,767,241</u>	<u>26,421,675</u>	<u>26,421,675</u>	<u>27,341,863</u>
<u>415 Community Services Fund</u>				
Public Health				
Social Services	6,521,849	8,694,403	8,694,403	8,684,352
Total Community Services Fund	<u>6,521,849</u>	<u>8,694,403</u>	<u>8,694,403</u>	<u>8,684,352</u>
<u>420 Stormwater Management Fund</u>				
Public Works				
Storm Water Management	6,017,794	4,433,306	4,433,306	4,871,023
Total Stormwater Management Fund	<u>6,017,794</u>	<u>4,433,306</u>	<u>4,433,306</u>	<u>4,871,023</u>
<u>435 Willett Hall Fund</u>				
Community and Economic Development				
Willett Hall	230,227	1,237,203	1,237,203	386,000
Total Willett Hall Fund	<u>230,227</u>	<u>1,237,203</u>	<u>1,237,203</u>	<u>386,000</u>

**City of Portsmouth
Fiscal Year 2009 Adopted Budget Fund Summary**

Business Units	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted
<u>440 Recreation Fund</u>				
Parks, Recreation, and Cultural				
Recreation Fund	95,054	1,143,000	1,143,000	600,000
Total Recreation Fund	<u>95,054</u>	<u>1,143,000</u>	<u>1,143,000</u>	<u>600,000</u>
<u>500 Cemetery Fund</u>				
Public Works				
Cemetery Perpetual Care	6,351	160,000	160,000	100,000
Total Cemetery Fund	<u>6,351</u>	<u>160,000</u>	<u>160,000</u>	<u>100,000</u>
<u>700 Public Utility Fund</u>				
Public Works				
Public Utilities	26,558,599	34,962,752	34,962,752	37,306,460
Total Public Utility Fund	<u>26,558,599</u>	<u>34,962,752</u>	<u>34,962,752</u>	<u>37,306,460</u>
<u>720 Golf Fund</u>				
Parks, Recreation, and Cultural				
Golf Services	2,308,692	2,938,300	2,938,300	2,908,772
Total Golf Fund	<u>2,308,692</u>	<u>2,938,300</u>	<u>2,938,300</u>	<u>2,908,772</u>
<u>740 Waste Management Fund</u>				
Public Works				
Waste Management	9,694,180	13,068,034	13,068,034	13,280,850
Total Waste Management Fund	<u>9,694,180</u>	<u>13,068,034</u>	<u>13,068,034</u>	<u>13,280,850</u>
<u>750 Portsmouth Parking Authority</u>				
Public Works				
Parking Authority	1,614,027	1,889,525	1,889,525	1,930,720
Total Portsmouth Parking Authority	<u>1,614,027</u>	<u>1,889,525</u>	<u>1,889,525</u>	<u>1,930,720</u>
<u>800 City Garage Fund</u>				
Public Works				
City Garage	8,177,153	8,742,004	8,742,004	9,965,796
Total City Garage Fund	<u>8,177,153</u>	<u>8,742,004</u>	<u>8,742,004</u>	<u>9,965,796</u>
<u>810 Information Technology Fund</u>				
General Government				
Information Technology	4,213,874	4,681,252	4,681,252	4,335,313
Telecommunications	1,096,104	1,492,492	1,492,492	1,526,605
	<u>5,309,978</u>	<u>6,173,744</u>	<u>6,173,744</u>	<u>5,861,918</u>
Total Information Technology Fund	<u>5,309,978</u>	<u>6,173,744</u>	<u>6,173,744</u>	<u>5,861,918</u>
<u>820 Risk Management Fund</u>				
General Government				
Procurement And Risk Management	5,565,663	6,720,620	6,720,620	6,913,255
Total Risk Management Fund	<u>5,565,663</u>	<u>6,720,620</u>	<u>6,720,620</u>	<u>6,913,255</u>

**City of Portsmouth
Fiscal Year 2009 Adopted Budget Fund Summary**

Business Units	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted
<u>830 Health Insurance Fund</u>				
General Government				
Health Insurance Fund	13,281,162	21,925,806	21,925,806	21,925,806
Total Health Insurance Fund	<u>13,281,162</u>	<u>21,925,806</u>	<u>21,925,806</u>	<u>21,925,806</u>
<u>900 Portsmouth City Public Schools</u>				
Education				
Public Education	168,506,565	177,166,762	177,166,762	179,836,403
Total Portsmouth City Public Schools	<u>168,506,565</u>	<u>177,166,762</u>	<u>177,166,762</u>	<u>179,836,403</u>
<u>910 Community Development</u>				
Community and Economic Development				
Community Planning and Development Program	3,510,178	2,644,370	2,644,370	2,874,926
Total Community Development	<u>3,510,178</u>	<u>2,644,370</u>	<u>2,644,370</u>	<u>2,874,926</u>
City Total Budget	<u>494,391,039</u>	<u>561,074,583</u>	<u>561,814,820</u>	<u>562,218,266</u>