

# City of Hampton, Virginia

[www.hampton.gov/budget](http://www.hampton.gov/budget)

## FY 2009 Council Approved Budget-in-Brief

### Budget Highlights

#### TABLE OF CONTENTS

Budget Highlights	1-2
Hampton City Council	2
FY09 Tax and Fee Rates	3
Revenue Highlights	4
Expenditure Summary	4
Balancing the Budget	5
Education Expenditures	5
Capital Budget	5-6
Additional Information and Copies	6

- Total City budget is **\$443,873,992**, a 1.89% increase over FY 2008.
- The City operations portion is **\$227,993,750**, a (1.08%) decrease over FY 2008.
- Total School budget is **\$215,880,242**, a 5.22% increase over FY 2008.
- Total Local Contribution to Schools is **\$69,216,564**, a 4.06% increase over FY 2008 based on a \$1.06 tax rate, which is \$982,496 over the local funding formula requirement.
  - ❖ Required Local Contribution according to State Law is **\$32,732,015**.
  - ❖ Local Contribution in Excess of State Requirement is **\$36,484,549**.

### Tax & Fee Rate Changes:

- ❖ Real Estate Property Tax Rate is 1.04/\$100 assessed value.
- ❖ Sewer User fee increased by \$0.41 from \$1.07 to \$1.48 per 100 cubic feet in order to fund the Department of Environmental Quality regional consent order obligations and enhance sewer rehabilitation efforts.
- ❖ All other taxes and rates remain the same.



#### Hampton Named 100 Best Communities for Young People



**Budget Funds:**

\* **New/Enhanced Programs (\$1.5M):** One-half year of operating costs for Buckroe Fishing Pier; full year funding for the Internal Audit department and the Federal Facilities support function; three positions added to the Public Communications function when it was merged mid-year in fiscal year 2008 into the re-titled Community and International Relations department; the Hampton History Museum consultant/support staff added during mid-year of fiscal year 2008; two emergency dispatcher positions to meet increased emergency calls; and one-half year funding for the Teen Center and Aquatics Center opening in December 2008. Also included is funding to pay for public use of the Boo Williams Sportsplex; the Hampton Housing Venture program for the Sussex area and enhancement to the volunteer fire companies.

\* **City Compensation Package (\$3.9M):** merit increases of 2%-4% for all employees, including a 2%-5% structure adjustment; continuation of longevity salary adjustments of \$200 for every three years of service; continuation of a sustained performance program that allows for career progression within the same pay range; provides 1% across the board for sworn officers to avoid compression when pay scales are adjusted; City's share of a 6% increase in health insurance premiums; an increase in minimum wage and reclassification of some positions with recruitment or retention challenges.



\* **Debt Service (\$4.7M):** the increase is being fully funded by the FY08 dedicated 3-cents real estate tax revenues and funds paid by the Schools toward debt service.

**HAMPTON CITY COUNCIL**

**Mayor**

Ross A. Kearney, II

**Vice Mayor**

Randall A. Gilliland

**Council Members**

Angela Lee Leary

Charles N. Sapp

Joseph H. Spencer, II

Anderson W. Clary, Jr.

Paige V. Washington, Jr.

**City Manager**

Jesse T. Wallace, Jr.

## FY 2009 Tax and Fee Rates

### SUPPORTING THE GENERAL FUND

Real Estate Tax	<b>\$1.04*/\$100 AV</b>	EMS Recovery (Ambulance) Fees:	
Personal Property Tax	\$4.25/\$100 AV	(per occurrence):	\$375.00 for BLS transport
Amusement/Admissions Tax	10%		\$475.00 for ALS-1 transport
Cable Franchise Fee	5% of gross receipts		\$575.00 for ALS-2 transport
Personal Property Tax: Boats	\$.000001/\$100 AV	Restaurant/Meal Tax	6.5%
RV's	\$1.00/\$100 AV	Sales Tax	5%
Motor Vehicle License Tax:	\$28.00 up to 2 tons \$33.00 over 2 tons	Food Tax (Groceries)	2.5%
Vehicles Modified for the Disabled	\$1.00/\$100 AV	Cigarette Tax	\$0.65/pack
Hotel/Motel Lodging Tax	8%	Right of Way	<b>\$0.72***/per line/per month</b>
Courthouse Maintenance Fee	\$2.00/court case		
Courtroom Security Fee	\$5.00/court case		
Electric Utility Tax:			
Commercial	20% of first \$200 5% of next \$800		
Residential	20% of first \$15		

### SUPPORTING THE SOLID WASTE FUND

Landfill Tipping Fee	\$38.00/ton
Residential User Fee	\$4.25/wk for recyclers \$10.00/wk for non-recyclers \$250.00 per truckload

### SUPPORTING THE WASTEWATER FUND

Sewer User Fee	<b>\$1.48** per 100 cu. ft.</b>
----------------	---------------------------------

\*Decrease

\*\* Increase

\*\* \*This increase is imposed by the State of Virginia Code §58.1-645, §58.1-1730, §56-468.1.

AV = Assessed Value

## REVENUE HIGHLIGHTS

### Performance of the Five Largest Revenue Generators

Real Estate Tax growth at **\$3,375,914**, a **2.99%** increase over FY 2008 (natural growth);  
 Personal Property Tax growth at **\$1,850,081**, a **5.79%** increase over FY 2008;  
 Sales and Use Tax growth at **\$700,000**, a **5.22%** increase over FY 2008;  
 Business License Tax growth at **\$825,679**, a **6.87%** increase over FY 2008;  
 Restaurant/Meal Tax growth at **\$200,000**, a **1.47%** increase over FY 2008.

Budget Comparisons	Council Adopted FY 2008	Council Approved FY 2009	Differences	Percentage Increase/ (Decrease)
<b>Revenues:</b>				
General Property Taxes	\$154,947,688	\$160,674,411	\$ 5,726,723	3.70%
Other Local Revenues	82,257,251	83,533,207	1,275,956	1.55%
State Revenues	47,954,338	47,002,696	(951,642)	(1.98%)
School Revenues Other Than City	138,662,317	146,663,678	8,001,361	5.77%
Fund Balance Transfer	9,831,452	4,000,000	(5,831,452)	(59.31%)
School Operating Fund Transfer	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>	<u>0.00%</u>
<b>Total Revenues</b>	<b><u>\$435,653,046</u></b>	<b><u>\$443,873,992</u></b>	<b><u>\$ 8,220,946</u></b>	<b><u>1.89%</u></b>

## EXPENDITURE HIGHLIGHTS

Budget Comparisons	Council Adopted FY 2008	Council Approved FY 2009	Differences	Percentage Increase/ (Decrease)
<b>Expenditures by Business Teams:</b>				
Arts, Culture and Recreation	\$ 7,133,354	\$ 7,193,969	\$ 60,615	0.85%
Constitutional, Judicial & Electoral	14,329,867	14,639,099	309,232	2.16%
Economic Vitality	6,138,869	5,921,263	(217,606)	(3.54%)
Infrastructure	19,205,621	18,823,192	(382,429)	(1.99%)
Neighborhood and Housing	3,805,778	3,749,577	(56,201)	(1.48%)
Public Safety	41,275,014	40,461,168	(813,846)	(1.97%)
Quality Government	13,760,006	14,190,375	430,369	3.13%
Youth and Families	28,314,451	28,095,145	(219,306)	(0.77%)
Retirement and Employee Benefits	<u>32,785,405</u>	<u>36,106,977</u>	<u>3,321,572</u>	<u>10.13%</u>
<b>Total Business Teams &amp; Employee Benefits</b>	<b>166,748,365</b>	<b>169,180,765</b>	<b>2,432,400</b>	<b>1.46%</b>
Contributions to Outside Agencies	11,270,456	11,876,645	606,189	5.38%
Debt Service	23,908,477	28,641,746	4,733,269	19.80%
Transfer to Capital Budget	10,689,116	9,668,969	(1,020,147)	(9.54%)
Transfer to Other Funds	<u>17,856,846</u>	<u>8,625,625</u>	<u>(9,231,221)</u>	<u>(51.70%)</u>
<b>Total City Operations</b>	<b>230,473,260</b>	<b>227,993,750</b>	<b>(2,479,510)</b>	<b>(1.08%)</b>
<b>School Operations:</b>				
State/Federal/Other	138,662,317	146,663,678	8,001,361	5.77%
Local Contribution	<u>66,517,469</u>	<u>69,216,564</u>	<u>2,699,095</u>	<u>4.06%</u>
<b>Total Schools</b>	<b><u>205,179,786</u></b>	<b><u>215,880,242</u></b>	<b><u>10,700,456</u></b>	<b><u>5.22%</u></b>
<b>Total Expenditures</b>	<b><u>\$435,653,046</u></b>	<b><u>\$443,873,992</u></b>	<b><u>\$ 8,220,946</u></b>	<b><u>1.89%</u></b>

## BALANCING THE BUDGET

Due to limited growth in revenues from real estate assessments and anticipated State revenue cuts, the opportunity was taken to review ways in which to reduce expenditures and generate savings in this budget. The budget balancing measures total **\$9.3 million** and include: removing attrition from departmental budgets (**\$1.0M**); eliminating 16 permanent full-time positions and several part-time positions (**\$1.3M**); reduction in average merit increase given to employees (**\$819,000**); reducing contingency (**\$225,000**); departmental operating costs reductions (**\$658,679**); deferring capital projects (**\$1.1M**); using fund balance (**\$4.0M**) for capital projects and one-time items and reducing contributions to non-contractual civic and community support agencies (**\$186,877**).

---

## EDUCATION EXPENDITURES

The total school budget for FY 2009 is **\$215,880,242**, a **5.22%** increase over FY 2008. The total local contribution to the Hampton School System is **\$69,216,564**, a **4.06%** increase over FY 2008. The *required* local contribution, according to state law, is **\$32,732,015**. The City's contribution in excess of the state requirement is **\$36,484,549**. The local contribution to the schools is based on a mutually agreed upon formula in which they will receive a predetermined percentage of residential general property and utility tax revenues. Further, the local contribution to Schools is based on a \$1.06 real estate tax rate as opposed to the actual finale rate of \$1.04. This represents nearly \$1.0 million more than required by the local funding formula.

---

## CAPITAL BUDGET REVENUES

Transfer from General Fund	\$ 1,633,969
Transfer from General Fund Balance	4,000,000
Urban Maintenance Contribution	<u>4,035,000</u>
<b>Total General Fund Revenues</b>	<b>9,668,969</b>
 <b>Other Revenue Sources</b>	
CMAQ-Funds	\$ 1,611,559
General Obligation Bond Proceeds	22,117,500
HSIP Funds	3,674,239
Stormwater Fees	585,000
UDAG Funds	200,000
<b>Total Other Revenue Sources</b>	<b><u>28,188,298</u></b>
 <b>Total Revenues</b>	 <b><u>\$37,857,267</u></b>



## CAPITAL BUDGET EXPENDITURES

- **Community Enhancement - \$9,680,000:** Blighted Property Acquisition and Demolition, Dredging Projects, Factory Point Restoration and Break Waters, City-wide Landscaping, Neighborhood Improvement, Newmarket Creek Park and Trail System and Parks and Recreation Maintenance.
- **Economic Development - \$9,099,353:** Blue Bird Gap Farm Property Acquisition and Infrastructure, Master Plans funding, New American Theatre Parking Lot, Old Hampton Community Center Demolition and Reconstruction, Retail Revitalization program, Riverdale Plaza Infrastructure Redevelopment and Strategic Property Acquisition.
- **Education - \$5,431,616:** Maintenance projects for the school buildings and grounds and Thomas Nelson Community College site improvements.
- **Other Projects - \$585,000:** Drainage projects.
- **Public Facilities - \$3,622,500:** City Building Maintenance based on facilities planning/inventory study, furnishings for main branch of the Public Library and architectural design and acquisition of right-of-ways for Circuit Court building.
- **Public Safety - \$118,000:** Public Safety projects.
- **Street & Infrastructure - \$9,320,798:** Various intersection improvements and street widening projects such as Magruder Blvd./Butler Farm Rd., Andrews Blvd./Woodland Rd., Armistead Ave./LaSalle Ave., Executive Dr./Marcella Rd, Big Bethel Rd./Thomas Nelson Dr., Big Bethel Rd./Todd's Lane, Coliseum Dr./North Coliseum Crossing Entrance, East Pembroke Ave./Grimes Rd., and other projects such as City-wide CCTV Camera Installations, Coliseum Central Transit Shelters, Street Resurfacing and Wayfinder Signs.

---

## ADDITIONAL INFORMATION

Information regarding the contents of this or any other budget volumes can be obtained by calling the City of Hampton's Office of Budget and Management Analysis at (757) 727-6377 from 8:00 a.m. to 4:30 p.m., Monday through Friday.

**Internet Access:** The FY 2009 Manager's Recommended Budget-in-Brief is located on-line at <http://www.hampton.gov/budget>.

**Document:** Copies of the Council Approved Budget document will be available for viewing, as of July 2, 2008, at all City of Hampton public libraries:

- Main Branch, 4207 Victoria Blvd., (757) 727-1154
- Northampton Branch Library, 936 Big Bethel Road, (757) 825-4558
- Phoebus Branch Library, One South Mallory Street, (757) 727-1149
- Willow Oaks Branch Library, Willow Oaks Village Square, (757) 850-5114

Copies of the budget document can also be viewed in the Office of Budget and Management Analysis, City Hall, 7<sup>th</sup> Floor. Additional copies of the Budget-In-Brief can be obtained at no cost.