FY13 MANAGER'S RECOMMENDED BUDGET

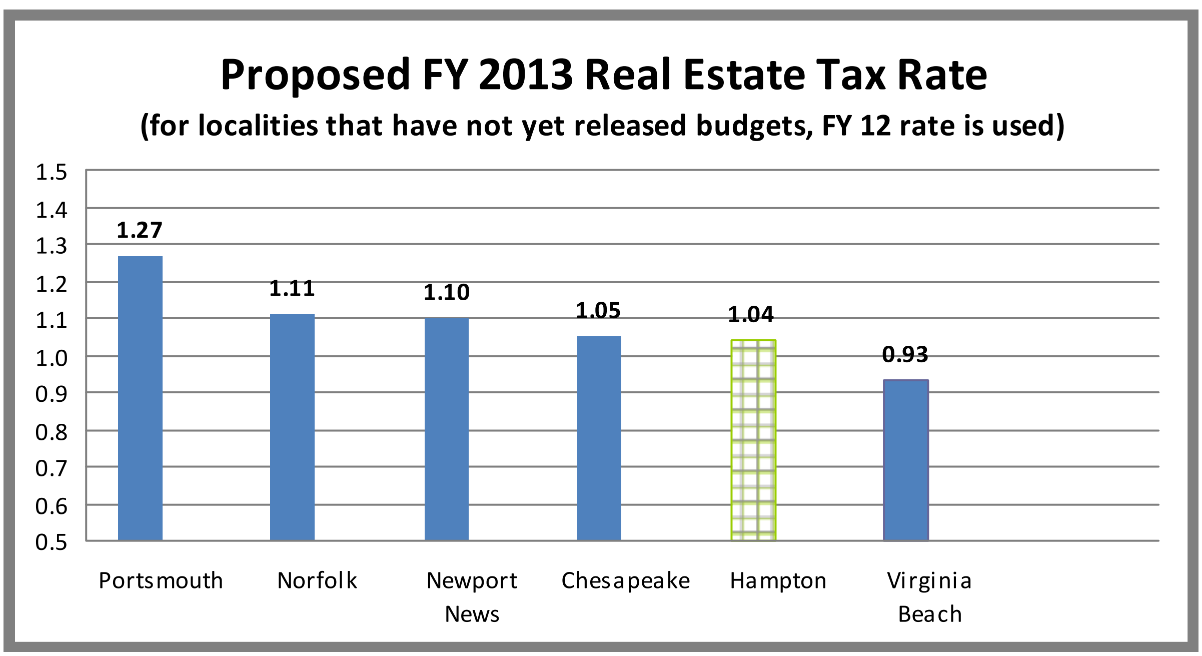
MANAGER'S MESSAGE

April 13, 2012

Mayor Ward, City Council Members and Citizens,

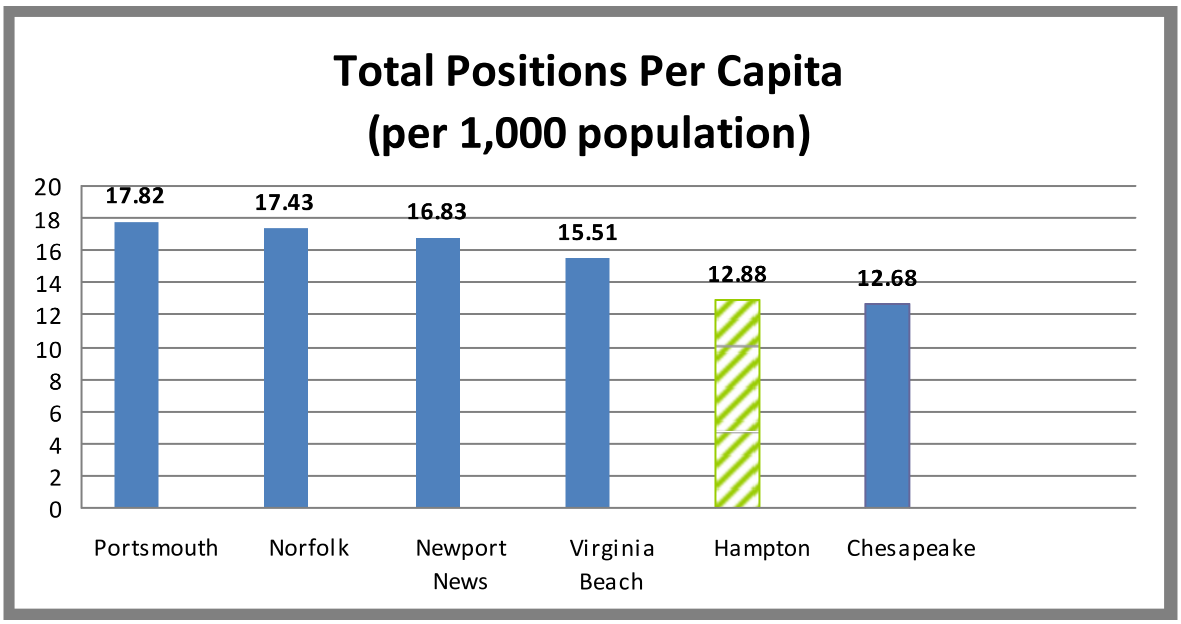
Enclosed you will find the FY 2013 Manager's Recommended Budget, totaling $428,935,116, a 0.03% increase over the adopted FY 2012 budget. Of this grand total, the City portion is $240,061,159 – $3,837,271 less than last year, a 1.57% decrease – and the School portion is $188,873,957 – $3,982,484 more than last year, a 2.15% increase.

This has been, by far, the most challenging budget in my career with the City. Declining real estate values (4.5% citywide, all property types) coupled with flat revenue growth in other major sources have made for a budget that necessitated both continued cuts and minor revenue increases. Mandatory pension increases passed on by the State put further pressure on limited resources. I am pleased, however, that we were able to balance the budget without resorting to a tax increase in either the real estate or personal property taxes. Such an increase would have certainly been justified given the compounding effect of decreasing housing values for more than three years. A tax rate adjustment would have produced more revenue and still reduced residents' overall property tax bills because of the 6% decline in the residential housing assessments. However, our goal has always been – and will always be – to avoid such rate changes unless absolutely necessary. A combination of cuts, supported by public input, and minor adjustments in the meals tax, cigarette tax and motor vehicle licensing fee have allowed us to keep our real estate tax rate constant at $1.04 per $100 of valuation for the 5th straight year. Hampton's real estate tax rate continues to be one of the lowest of the regional urban localities.



To achieve this, cuts were necessary to most city departments. These cuts may not appear large in most cases; however, the effect is nevertheless great. After multiple years of cuts, the remaining manning and operations budget for city departments is very thin. Any cut is painful and has consequence. It will be important for the Council and citizens to understand, as we move forward, that responsiveness may be somewhat slower than in the past – and in some case, which I will outline in more detail later in this message, service levels will change.

To help put this in perspective, I share the following chart that is an excellent proxy for the efficiency already present in the City budget. As a service-oriented business, the majority of our cost is personnel. To compare our efficiency, we have looked at the per capita manning for comparable urban jurisdictions. All employees from all departments and all funds are included to ensure "an apples to apples" comparison.



The data clearly establishes our organizational efficiency. Only Chesapeake has fewer staffing per capita, and then the variation is minor. Other cities have significantly more manpower per capita.

Nevertheless, we knew it would be fiscally irresponsible to make up the nearly $12 million deficit we faced exclusively with revenue increases. All city departments except police and fire were, therefore, asked to submit 3%, 5% and 7% budget reduction scenarios. While we were able to avoid the most drastic of the cuts submitted, a little more than half of the funds needed to bridge the gap were achieved through internal savings and recommended cuts.

I cannot overemphasize the ongoing importance of citizen input in helping to shape the direction and magnitude of those cuts. Over the last several months, we have continued the extensive budget outreach we began two years ago. We added new components, including a random-scientific based telephone survey, and increased the numbers of residents who participated – no small feat given the past two year's efforts. We undertook this effort because we understand that a budget should, as much as possible, reflect citizen values. While all of our services are important, we understood that cuts would once again need to be made – given the continued effects of the recession – and that any cut we would offer would be disappointing to some. As a result, we wanted to have as clear an understanding as possible about what the citizenry tolerance for further cuts would be.

While there is not a perfect correlation between the input received from citizens and our final recommendations, the citizen's voices and thumbprints are embedded throughout. Citizens voiced strong support for maintaining basic city services at current levels although expressed a willingness to look at varying service hours for facility-based operations. Hence, the departments and services with the highest support – such as fire, emergency services, police and public works – are largely untouched in this budget. Cuts are more targeted than in past years, with those cuts directly relating to the areas citizens expressed a willingness to explore.

In particular, this budget does recommend scaling back service hours at many of our facilities open for the education and enjoyment of our residents. The History Museum, community centers and libraries will have some modifications to hours. Libraries will open a little later in the morning (10 a.m. instead of 9 a.m. on Monday-Thursday, and 1 p.m. on Fridays and Saturdays) and close a little earlier (8 p.m. instead of 9 p.m.). Community Centers will be closed on Mondays during the school year (September – May). To support the needs of our youth when school is out, we will retain our full service schedule all summer. The History Museum will also be closed on Mondays. These changes were supported in public and on-line polling by a clear majority (nearly 70% or more in each of these cases) of the public.

Other expenditure cuts also aligned with public input. This budget recommends mulching city and school grounds only once a year (supported by 86% of poll respondents); reducing the planting of annuals on roadways and medians (supported by 71%); reducing printed materials and using the web as a primary source of communication (supported by 78%); and, delayed upgrading of software (supported by 63%). The Citizens Unity Commission was again reduced (supported by 54%), although in a way that will allow continued services. Due to the retirement of the Executive Director, we were able to save money by proposing to instead hire a part-time director and/or contract out the management.

In two cases, the public supported potential reductions, but we opted not to take the cut given the likely negative consequences of such action. Night and weekend 311 assistance was supported as a potential elimination by 57% of the public polled. However, this is an area where Hampton uniquely positions itself to assist residents. Many residents work during the day and are unable to call to request service and/or information from their jobs – nearly 20% of all 311 call volume comes from these non-traditional hours. We believe that offering night and weekend service is critical to being a responsive government. Indeed, other cities – including Newport News – are beginning to replicate the Hampton model. The minor savings we could have achieved were not worth the loss of service to residents who use the service during evenings and weekends.

Also, residents supported slower turn-around for building permits and inspections. However, this is an area in which responsiveness can have a long-term negative impact for the image developers, contractors and residents have of the City. If it is easier to get permits, or inspections, in other cities, it is likely that businesses and citizens may instead look to neighboring jurisdictions when all else is equal in terms of investments they are looking to make. Indeed, Hampton already suffers from a less than stellar image of our Land Development Services division. Reductions in this area would have been potentially devastating.

To correct this less-than-ideal image, we have spent the last several months reviewing reengineering recommendations and benchmark communities for possible ways to dramatically improve customer experience with our Land Development Services functions. The incremental improvements we have been able to make over the last two years have not been enough to change our image or service responsiveness, so a major overhaul of operations is now appropriate. Our review of best practices and a reengineering study conducted with the help of business and residential customers have established that we do not have the best process. Skill sets and job requirement are significantly outdated. We also have not kept up with the new technological advances that other jurisdictions are using to allow on-line processing and review of these land-related permits. Accordingly, this budget recommends the necessary overhaul to fix these issues. The improvements will cost slightly more money – some of which will be supported with a new technology fee of $10 per permit application – however, this change is absolutely necessary if we are to re-establish competitiveness in this critical area of service. Most importantly, adjusting our service model now ensures that Hampton is able to maximize development/redevelopment opportunities when the recession is over and both residential and commercial growth returns. Only by being proactive in these areas can we best work to attract new business and residents so that current homeowners do not have to pick up larger and larger shares of city services.

Other similar management changes are recommended in this budget, although none as dramatic as the Land Development Services overhaul. While looking for possible savings in the budget, we challenged our team to focus on protecting services Hampton does uniquely well (like 311) and to focus on how others might better assist us in areas where we are not solely qualified to deliver that service. Two areas stood out as opportunities to diversify to others who could perform services better than the City.

Our youth violence prevention efforts are critical to building an even stronger community. It was appropriate that City invest in gang awareness and prevention efforts. However, we are not uniquely qualified to do this work. While our Police will continue their role in these efforts – and the grant-funded Youth Connect program will remain – we determined that we did not need a full-time professional staff member guiding these efforts. Instead, a better use of limited funds would be to invest in existing grass-roots organizations that need help taking their already successful efforts to scale. Accordingly, we have proposed elimination of this position and will instead establish a targeted grant program. We believe this will enable us to reach and impact more young people faster.

Similarly, the City is not uniquely qualified to offer programming and services to our teen population. Several years ago, we opened a Teen Center. Attendance was less than expected. Although we have improved participation this year, it is clear that the model for success needs to change. There are many potential partner programs that have a proven track record at engaging young people successfully. Rather than continuing a model of city programming at the facility, this budget recommends that the City role shift to caretaker and scheduler of the building and instead focus on bringing these partners in to program the facility. This shift both saves money and makes sense.

Still other savings were achieved through the retirement incentive program offered by Council. In some cases, positions being vacated by retirees are filled but at a lower salary than that paid with the more senior employee retiring. In other cases, the retirement has allowed us to eliminate or restructure the position. I have already noted the change to contracted and/or part-time management of the Citizens Unity Commission (CUC). Our Arts Commission Director also opted for retirement. In lieu of filling that position with a full-time employee, we will instead contract with the Arts Foundation at half the cost. This will begin a multi-year transition plan to increase Arts Foundation financial support over time, allowing the City to decrease its annual contribution. The retirement of one of the four Police Majors has also allowed us to eliminate one high-level management position as the Chief is comfortable operating with three, instead of four, Majors.

These changes – coupled with higher attrition allocations to departments, transfers of a handful of positions to the appropriate special revenue funds and a declining debt service expense – enabled us to close more than half the initial budgetary gap we faced. Deeper cuts would have been devastating and, according to polling data, not supported by the majority of the public.

We, therefore, looked to potential revenue to offset the lost revenue from real estate declines. We have chosen to build a package of adjustments – instead of focusing exclusively on one revenue source such as the real estate or personal property tax – to support the recurring costs of governmental service. We believe our package ensures that both residents – and non-residents – contribute to the cost of general government.

We are first proposing to increase the meals tax by 1%. This rate, if approved, would be equivalent to the proposed rate for our neighboring locality and closest competitor, Newport News. The meals tax is assessed on all prepared meals within the restaurants of our community. Eating out is a discretionary activity, meaning that if one wants to avoid the impact of this minor change, they can certainly opt to do so. Moreover, the impact of a 1% change is negligible. On a $10 meal, the increase amounts to a dime; on a fancy, $100 meal, the increase is but a dollar. Although the incremental amount a restaurant goer may pay is small, the sum total of this change is major. A 1% increase generates more than $2.3 million a year. Because of the many new offerings in Hampton, this tax is paid not only by Hampton residents but also, and in an increasing amount, by visitors from other communities.

As we did last year, we also propose to raise the cigarette tax, from the current 75 cents per pack to 85 cents per pack. This change generates about $265,000 a year for the City and individuals can avoid paying added costs by changing habits and/or commuting to other, more outlying communities. Newport News has also proposed raising this rate, so we would remain competitive with them if we follow suit.

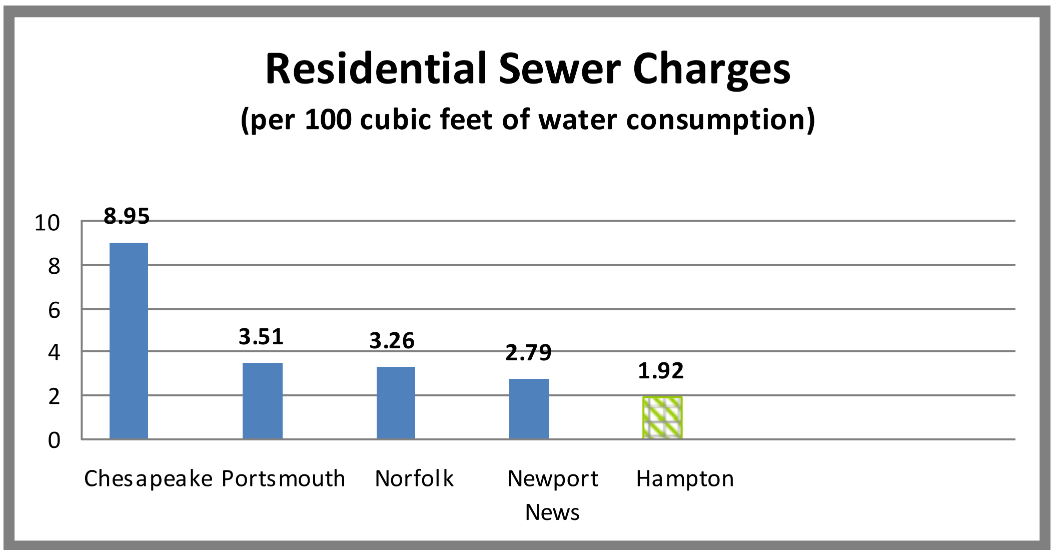
Finally, we have proposed a $5 per year increase in the motor vehicle license fee. This is a flat amount of $5 per registered vehicle. This fee is paid by residents, businesses and even tax-exempt property owners, meaning that all Hampton residents (not just those with real estate ownership) will contribute to closing the budgetary shortfall we face. The $5 per vehicle per year generates close to $650,000 a year.

Some user fee and permits charges will also change this year, to better account for the actual costs of providing the various permit reviews and/or inspections. New this year is fire inspection fees that are standard in other cities. Hampton has historically not charges these fees; however, as they are a routine cost of doing business throughout the area, we are missing out on having direct customers cover some of the direct cost of servicing their needs. These fees are earmarked to the Fire & Rescue Department's equipment needs. These fees do not impact the average resident.

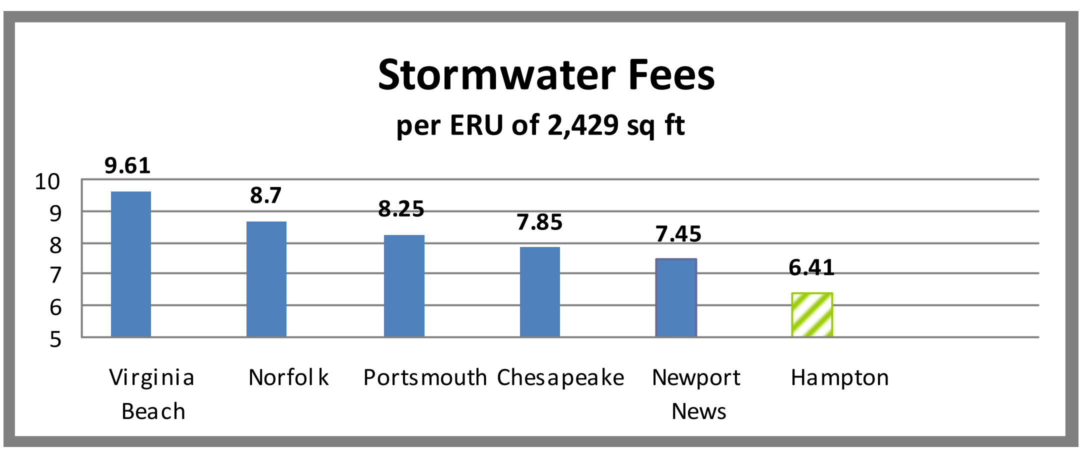
Because of expensive environmental mandates being imposed on localities by the Environmental Protection Agency (EPA) and the Virginia Department of Environmental Quality (DEQ), increases in wastewater and stormwater fees are also required. These fees are isolated in special revenue accounts, meaning that the revenue can only be used to support activities that meet the environmental mandates. The wastewater expenses are driven by a Consent Order mandating a reduction, and eventual elimination, of sanitary sewer overflows. Several years ago, when the Consent Order was first negotiated, the Council agreed to implement a surcharge on the sewer user fee to both pay for and isolate these expenses. With increasing obligations, that surcharge needs to be increased from $0.44 per 100 cubic feet of water consumption to $0.66 per 100 cubic feet of water consumption. The base rate of $1.48 per 100 cubic feet for general sewer maintenance remains unchanged. For the typical resident, this rate increase will have a total annual impact of $14.52.

Similarly, the Stormwater user fee will increase to address Total Maximum Daily Load (TMDL) requirements to limit nutrient and pollution runoffs into the bay that all Hampton Roads localities are facing. In Hampton's case, we have aligned these requirements with the input and recommendations from our Citizen Waterway Management report – meaning that we can get "double bang" for the dollars invested. Nevertheless, these new investments cost money that will force us to raise our current rate of $4.60 per month to $6.41 per month, a total increase of $1.81 per month or $21.72 per year. The commercial property rate also increases by the same flat amount per ERU (equivalent residential unit, which in Hampton is 2,429 sq. ft. of impervious area).

Even with these changes, our rates will remain very competitive for urban localities. Sewer user fee and Stormwater user fee comparisons follow.



Hampton is significantly lower in residential sewer charges, even with the proposed rate change. Similarly, Hampton will remain the lowest stormwater user fee, even after proposed increases.



Altogether, these changes still represent a tax-break for the average resident. Assuming the average residential valuation decrease of 6%, a typical homeowner with a $200,000 home and two vehicles would see the following net change in the amount of taxes and user fees paid next year.

Tax/Fee	Annual Impact from Change
Real Estate Decrease of 6% average decline in housing value for $200,000 home	($124.80)
$5 per vehicle increase in motor vehicle licensing fee, two vehicles	$10.00
$1.81 per month increase in stormwater user fee	$21.72
$0.22 per 100 cubic feet increase in sewer user fee	$14.52
TOTAL IMPACT ON RESIDENT	($78.56)

I am pleased that we were able to provide this type of additional savings – the above example of $78.56 savings in taxes and fees for the next fiscal year – to the taxpayer given the extraordinary conditions we faced.

Again, this has not been without pain. Critical city services, as noted above, are being curtailed and reduced. The local school contribution has also declined as required by the local funding formula. This funding formula was developed nearly fifteen years ago, and has always been honored by both the City and the School System. Under the formula, 61.83% of all residential real estate, personal property and utility tax revenue are given to the School System as its "fair share" of the local revenue stream, while the remaining amount is left to the City budget to support other core needs. Had we ignored this historical assignment of funds, the City cuts (or revenue increases) would have been more severe. Even with this reduction in the formula-based local contribution, the School System budget does grow by nearly $4 million while the City budget declines by a nearly like amount. The School System has asked for consideration of a dedicated tax increase to offset the loss of local contribution necessitated by this formula – although indications are that a State budget compromise may mitigate the need for such an increase. As of the writing of this budget overview, details of the State budget compromise are not available. Accordingly, I have not included the School request in my recommendation. Council and School Board conversations will continue once more details emerge.

Thus far, I have focused on the major reductions or changes in management approach contained in this budget. However, there are a few enhancements of which I am particularly proud. Last year, we began a multi-year effort to convert the HELP Night's Welcome Program from a winter-based program to a year-round effort. This successful community partnership was expanded in FY 2011 to offer shelter on days and evenings during extreme weather events. In FY 2012, we added four additional weeks of service. HELP agreed to work with us to add a month of service each fiscal year until we were able to assist this vulnerable population all year long. In keeping with this commitment, we have added the funds ($11,000) necessary to expand service in FY 2013.

This budget also contains a substantial investment in our Waterways. Building on past investments – such as the $4.1 million Factory Point restoration/Back River dredging and the $1.2 million Hampton River dredging – Council has approved a $19 million five-year plan for addressing recommendations made by the citizen Waterways committee. Included in the capital budget in FY 2013 is nearly $3 million for:

- Watershed studies that identify area-specific mitigation solutions
- Implementation of watershed study findings
- Salt Ponds maintenance dredging— now on three-year cycle
- A Best Management Practices Plan to meet Bay cleanup mandates, specifically Phase II WIP consistent with the TMDL two-year milestone requirements
- Use of the LIDAR data to drive program prioritization – develop study of current and future probable tidal flooding impacts
- Study of the Transfer of Development Rights and/or Purchase of Developmental Rights to promote the creation/preservation of natural areas in environmentally sensitive or flood prone areas
- Support for the regional sediment management plan

The operations budget in the general and Stormwater funds will also support:

- Hiring an experienced grant-writer to obtain public, non-profit, foundation and private funding for implementation needs
- Staff support to help organized and support citizen advocacy groups/grass-roots lobbying efforts to obtain funding sources such as land conservancy tax credits, site sponsorships and commercial marketing to implement the shoreline management program
- Enhanced public programs to educate the public on the value and benefits of shoreline protection

- More effective programs for warning those living in areas in which imminent flooding is anticipated just prior to the arrival of bad weather
- Staff support to identify easements and develop easement language to accomplish protection of shorelines where there is a willingness to do so and to identify methods of enforcement of existing regulations utilizing non-law enforcement agencies

All of these capital and operating initiatives are directly responsive to the Council's continued commitment to protecting and enhancing our community waterways. I believe it is significant that we have been able to address so many initiatives in a very fiscally constrained budget year.

Finally, I would like to address impacts on the workforce of these budgetary choices. The most challenging aspect of this budget is the impact on our workforce. Although the budget reductions we have made will have minimal impact on the workforce, any loss of positions is difficult when the organization is so thinly manned. The total net loss of positions in this budget is ten (10) permanent full-time positions. Many of these are vacant, and for those which are not, we should be able to find alternative placements elsewhere in the organization. I am encouraged that, through our continued management of vacant positions and retirement incentives, we already have many open positions in which impacted employees may potentially be placed.

Our remaining workforce deserves much credit for their tireless dedication and their willingness to "do more with less" over the last three years, during which they did not receive a pay increase. Whether it is the "big" things (like clearing our community after natural disasters) or the "little" things (like the day-in and day-out service delivery they execute most times so flawlessly), the workforce continually excels.

It had been my hope to provide a long-overdue and well-deserved base salary increase this year. Unfortunately, a State mandate from Richmond has again made this impossible within the fiscal constraints we face. The General Assembly has mandated that local employees begin to pay a 5% share of their retirement benefit. While no one disagrees in principle that employees should contribute to their retirement package, the 5% share would represent a pay cut – on top of three years with no pay increases – that is just too much to ask employees to bear. The General Assembly has thus mandated a 5% increase in pay for employees, although 5% does not offset the additional costs employees must bear as that added increase comes with FICA taxes for both the City and the employee. To ensure that our employees do not lose pay, the City must add an additional $1.7 million to the budget to give the employees a full offset of this change. This pay adjustment will only keep employees constant in their tax home pay today, so although the 6% salary adjustments sounds like a good deal for employees, it will not give them additional take-home pay.

Had we not been forced to spend this money just to make employees whole, the $1.7 million would have been sufficient to give a merit-based pay adjustment. With these funds now being consumed to deal with the VRS offset issue, there is not sufficient recurring revenue to add to the base salary increase. Instead, I am proposing a compensation package made up of one-time monetary and non-monetary incentives.

The monetary component of this package builds on – but modifies – the performance payment we gave to employees last year. Last year, permanent full-time employees (who had a 3 or higher merit rating) received $500, after taxes, and permanent part-time/WAES (also with a 3 or higher merit rating) received $250. The payment was given in one-lump sum in the first paycheck of the year. This year, I am proposing we build on this structure and provide our employees the opportunity to earn up to $1,000, after taxes. This amount is being suggested to ensure that employees earn more than they did last year.

Our performance payment would be split into two different payments, at the request of many employees, and would be tiered to differentiate between the performance ratings achieved on the merit review. For permanent full-time employees garnering a rating of 4 or 5, the $1,000 one-time payment would be offered, with half in July and the other half in December. For permanent full-time employees earning a 3 merit rating, the one-time payment would be for a total of $750, again with half in July and the other half in December. Permanent part-time/WAE employees would be eligible to earn $250, assuming they have a rating of 3 or higher.

In so structuring this compensation to employees, we are focusing on getting more pay in the pockets of our lower-salaried workers. Employees making less than $50,000 a year net more funds from this approach than they would with a 2% cost of living or merit-based increase. Moreover, by providing the funds in two checks over the course of the year, instead of over 26 pay periods, the effective buying power of the money will be stronger, sooner.

This performance payment is being funded out of one-time funds available from our fund balance, which currently has funds in excess of our AA+ bond rating standard of 10% of total budget. Much of this excess balance has been created over time through the careful savings on the part of departments and employees, including leaving jobs vacant longer and taking on additional tasks, so it is fitting that we return a portion of those funds to our employees.

While I believe the combination of the VRS salary offset and the performance payment will go a long way in terms of addressing the immediate needs of our workforce, I believe some additional non-monetary incentives are also appropriate. In particular, getting time and space away from a workplace that demands more and more each year can be beneficial for both the employee and our workplace productivity. Accordingly, I am proposing that we award our employees with four extra "personal days" to use – one each quarter, that must be used or lost – so that they can get a much needed break away from the job site. By having these "personal days", employees will be able to take a day off a quarter to deal with personal/family needs (such as completing taxes, attending parentteacher conferences, etc.) without having to take away from much-needed vacation time. These additional days are a one-time extra benefit for having done such an admirable job over the last several years.

I also propose we give our employees access to health and fitness benefits. Employees have asked us to consider allowing free use of the community centers and/or providing reduced/free access to private fitness centers so they can both save money and live healthier lives. This is something I plan to continue investigating. At a minimum, though, I do believe we should allow our employees' access to our community centers, as healthier employees will ultimately reduce our health care expenses.

Last but not least, I have also included funding to restore our tuition assistance program which was suspended several budget cycles ago. Our employees want to continue to invest in their education and technical skill set. Our tuition assistance program allows them to do that; and, as they do, we get an even more skilled and knowledgeable workforce. This investment in our employees will pay many dividends. I am pleased we were able to find the funds to restore this critical program.

While I know employees would have preferred a recurring salary increase, on top of the VRS offset, I believe this combination of monetary and non-monetary incentives will demonstrate our collective appreciation of their continued efforts and dedication.

I would be remiss if I did not note that, even as we go about the process of adopting the FY 2013 budget, staff is already looking ahead to FY 2014 and beyond. We endeavored to make our balancing decisions fiscally responsible not only for this year but also for the future. I believe we have honored this need in virtually every recommendation we made. However, we have continued our limited use of one-time revenues that while prudent now, MAY cause challenges in the future. Looking ahead, I plan to continue our dialogue with both the School Superintendent and the Newport News City Manager about potential joint purchasing and/or service delivery opportunities. Already these conversations offer much promise on enhancing citizen service delivery without adding cost to an already strained budget. We also continued to explore managed competition, as a way of demonstrating existing efficiency and value for our customers. While I doubt that there will be savings to be achieved – indeed, I expect our city departments to be highly competitive in the exploratory bid process – I am hopeful that by putting our services to the test, we will prove our efficiency and cost effectiveness, thereby clearly demonstrating the need for future reinvestment in city services.

Nevertheless, as we look forward, we cannot continue to cut our city departments and hold the line on revenues such as the real estate tax that are declining without adjusting the rate to ensure that residents at least pay the same in taxes one year to the next. Our citizen engagement efforts show that the majority of residents understand and support this. I am pleased we were able to avoid such rate adjustments this year; but, as we look forward, we need to understand that it is not permanently avoidable.

MANAGER'S MESSAGE

In closing, as previously stated, this budget required cuts, new ways of doing business and minor tax/fee increases. I truly believe we have made the rough choices we were called to make in the least damaging way possible and in a way that is respectful of the resident input. I want to publically acknowledge and thank a wonderful group of department heads, assistant city managers and budget team for ensuring that this proposed budget accomplished these goals.

I must also highlight a larger group of employees who two years ago helped me shepherd in a whole new level of civic engagement around the budget process. This year, that same team enhanced our "I Value" campaign. Our time in the community has been incredibly uplifting and insightful. To demonstrate the impact of the citizen comments on this budget in an even more overt way, you will find that this budget document continues to feature the names, voices and comments of our citizens. They have helped us to better illustrate for you that this budget is indeed a reflection of community values. I trust the City Council and the community will enjoy and appreciate these expressions as much as I do.

We look forward to working with each of you to better understand this budget and its impacts on our community and workforce in the coming weeks. As always, we stand ready to assist you and the community in your deliberations.

Sincerely,

Mary B Bunting

Mary B. Bunting, City Manager

City Council Amendments to the Manager's Recommended Budget
Fiscal Year 2013

General Fund	
Manager's Recommended FY 2013 Revenue Estimate	**$428,935,116**
Amendments to FY 2013 Revenue Estimates:	
Decrease in Revenues:	
Special Assessment - Peninsula Town Center	(1,103,677)
Tobacco Tax - Reduce tax increase from $0.10 to $0.05	(132,500)
Fines & Forfeitures - Circuit Court Fines	(75,000)
State Revenue for City/State Departments	
Commonwealth's Attorney	(10,711)
Virginia Juvenile Block Grant	(34,008)
School Funds from Other than City	
State Lottery Profits	(574,473)
Increase in Revenues:	
State Revenue for City/State Departments	
Sheriff and Jail	90,099
Commissioner of the Revenue	95
City Treasurer	103
Clerk of the Circuit Courts	333
Recovered Costs - Sheriff Jail	26,571
Net State Reduction in Revenues	207,235
State Revenue for City Departments	
Healthy Families Program-Federal	128,005
School Funds from Other than City	
State Funds	2,653,565
Transfers	
Committed Fund Balance	544,388
Unassigned Fund Balance	354,182
Total Revenue Amendments	**2,074,207**
Total Council Approved Revenues	**$431,009,323**
Manager's Recommended FY 2013 Expenditures	**$428,935,116**
Amendments to FY 2013 Expenditures:	
Decrease Appropriations:	
Contributions to Outside Agencies/Tax Based Contributions - Peninsula Town Center CDA Incremental Taxes	(1,103,677)
Contingency	(284,414)
Increase Appropriations:	
Community Development ~ Restore Grass Cutting	4,680
Hampton History Museum ~ Restore Hours	12,965
Information Technology:	
Restore Funding for "Go To My PC"	24,389
Restore Funding for Pictometry Technology	21,375
Restore 50% Funding for Annual Technology Fund	45,000
Parks & Recreation ~ Parks: Restore City-Wide Mulching of Median & Landscaping Projects	44,400
Parks & Recreation ~ Parks: Restore Tree & Tree Maintenance	20,621
Increase Appropriations *(continued)* :	
Parks & Recreation ~ Recreation: Restore Community Center Hours	85,298
Public Library ~ Restore Library hours	35,000
Police Division ~ Restore 1 PFT Major Position	75,000

City Council Amendments to the Manager's Recommended Budget

Fiscal Year 2013

General Fund	
Public Works - Facilities ~ Restore WAE Custodians	34,448
Youth, Education & Family Services:	
Healthy Start Restore Other Salaries	26,913
Parent Education Restore Other Salaries	18,025
Youth Civic Engagement - Operating Expenses	20,000
Strategic Customer Services - E911 ~ Restore Overtime Hours	16,522
School Operations :	
State Funds	2,079,092
Required Local Contribution according to State Law	471,954
Local Share in Excess of State Requirements	426,616
Total Expenditure Amendments	**2,074,207**
Total Council Approved Expenditures	**$431,009,323**