

City of Portsmouth  
Fiscal Year 2012 Adopted Budget

**Non-Departmental**  
**Business Center Index**

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**City of Portsmouth  
Fiscal Year 2012 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 \$49,571,413, as well as the City's support to Civic Organizations.

| <b>Business Units</b>                     | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|---|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Non-Departmental                          | 8,936,659                 | 3,757,070                  | -                          | 13,698,094                 | 12,642,273                 |
| Transfers and Contingencies               | 59,936,933                | 61,334,145                 | -                          | 62,989,477                 | 62,390,297                 |
| Public Transportation                     | 2,494,498                 | 2,775,754                  | -                          | 2,400,602                  | 2,400,602                  |
| Debt Service                              | 21,308,196                | 22,671,183                 | -                          | 24,242,879                 | 26,025,367                 |
| Support to Civic & Cultural Organizations | 319,556                   | 331,206                    | -                          | 331,206                    | 331,206                    |
| Other Post Employment Benefits            | -                         | 2,500,000                  | -                          | 2,500,000                  | 2,500,000                  |
| <b>Total Budget</b>                       | <b>92,995,842</b>         | <b>93,369,358</b>          | <b>-</b>                   | <b>106,162,258</b>         | <b>106,289,745</b>         |

| <b>Funding Sources</b>             | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 100 General Fund                   | 92,995,842                | 90,869,358                 | -                          | 103,662,258                | 103,789,745                |
| 620 Other Post-Employment Benefits | -                         | 2,500,000                  | -                          | 2,500,000                  | 2,500,000                  |
| <b>Total Funding</b>               | <b>92,995,842</b>         | <b>93,369,358</b>          | <b>-</b>                   | <b>106,162,258</b>         | <b>106,289,745</b>         |

**City of Portsmouth  
Fiscal Year 2012 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 again in FY2012 and FY2013 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 FY2012 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.

| <b>Expenditure Categories</b>  | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|--------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Salaries                       | -                         | -4,101,578                 | -                          | 427,500                    | 427,500                    |
| Benefits                       | 270,529                   | -2,385,532                 | -                          | 757,547                    | 757,547                    |
| Contractual-Jail Per Diem      | 2,624,774                 | 3,166,375                  | -                          | 3,544,150                  | 3,909,150                  |
| Contractual-Other              | 156,699                   | 51,000                     | -                          | 51,000                     | 51,000                     |
| Supp-Sympathy Flowers          | -                         | 3,060                      | -                          | 3,060                      | 3,060                      |
| Util-Water Hydrant Chgs        | 298,440                   | 298,440                    | -                          | 298,440                    | 298,440                    |
| Tele-Telephone                 | 501,105                   | 397,786                    | -                          | 621,500                    | 621,500                    |
| Tele-Telephone Cellular        | 5,537                     | -                          | -                          | 180,000                    | 180,000                    |
| Tele-Handheld Communications   | -                         | 20,000                     | -                          | 20,000                     | 20,000                     |
| Training-Department Head       | 14,056                    | 28,000                     | -                          | 28,000                     | 28,000                     |
| Line of Duty for Public Safety | -                         | -                          | -                          | 140,000                    | 140,000                    |
| Civ Orgs-Eastern VA Med School | 45,000                    | 45,000                     | -                          | 45,000                     | 45,000                     |
| Civ Orgs-HR Planning District  | 169,607                   | 172,820                    | -                          | 183,757                    | 183,757                    |
| Civ Orgs-HR Sports Commission  | -                         | 15,805                     | -                          | 15,805                     | 15,805                     |
| Civ Orgs-Sports Hall of Fame   | 800,000                   | 550,000                    | -                          | 550,000                    | 550,000                    |
| Civ Orgs-Lowes Annual Incent   | 175,000                   | 175,000                    | -                          | -                          | -                          |
| Civ Orgs-Milit/Fed Fac Allianc | 49,257                    | 49,257                     | -                          | 49,257                     | 49,257                     |
| Civ Orgs-Comm. Health Center   | 76,198                    | 76,198                     | -                          | 76,198                     | 76,198                     |
| Civ Orgs-Portsmouth Partnersh  | 25,000                    | 25,000                     | -                          | 25,000                     | 25,000                     |
| Civ Orgs-Natl League Cities    | 8,743                     | 7,928                      | -                          | 7,928                      | 7,928                      |
| Civ Orgs-Events                | -                         | 18,194                     | -                          | 18,194                     | 18,194                     |
| PA-Hospitalization of Indigent | -                         | 33,336                     | -                          | 33,336                     | 33,336                     |
| Sr Citizen Tax Relief          | 2,477,115                 | 3,000,000                  | -                          | 3,000,000                  | 3,000,000                  |
| State Aid Budget Reductions    | 597,773                   | 1,193,378                  | -                          | 1,193,378                  | 1,193,378                  |
| Emergency Drought Funding-Golf | -                         | -                          | -                          | 50,000                     | 50,000                     |
| Prepaid Bonus                  | -                         | -                          | -                          | 916,069                    | -                          |
| Recreation Initiatives         | -                         | -                          | -                          | 515,000                    | -                          |
| Bad Debt Expense               | -291,236                  | -                          | -                          | -                          | -                          |
| RE Tax Int Misc Exp            | 18,363                    | -                          | -                          | -                          | -                          |
| Internal Service Charges       | 914,699                   | 917,603                    | -                          | 947,975                    | 958,223                    |
| <b>Net Budget</b>              | <b>8,936,659</b>          | <b>3,757,070</b>           | <b>-</b>                   | <b>13,698,094</b>          | <b>12,642,273</b>          |
| <b>Total Budget</b>            | <b>8,936,659</b>          | <b>3,757,070</b>           | <b>-</b>                   | <b>13,698,094</b>          | <b>12,642,273</b>          |
| <b>Funding Sources</b>         | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 100 General Fund               | 8,936,659                 | 3,757,070                  | -                          | 13,698,094                 | 12,642,273                 |
| <b>Total Funding</b>           | <b>8,936,659</b>          | <b>3,757,070</b>           | <b>-</b>                   | <b>13,698,094</b>          | <b>12,642,273</b>          |

**City of Portsmouth  
Fiscal Year 2012 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

| <b>Expenditure Categories</b>  | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|--------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Contingency-Other Operating    | 20,000                    | 531,199                    | -                          | 593,442                    | 477,231                    |
| <b>Net Budget</b>              | <b>20,000</b>             | <b>531,199</b>             | <b>-</b>                   | <b>593,442</b>             | <b>477,231</b>             |
| Trans to Public Schools Oper   | 48,171,651                | 48,171,651                 | -                          | 49,571,413                 | 48,871,532                 |
| Trans to CIP Fund              | 2,374,847                 | -                          | -                          | 2,000,000                  | 2,000,000                  |
| Transfer to Courts Cap Reserve | 758,769                   | 1,818,803                  | -                          | 1,818,803                  | 1,818,803                  |
| Trans to BHS Fund              | 504,708                   | 518,608                    | -                          | 237,356                    | 234,743                    |
| Trans to Social Services Fund  | 4,381,737                 | 5,884,148                  | -                          | 5,172,070                  | 5,077,167                  |
| Trans to Community Services    | 1,728,998                 | 3,151,095                  | -                          | 2,764,093                  | 2,764,093                  |
| Trans to Grants Fund           | 3,568                     | -                          | -                          | -                          | -                          |
| Trans to Donations Fund        | 17,000                    | 47,000                     | -                          | 47,000                     | 47,000                     |
| Trans to Retirement Fund       | 87,723                    | -                          | -                          | -                          | -                          |
| Trans to Golf Fund             | 1,100,000                 | 834,310                    | -                          | 594,328                    | 834,896                    |
| Trans to Parking Authority     | 426,609                   | 377,331                    | -                          | 190,972                    | 264,832                    |
| Trans to Health Insurance Fund | 361,323                   | -                          | -                          | -                          | -                          |
| <b>Total Budget</b>            | <b>59,936,933</b>         | <b>61,334,145</b>          | <b>-</b>                   | <b>62,989,477</b>          | <b>62,390,297</b>          |
| <b>Funding Sources</b>         | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 100 General Fund               | 59,936,933                | 61,334,145                 | -                          | 62,989,477                 | 62,390,297                 |
| <b>Total Funding</b>           | <b>59,936,933</b>         | <b>61,334,145</b>          | <b>-</b>                   | <b>62,989,477</b>          | <b>62,390,297</b>          |

**City of Portsmouth  
Fiscal Year 2012 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 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|-------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Civ Orgs-HRT                  | 2,494,498                 | 2,775,754                  | -                          | 2,400,602                  | 2,400,602                  |
| <b>Net Budget</b>             | <b>2,494,498</b>          | <b>2,775,754</b>           | <b>-</b>                   | <b>2,400,602</b>           | <b>2,400,602</b>           |
| <b>Total Budget</b>           | <b>2,494,498</b>          | <b>2,775,754</b>           | <b>-</b>                   | <b>2,400,602</b>           | <b>2,400,602</b>           |
| <b>Funding Sources</b>        | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 100 General Fund              | 2,494,498                 | 2,775,754                  | -                          | 2,400,602                  | 2,400,602                  |
| <b>Total Funding</b>          | <b>2,494,498</b>          | <b>2,775,754</b>           | <b>-</b>                   | <b>2,400,602</b>           | <b>2,400,602</b>           |

**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**

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 2012 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.

| <b>Expenditure Categories</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|-------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| DS-Bond Principal             | 7,254,824                 | 7,548,713                  | -                          | 7,561,233                  | 10,604,112                 |
| DS-VP SA Principal            | 398,723                   | 567,225                    | -                          | 576,149                    | 985,540                    |
| DS-BHS Bldg Principal         | -                         | -                          | -                          | -                          | 145,000                    |
| DS-Lease Purchase Principal   | 364,550                   | 374,557                    | -                          | 476,813                    | -                          |
| DS-Literary Loan Principal    | 375,000                   | 375,000                    | -                          | 375,000                    | 250,000                    |
| DS-Note Payable Principal     | -                         | 1,684,682                  | -                          | -                          | -                          |
| DS-QZAB Principal             | 601,971                   | 601,971                    | -                          | 716,972                    | 52,897                     |
| DS-Human Svcs Bldg Principal  | 506,374                   | 550,809                    | -                          | 599,140                    | 651,713                    |
| DS-Bond Interest              | 8,418,205                 | 9,353,498                  | -                          | 11,444,529                 | 10,955,007                 |
| DS-VP SA Interest             | 357,527                   | 337,525                    | -                          | 317,102                    | 296,211                    |
| DS-BHS Bldg Interest          | 180,954                   | 181,292                    | -                          | 181,293                    | 178,392                    |
| DS-Lease Purchase Interest    | 25,466                    | 15,459                     | -                          | 5,839                      | -                          |
| DS-Literary Loan Interest     | 52,500                    | 45,000                     | -                          | 37,500                     | 30,000                     |
| DS-Note Payable Interest      | 1,137,530                 | -                          | -                          | 711,100                    | 711,100                    |
| DS-Human Svcs Bldg Interest   | 1,013,381                 | 1,002,952                  | -                          | 982,709                    | 907,895                    |
| DS-Cost of Issuance           | 610,933                   | 25,000                     | -                          | 250,000                    | 250,000                    |
| Fiscal Charges                | 10,258                    | 7,500                      | -                          | 7,500                      | 7,500                      |
| <b>Total Budget</b>           | <b>21,308,196</b>         | <b>22,671,183</b>          | <b>-</b>                   | <b>24,242,879</b>          | <b>26,025,367</b>          |
|                               |                           |                            |                            |                            |                            |
| <b>Funding Sources</b>        | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 100 General Fund              | 21,308,196                | 22,671,183                 | -                          | 24,242,879                 | 26,025,367                 |
| <b>Total Funding</b>          | <b>21,308,196</b>         | <b>22,671,183</b>          | <b>-</b>                   | <b>24,242,879</b>          | <b>26,025,367</b>          |

**City of Portsmouth  
Fiscal Year 2012 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.

| <b>Expenditure Categories</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|-------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Net Budget</b>             | <b>319,556</b>            | <b>331,206</b>             | <b>-</b>                   | <b>331,206</b>             | <b>331,206</b>             |
| <b>Total Budget</b>           | <b>319,556</b>            | <b>331,206</b>             | <b>-</b>                   | <b>331,206</b>             | <b>331,206</b>             |
| <b>Funding Sources</b>        | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 100 General Fund              | 319,556                   | 331,206                    | -                          | 331,206                    | 331,206                    |
| <b>Total Funding</b>          | <b>319,556</b>            | <b>331,206</b>             | <b>-</b>                   | <b>331,206</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 2012 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 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
|------------------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Contingency-Other Operating        | -                         | 2,500,000                  | -                          | 2,500,000                  | 2,500,000                  |
| <b>Net Budget</b>                  | -                         | <b>2,500,000</b>           | -                          | <b>2,500,000</b>           | <b>2,500,000</b>           |
| <b>Total Budget</b>                | -                         | <b>2,500,000</b>           | -                          | <b>2,500,000</b>           | <b>2,500,000</b>           |
| <b>Funding Sources</b>             | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Adopted</b> | <b>FY 2011<br/>Amended</b> | <b>FY 2012<br/>Adopted</b> | <b>FY 2013<br/>Planned</b> |
| 620 Other Post-Employment Benefits | -                         | 2,500,000                  | -                          | 2,500,000                  | 2,500,000                  |
| <b>Total Funding</b>               | -                         | <b>2,500,000</b>           | -                          | <b>2,500,000</b>           | <b>2,500,000</b>           |