

Expenditure Summary

Estimating Expenditures

This recessionary period and its impact upon the national and local economies are exhibited throughout the budget. During the preparation and development periods for this budget collaborative work sessions were conducted by the administration which provided for the developing of strategies and the formulating of estimates for the adopted expenditure budget.

In the schedules on the following pages, expenditures are grouped by categories:

- **General Government** – includes all the departments that provide the overall general administration of the City to include City Council, City Clerk, City Manager, Management and Legislative Affairs, Marketing and Communications, City Attorney, Human Resource Management, Civil Service Commission, Registrar, Commissioner of the Revenue, City Assessor, City Treasurer, Finance, Procurement, Risk Management and Information Technology.
- **Judicial** - includes Commonwealth Attorney, Magistrate, Juvenile and Domestic Relations Court, Circuit Court, General District Court, Sherriff, Circuit Court Clerk and the Juvenile Court Services.
- **Public Safety** - includes E-911, Fire, Rescue and Emergency and the Police Department.
- **Public Works/General Services** – City Garage, Storm Water Management, Property Management, Rent of Land, Cemetery Perpetual Care, Mosquito Control, Harbor Center Pavilion, Traffic Engineering, Waste Management, Streets and Highways, Utilities, Public Utilities, Engineering and the Parking Authority.
- **Public Health** - includes Behavioral Healthcare Services, CSA Fund, Health and Social Services.
- **Parks, Recreation, and Cultural** – includes the Law Library, Parks, Recreation and Leisure Services (Administration, Recreation and Parks), Museums, the Public Libraries, Golf and Recreation.
- **Community and Economic Development** – New Port Community Development Authority, Willet Hall, Port Facility and Economic Development, Permits and Inspections, Community Planning and Development Program, Convention and Visitor's Bureau, Planning and Economic Development.
- **Education** – includes Economic Stimulus and Public Education
- **Non-Departmental** – includes Transfers and Contingencies, Public Transportation, Debt Service, Support to Civic & Cultural Organizations and Other Post Employment Benefits.

General Fund Expenditures in Total

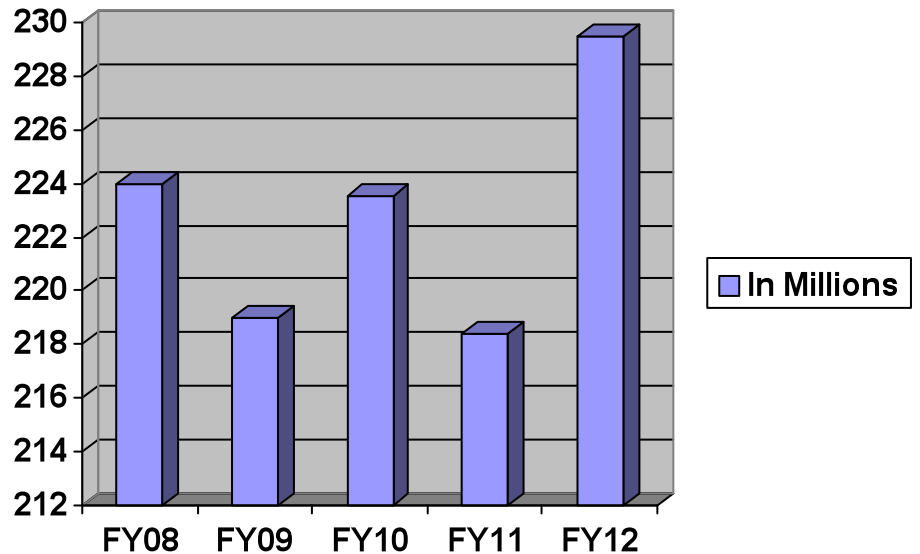
Controlling expenses continues to be an effort of importance to the City; however, the FY12 budget exhibits an \$11.1 million or 5.1% increase above FY11 level. There are several categories where increases are being incurred. Contributing to this increase is: \$1.6 million in new debt service payments, \$300 thousand purchase of non-capital equipment for

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the City Assessor's office, a \$450 thousand reserve for public safety pay increase, if necessary, \$515 thousand recreation initiative to be identified, a \$1.4 million increase in public school funding, \$1 million in cost to be incurred by the Police Department in handling prisoner in-take, and other increases related to the cost of doing business. Additionally, salary savings in the amount of \$2.8 million projected for FY11 was not duplicated in FY12.

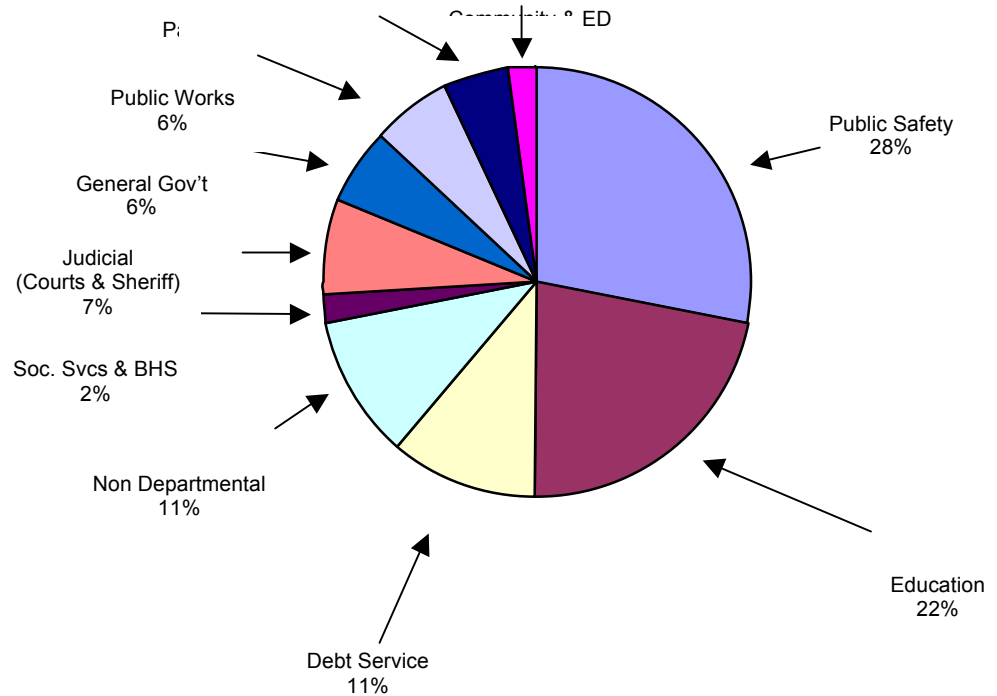
Category	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Adopted	FY 2012 Adopted
Total Operating Budget	224,028,276	219,001,972	223,544,617	218,361,390	229,504,050

The graph below exhibits the changes realized and recognized in the General Fund expenditures over the five year-end fiscal periods from FY08 actual or adopted to FY12 projected. The fluctuations reflect management's practice of implementing cost cutting measures and the enforcement thereof when it was feasible being cautious not to adversely impact the level of service to the citizens. The most immediate decline in cost occurred between FY10 and FY11 as several factors which resulted in expenditure reductions were implemented to include: 1) level funding for the Portsmouth Public Schools, 2) a 11% reduction in spending by all departments (excluding Schools and Public Safety) 3) no general wage increase or COLA for City owned pension plan recipients, 4) level funding of Other Post Employee Benefits (OPEB) and other cost cutting measures.



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General Fund: Appropriation by Categories



Comparative Expenditures by category:

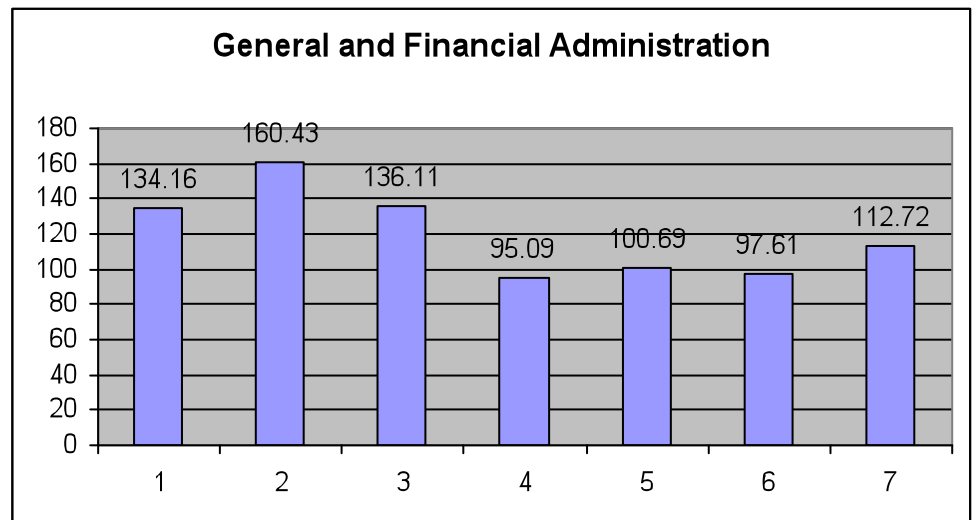
This section highlights expenditures per the "Comparative Report of Local Government Revenues and Expenditures" for the period ended June 30, 2010. This information is utilized as an analytical tool to display categories of expenditures across the governing counties, cities, and towns within the State 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

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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 fifth among the seven localities in per capita spending for this category, and 69.83% of the average of the State of Virginia.

Cities	Per Capita \$	% of Avg.
1.Chesapeake	134.16	93.04
2.Hampton	160.43	111.26
3.Newport News	136.11	94.39
4.Norfolk	95.09	65.94
5.Portsmouth	100.69	69.83
6.Suffolk	97.61	67.69
7.Virginia Beach	112.72	78.17
State average per capital \$144.20		

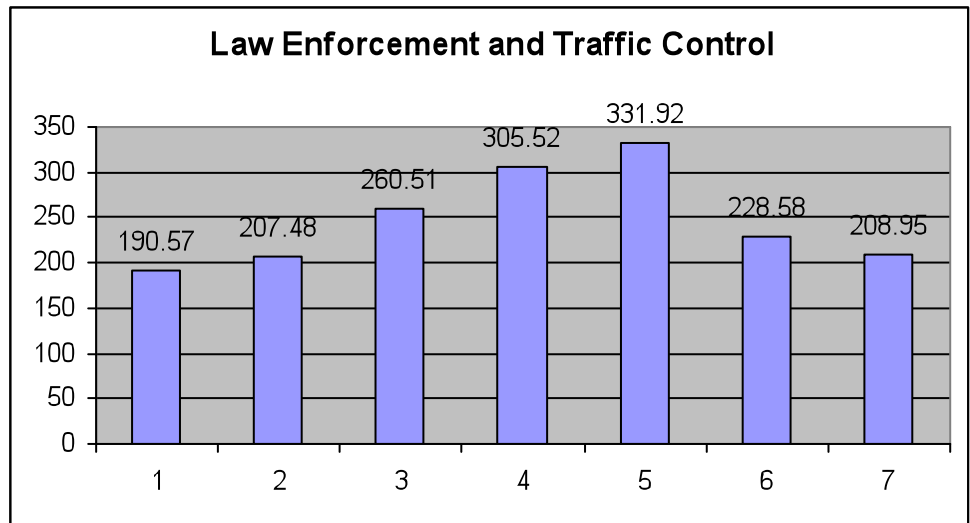


Public Safety Expenditures – This Category includes Law Enforcement and Traffic Control, Fire and Rescue Services, Correction and Detention, Inspections and Other Protection. Law Enforcement and Traffic Control, Fire and Rescue Services and Correction and Detention per capita expenditures and rankings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

Law Enforcement and Traffic Control

Cities	Per Capita \$	% of Avg.
1. Chesapeake	190.57	68.72
2. Hampton	207.48	74.81
3. Newport News	260.51	93.94
4. Norfolk	305.52	110.16
5. Portsmouth	331.90	119.68
6. Suffolk	228.58	82.42
7. Virginia Beach	208.95	75.34
State average per capital \$277.33		

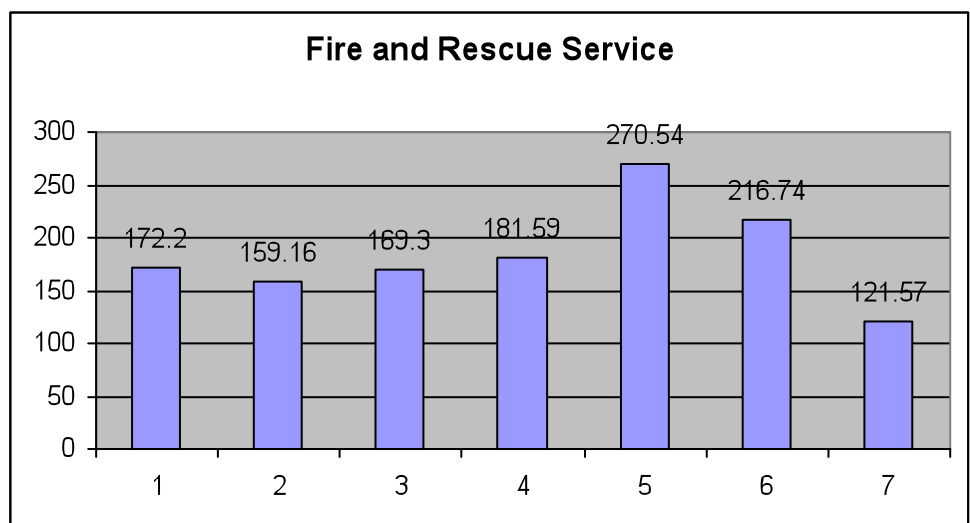
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The City of Portsmouth ranks first among the seven localities in per capita spending for Law Enforcement and Traffic Control and 119.68% of average of the State of Virginia.

Fire and Rescue Services

Cities	Per Capita \$	% of Avg.
1. Chesapeake	172.20	94.31
2. Hampton	159.16	87.17
3. Newport News	169.30	92.73
4. Norfolk	181.59	99.45
5. Portsmouth	270.54	148.17
6. Suffolk	216.74	118.70
7. Virginia Beach	121.57	66.58
State average per capital \$182.59		

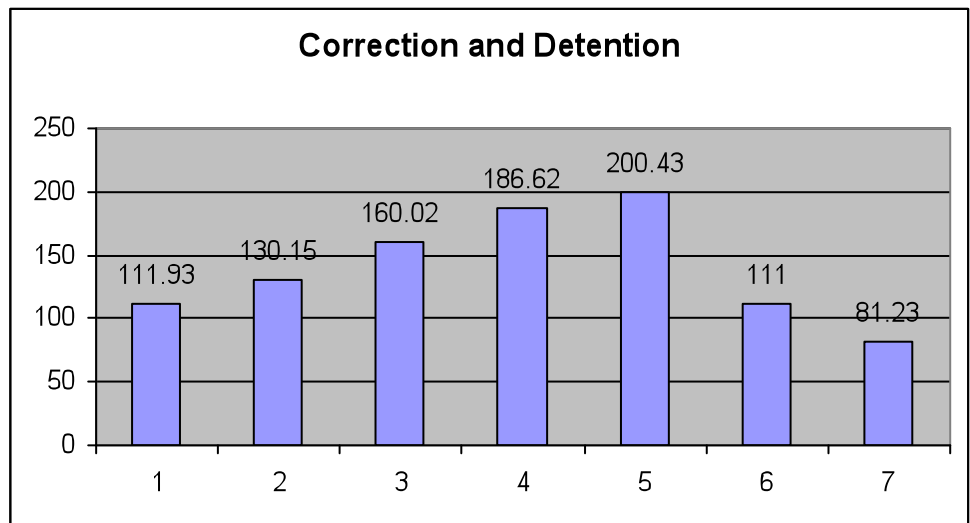


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The City of Portsmouth ranks first among the seven localities in per capita spending for Fire and Rescue services and 148.17% of the average of the State of Virginia.

Correction and Detention

Cities	Per Capita \$	% of Avg.
1. Chesapeake	111.93	78.14
2. Hampton	130.15	90.85
3. Newport News	160.02	111.70
4. Norfolk	186.62	130.27
5. Portsmouth	200.43	139.91
6. Suffolk	111.0	77.48
7. Virginia Beach	81.23	56.70
State average per capital \$143.25		



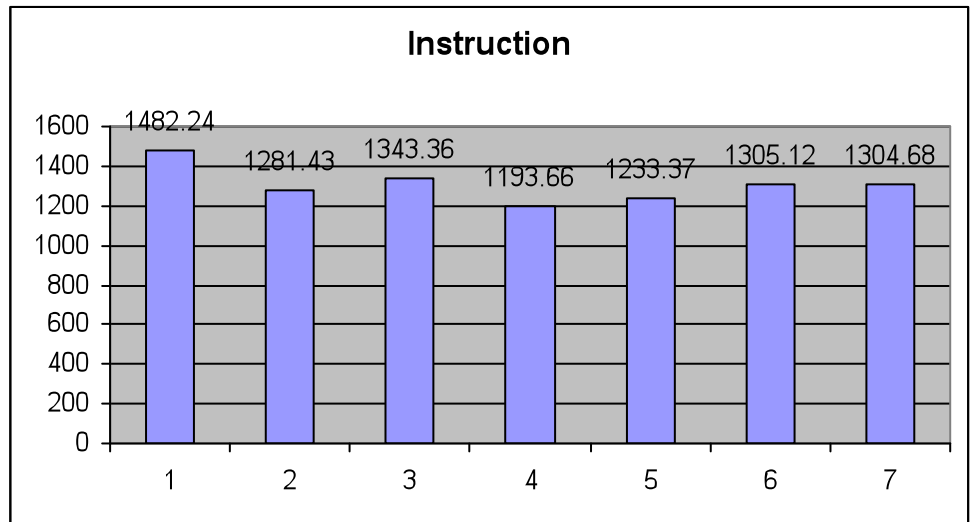
The City of Portsmouth ranks first among the seven localities in per capita spending for Correction and Detention and 139.91% of the average of the State of Virginia.

Education – This category includes Instruction, Administration, Attendance and Health, Public Transportation Services, Operation and Maintenance Services. Comparative data is displayed below for the categories of 1) Instruction, 2) Administration and 3) Attendance and Health.

Instructions

Cities	Per Capita \$	% of Avg.
1. Chesapeake	1482.24	116.94
2. Hampton	1281.43	90.85
3. Newport News	1343.36	105.98
4. Norfolk	1193.66	94.17
5. Portsmouth	1233.37	97.30
6. Suffolk	1305.12	102.97
7. Virginia Beach	1304.68	102.93
State average per capital \$1,267.54		

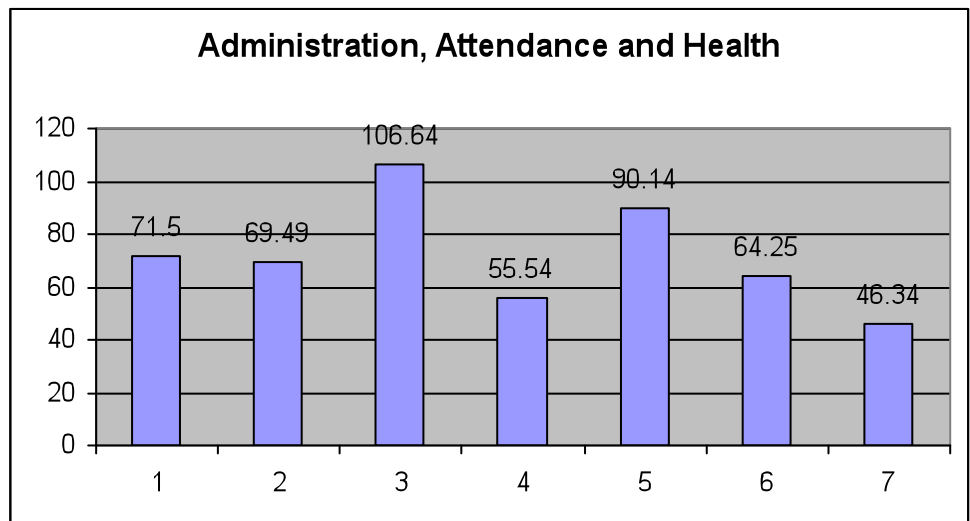
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The City of Portsmouth ranks sixth among the seven localities in per capita spending for the Instructional service and 97.30% of the average of the State of Virginia. The City of Chesapeake ranks first with \$1,482.24 per capita spending.

Administration, Attendance and Health

Cities	Per Capita \$	% of Avg.
1. Chesapeake	71.50	87.91
2. Hampton	69.49	85.43
3. Newport News	106.64	131.11
4. Norfolk	55.54	68.28
5. Portsmouth	90.14	110.82
6. Suffolk	64.25	78.99
7. Virginia Beach	46.34	56.97
State average per capital \$81.34		



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The City of Portsmouth ranks second among the seven localities in per capita spending for the Administration, Attendance and Health services and 110.82% of the average of the State of Virginia. The City of Newport News ranks highest with \$106.64 in spending per capita.