

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental**

**Description of Services Provided**

This business center includes non-specific departmental functions including Public Transportation (HRT), Virginia Sports Hall of Fame, Hampton Roads Planning District Commission and the Military and Federal Facilities Alliance. The Transfers and Contingencies section contains transfers from the General Fund to other operating funds. Also included in this business center is the transfer of local tax support to the School's operating fund totaling \$48,171,651, as well as the City's support to Civic Organizations.

<b>Business Units</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
Non-Departmental	8,593,160	10,611,606	3,757,070
Transfers and Contingencies	58,499,869	63,197,643	61,334,145
Public Transportation	2,494,498	2,494,498	2,775,754
Debt Service	24,581,467	20,737,243	22,671,183
Support to Civic & Cultural Organizations	593,800	332,106	331,206
Other Post Employment Benefits	-	-	2,500,000
<b>Total Budget</b>	<b>94,762,794</b>	<b>97,373,096</b>	<b>93,369,358</b>
<b>Funding Sources</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
100 General Fund	94,762,794	97,373,096	90,869,358
620 Other Post-Employment Benefits	-	-	2,500,000
<b>Total Funding</b>	<b>94,762,794</b>	<b>97,373,096</b>	<b>93,369,358</b>

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Non-Departmental**

**Business Unit Mission Statement**

The Non-Departmental section accounts for services and costs not related to other departments or agencies.

**Description of Services Provided**

Included in this section are allocations for contractual obligations or community services supported by the City. Reflected for the second time in FY2011 is \$3 million in tax relief for the Elderly and Disabled citizens ( Senior Citizen Tax Relief). In the past, this tax relief was netted against real estate tax revenue. This reporting methodology change provides more transparency to the citizens of Portsmouth. The mandated State Aid reduction for FY2011 totaling \$1,193,378 is also included in non-departmental. In order to make this "Aid to the Commonwealth" payment, the recipient departments' budgets were reduced in accordance with the State Department of Planning and Budget instructions to the City. The result of these budget reductions are accumulated in non-departmental in order to remit the refund payment to the Commonwealth.

Also included in this section are allocations for projected vacancy savings above the 1% turnover factor budgeted in FY2010, a decreased pension ARC contribution and a reduced OPEB contribution, still providing a proposed \$2.5 million contribution to OPEB in FY2011.

<u>Expenditure Categories</u>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>
Salaries	439,664	-	-4,101,578
Benefits	407,204	364,749	-2,385,532
Contractual-Jail Per Diem	3,059,574	2,751,146	3,166,375
Contractual-Other	-	360,000	51,000
Supp-Sympathy Flowers	-	3,060	3,060
Util-Water Hydrant Chgs	298,440	298,440	298,440
Tele-Telephone	457,532	397,786	397,786
Tele-Telephone Cellular	5,685	-	-
Tele-Handheld Communications	-	20,000	20,000
Training-Department Head	-	28,000	28,000
Civ Orgs-Eastern VA Med School	45,000	45,000	45,000
Civ Orgs-HR Planning District	174,890	172,759	172,820
Civ Orgs-HR Sports Commission	15,085	15,805	15,805
Civ Orgs-Sports Hall of Fame	900,000	800,000	550,000
Civ Orgs-Lowes Annual Incent	175,000	175,000	175,000
Civ Orgs-Milit/Fed Fac Allianc	49,257	49,257	49,257
Civ Orgs-Comm. Health Center	76,198	76,198	76,198
Civ Orgs-Portsmouth Partnersh	25,000	25,000	25,000
Civ Orgs-Natl League Cities	8,407	7,928	7,928
Civ Orgs-Events	31,200	50,000	18,194
Civ Orgs-Regional Film Proj	5,000	-	-
Oasis Shelter	2,715	-	-
PA-Hospitalization of Indigent	28,063	33,336	33,336
Efficiency Savings	29,068	-	-
Sr Citizen Tax Relief	-	3,000,000	3,000,000
State Aid Budget Reductions	969,579	1,022,955	1,193,378
Bad Debt Expense	609,950	-	-
Internal Service Charges	780,649	915,187	917,603
<b>Net Budget</b>	<b>8,593,160</b>	<b>10,611,606</b>	<b>3,757,070</b>
<b>Total Budget</b>	<b>8,593,160</b>	<b>10,611,606</b>	<b>3,757,070</b>
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<u>Funding Sources</u>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>
100 General Fund	8,593,160	10,611,606	3,757,070
<b>Total Funding</b>	<b>8,593,160</b>	<b>10,611,606</b>	<b>3,757,070</b>

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Transfers and Contingencies**

**Business Unit Mission Statement**

This section of the budget acts as a financial transaction conduit between the General Fund and other funds.

**Description of Services Provided**

In order to provide for the City's share of funding for certain programs, the Transfers and Contingencies section contains transfers from the General Fund to other funds such as Behavioral Healthcare, Social Services, Comprehensive Services, the Capital Improvement Program, and the largest contribution to Portsmouth Public Schools for the City's local share commitment for public education.

To provide for the necessary resources to pay for the costs of goods and services not contemplated during the budget preparation, a General Fund budget contingency is also included in this section

<u>Expenditure Categories</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Adopted</u>	<u>FY 2011 Adopted</u>
Contingency-Other Operating	282,750	581,199	531,199
Contingency-Neighborhood	34,118	-	-
<b>Net Budget</b>	<b>316,868</b>	<b>581,199</b>	<b>531,199</b>
Trans to Public Schools Oper	49,818,483	48,171,651	48,171,651
Trans to CIP Fund	26,513	2,000,000	-
Transfer to Courts Cap Reserve	-	758,769	1,818,803
Trans to BHS Fund	633,562	504,708	518,608
Trans to Social Services Fund	5,264,517	6,307,510	5,884,148
Trans to Community Services	1,610,723	3,175,591	3,151,095
Trans to Grants Fund	3,583	-	-
Trans to Donations Fund	-	47,000	47,000
Trans to Golf Fund	650,000	1,224,606	834,310
Trans to Parking Authority	175,620	426,609	377,331
<b>Total Budget</b>	<b>58,499,869</b>	<b>63,197,643</b>	<b>61,334,145</b>
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<u>Funding Sources</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
100 General Fund	58,499,869	63,197,643	61,334,145
<b>Total Funding</b>	<b>58,499,869</b>	<b>63,197,643</b>	<b>61,334,145</b>

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Public Transportation**

**Business Unit Mission Statement**

HRT's mission is to be an innovative regional provider of inter-modal transportation opportunities at a high level of quality, safety, and efficiency.

**Description of Services Provided**

The City contracts public transportation services with the Transportation District Commission of Hampton Roads (TDCHR). TDCHR, operating as Hampton Roads Transit (HRT), provides public transportation in the cities of Chesapeake, Norfolk, Suffolk, Virginia Beach, Hampton, Newport News and Portsmouth. Each city has two TDCHR Board seats. At the request of the City, the Commission provides Portsmouth residents various transportation systems and services. First, operating in the City and connecting with Norfolk and the Peninsula, HRT provides a public bus route mix; ferry services connecting Portsmouth and Norfolk; vanpools operated by commuters; disabled transit services; children safety and senior transit programs; tours and downtown circulation services; neighborhood van services; and carpooling and ridesharing information services. Federal and state funds provide for approximately one third of the total HRT costs and are generally used for capital equipment purchases and special operations such as express bus service and handicap service. The passenger "Fare Box" receipts cover about one third of the total service cost leaving the City of Portsmouth to pay the remaining third of the costs incurred within Portsmouth.

<b>Expenditure Categories</b>		<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
Civ Orgs-HRT		<u>2,494,498</u>	<u>2,494,498</u>	<u>2,775,754</u>
	<b>Net Budget</b>	<u>2,494,498</u>	<u>2,494,498</u>	<u>2,775,754</u>
	<b>Total Budget</b>	<u>2,494,498</u>	<u>2,494,498</u>	<u>2,775,754</u>
<b>Funding Sources</b>		<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
100 General Fund		<u>2,494,498</u>	<u>2,494,498</u>	<u>2,775,754</u>
	<b>Total Funding</b>	<u>2,494,498</u>	<u>2,494,498</u>	<u>2,775,754</u>

**Strategic Goals**

- Analyze ridership to determine which routes are being inefficiently utilized and which need improvement.
- Incorporate extended services from the traditional 6:00 - 6:30 p.m. to 7:30 p.m.

**Outcomes and Accomplishments**

A new shuttle service was launched in 2008 to replace the "Park and Sail" service by expanding the service to a downtown area shuttle service serving both the ferry docks and the downtown core. This new service will continue to discourage commuters from using the Downtown tunnel and use more energy and time conserving alternatives. The ferry service will tie into the new Downtown Shuttle service offered between the Portsmouth Naval Hospital and the High Street area. The Downtown Shuttle service will be provided with the objective of offering convenient and quick transportation to High Street.

The outcome of this budget item is to furnish a way where anyone wishing to use the Public Transportation System can access the services they need.

**Major Budget Variances**

Overall operational costs continue to increase and are generally reflect in one of two areas. First is the general increase in payroll costs. A substantial increase in bus drivers' salaries occurred this year in the form of a settlement of a union dispute over compensation. Second is fuel. The oil market is very volatile which makes it difficult to predict the cost of fuel for two and a half years in advance of actual usage. Experience shows that HRT costs to the city increase at the rate of approximately 10 per cent per year. The city can try and control the increasing cost by joining with HRT to increase passenger ridership. The amount of support costs that HRT apportions to the City of Portsmouth is based on the expected fare box revenue. Increased ridership and increased fare box revenue lowers the amount that the City of Portsmouth has to pay directly.

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Debt Service**

**Business Unit Mission Statement**

In order to meet the City's goals as presented in the Operating budget and the Capital Improvement Program (CIP), the Finance Department plans for long term financing arrangements.

**Description of Services Provided**

The Finance Department manages and processes all outstanding debt service payments, acquires bonding sources, and restructures debt to best accommodate the city's needs in accordance with its financial policies.

<u>Expenditure Categories</u>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
DS-Bond Principal	10,493,025	7,214,824	7,548,713
DS-VPSA Principal	390,469	398,723	567,225
DS-BHS Bldg Principal	125,000	-	-
DS-Lease Purchase Principal	239,319	366,004	374,557
DS-Literary Loan Principal	375,000	375,000	375,000
DS-Note Payable Principal	-	1,137,530	1,684,682
DS-QZAB Principal	601,971	601,971	601,971
DS-Human Svcs Bldg Principal	465,525	506,374	550,809
DS-Bond Interest	9,237,177	8,507,060	9,353,498
DS-VPSA Interest	377,282	357,528	337,525
DS-BHS Bldg Interest	197,992	181,292	181,292
DS-Lease Purchase Interest	27,885	25,055	15,459
DS-Literary Loan Interest	60,000	52,500	45,000
DS-Human Svcs Bldg Interest	1,066,227	1,013,382	1,002,952
DS-Cost of Issuance	918,905	-	25,000
Fiscal Charges	5,690	-	7,500
<b>Total Budget</b>	<b>24,581,467</b>	<b>20,737,243</b>	<b>22,671,183</b>
<u>Funding Sources</u>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
100 General Fund	24,581,467	20,737,243	22,671,183
<b>Total Funding</b>	<b>24,581,467</b>	<b>20,737,243</b>	<b>22,671,183</b>

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Support to Civic & Cultural Organizations**

**Business Unit Mission Statement**

Support to Civic Organizations is funded for the purpose of awarding incentive grants to qualified nonprofit agencies and organizations. The grants are given to encourage the recipient nonprofits to provide services that affect the welfare and improve the quality of life of Portsmouth citizens.

**Description of Services Provided**

The City of Portsmouth recognizes that non-profit organizations fill an important role in improving the quality of life for our community. The City developed a systematic, impartial, and informed process through which nonprofit organizations may request funding from the City. The recipient organizations are expected to provide:

1. Services that are easily accessible to Portsmouth's citizens at a cost that can be quantified and documented.
2. Services that meet specific needs of Portsmouth's citizens and support City Council's Vision Principles.

<u>Expenditure Categories</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Adopted</u>	<u>FY 2011 Adopted</u>
Civ Orgs-Eastern VA Legal Aid	2,375	-	-
Civ Orgs-Endeppendence Center	14,250	-	-
Civ Orgs-Community Concerts	106,500	14,000	20,000
Civ Orgs-Portsmouth Homeless	27,000	24,030	24,030
Civ Orgs-Museum & Fine Arts	59,500	29,096	50,000
Civ Orgs-Portsmouth Reads	9,500	-	-
Civ Orgs-Virginia Arts Fest	87,300	54,600	24,216
Civ Orgs-Virginia Symphony	20,000	8,400	15,000
Civ Orgs-WHRO	7,500	7,500	2,500
Civ Orgs-Food Bank	12,000	10,680	10,680
Civ Orgs-Friends of the J&D Ct	26,000	23,140	23,140
Civ Orgs-Square One	6,650	-	-
Civ Orgs-American Red Cross	16,000	14,240	14,240
Civ Orgs-Tidewater Winds	4,000	2,520	3,500
Civ Orgs-Edmarc	2,850	-	-
Civ Orgs-Sr Svcs of SE VA	14,250	-	-
Civ Orgs-CHKD	14,250	-	-
Civ Orgs-HER Shelter	44,000	39,160	39,160
Civ Orgs-Parc	116,000	103,240	103,240
Civ Orgs-Flag Associates	2,375	-	-
Civ Orgs-National Night Out	1,500	1,500	1,500
<b>Net Budget</b>	<b>593,800</b>	<b>332,106</b>	<b>331,206</b>
<b>Total Budget</b>	<b>593,800</b>	<b>332,106</b>	<b>331,206</b>
<u>Funding Sources</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Adopted</u>	<u>FY 2011 Adopted</u>
100 General Fund	593,800	332,106	331,206
<b>Total Funding</b>	<b>593,800</b>	<b>332,106</b>	<b>331,206</b>

**Strategic Goals**

- Increase the number of non-profit organizations that provide direct services to Portsmouth citizens.
- Increase the number of directly provided services and/or programs that meet specific needs of Portsmouth citizens.
- Increase the number of services and/or programs that help support City Council's Vision Principles.

**City of Portsmouth  
Fiscal Year 2011 Adopted Budget**

**Non-Departmental  
Other Post Employment Benefits**

**Description of Services Provided**

City Council authorized a separate OPEB fund to account for contributions toward satisfying the City's OPEB annual required contribution (ARC). Although the City does not currently fund the entire ARC, the normal costs portion of the ARC is fully funded. Additionally, \$2.5 Million is budgeted for the unfunded actuarial accrued liability (UAAL).

In accordance with Government Accounting Standards Board (GASB) reporting requirements, postemployment benefits such as health insurance, life insurance, and other pension-related benefits obligations must be included as a liability reported in the Comprehensive Annual Financial Report (CAFR). Although GASB does not require funding the ARC, the biennial UAAL calculation is based on the degree of funding as well as whether or not the City has an established OPEB Trust Fund. GASB does, however, require the disclosure of information about the funded status of the plan, including the UAAL, in the notes to the financial statements and the presentation of multi-year funding progress trend information as a required supplementary schedule.

<b>Expenditure Categories</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
Contingency-Other Operating	-	-	<u>2,500,000</u>
<b>Net Budget</b>	-	-	<u>2,500,000</u>
<b>Total Budget</b>	-	-	<u>2,500,000</u>
<b>Funding Sources</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>
620 Other Post-Employment Benefits	-	-	<u>2,500,000</u>
<b>Total Funding</b>	-	-	<u>2,500,000</u>