



**6. General Fund**

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	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
<b>General Property Revenues</b>					
General Property Taxes	180,355,535	181,028,596	182,526,046	182,526,046	185,886,532
<b>General Property Revenues Total</b>	<b>180,355,535</b>	<b>181,028,596</b>	<b>182,526,046</b>	<b>182,526,046</b>	<b>185,886,532</b>
<b>Other Local Revenues</b>					
Other Local Taxes	77,912,840	77,400,695	78,949,938	78,949,938	79,471,962
Charges for Services	9,329,553	9,282,639	9,236,130	9,236,130	9,537,846
Fines and Forfeitures	1,549,731	1,560,319	1,616,270	1,616,270	1,390,762
License, Permit & Privilege Fee	1,408,572	1,449,748	1,364,600	1,364,600	1,364,600
Miscellaneous Revenues	5,400,100	5,467,558	5,490,153	5,490,153	5,677,621
Revenue from Use of Money & Pro	558,308	777,594	1,034,950	1,034,950	1,498,429
<b>Other Local Revenues Total</b>	<b>96,159,104</b>	<b>95,938,553</b>	<b>97,692,041</b>	<b>97,692,041</b>	<b>98,941,220</b>
<b>Federal Revenues</b>					
Federal Funding for City Depts	15,139	379,912	30,500	30,500	30,500
<b>Federal Revenues Total</b>	<b>15,139</b>	<b>379,912</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>
<b>State Revenues</b>					
State Revenue for City Depts	23,565,316	24,149,861	24,115,845	24,115,845	24,240,676
State Revenue for City/State Depts	23,681,760	23,808,405	24,297,060	24,297,060	24,297,060
Unrestricted State Revenues	854,445	890,766	829,828	829,828	829,828
<b>State Revenues Total</b>	<b>48,101,521</b>	<b>48,849,032</b>	<b>49,242,733</b>	<b>49,242,733</b>	<b>49,367,564</b>
<b>Schools Revenues (Other than City)</b>					
School Funds from other than City	123,684,053	126,183,060	130,623,691	130,623,691	128,263,257
<b>Schools Revenues (Other than City) Total</b>	<b>123,684,053</b>	<b>126,183,060</b>	<b>130,623,691</b>	<b>130,623,691</b>	<b>128,263,257</b>
<b>Transfers in</b>					
Transfers in from Other Funds	18,493,293	17,635,222	7,728,989	7,728,989	8,676,858
<b>Transfers in Total</b>	<b>18,493,293</b>	<b>17,635,222</b>	<b>7,728,989</b>	<b>7,728,989</b>	<b>8,676,858</b>
<b>General Fund Total</b>	<b>466,808,645</b>	<b>470,014,375</b>	<b>467,844,000</b>	<b>467,844,000</b>	<b>471,165,931</b>



	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
<b>General Property Taxes</b>					
Current Personal Property Tax	38,001,773	38,419,687	38,879,899	38,879,899	39,801,432
Current Real Property Tax	124,267,440	125,819,523	126,346,668	126,346,668	128,554,961
Delinquent Taxes Collected	466,336	436,916	450,000	450,000	450,000
Machinery & Tool Tax	2,392,120	2,444,562	2,396,043	2,396,043	2,466,796
Mobile Home Taxes - Current	42,182	39,440	40,910	40,910	40,910
Penalties	1,087,225	1,191,092	1,009,000	1,009,000	1,009,000
Personal Property Tax 1st, 2nd & 3rd Prior	2,332,512	2,276,607	2,235,382	2,235,382	2,235,382
Public Service Tax	3,998,751	4,182,778	4,112,534	4,112,534	4,251,228
Real Estate 1st, 2nd & 3rd Prior	1,662,143	1,729,204	1,778,589	1,778,589	1,778,589
Real Estate BID Tax	802,718	798,230	810,388	810,388	831,601
Refunds	(253,347)	(276,369)	(450,000)	(450,000)	(450,000)
Special Assessment - H20	1,757,334	545,078	539,170	539,170	539,170
Special Assessment - PTC	3,798,348	3,421,848	4,377,463	4,377,463	4,377,463
<b>General Property Revenues Total</b>	<b>180,355,535</b>	<b>181,028,596</b>	<b>182,526,046</b>	<b>182,526,046</b>	<b>185,886,532</b>
<b>Other Local Revenues</b>					
<b>Other Local Taxes</b>	<b>77,912,840</b>	<b>77,400,695</b>	<b>78,949,938</b>	<b>78,949,938</b>	<b>79,471,962</b>
Amusement Tax	1,065,986	1,049,502	1,218,306	1,218,306	1,358,755
Bank Stock Tax	548,675	569,308	568,511	568,511	568,511
Business License Tax	12,092,083	12,304,137	12,390,000	12,390,000	12,390,000
Communications Sales & Use Tax	8,866,648	8,649,072	8,692,370	8,692,370	8,425,093
Lodging-Transient Tax	3,612,818	3,722,662	3,775,000	3,775,000	3,978,686
Meal Tax	20,072,472	20,369,050	20,700,529	20,700,529	21,114,540
Motor Vehicle License Tax	4,374,912	4,429,225	4,403,135	4,403,135	4,403,135
Recordation Tax	1,634,798	1,316,435	1,450,000	1,450,000	1,450,000
Right-of-Way Fee	494,928	504,380	550,383	550,383	550,383
Sales & Uses Tax	15,368,336	14,979,420	15,556,505	15,556,505	15,556,505
Short Term Rental Tax	101,258	102,217	95,199	95,199	126,354
Tobacco Tax	4,623,960	4,427,289	4,550,000	4,550,000	4,550,000
Utility Tax-Electric & Gas	5,055,966	4,977,998	5,000,000	5,000,000	5,000,000
<b>Charges for Services</b>	<b>9,329,553</b>	<b>9,282,639</b>	<b>9,236,130</b>	<b>9,236,130</b>	<b>9,537,846</b>
Boat License Fee	225,487	205,883	200,000	200,000	200,000
Fees for Work Release Prog-Sheriff	51,551	49,284	39,635	39,635	39,635
Fees- School Age Program	1,395,185	1,568,484	1,290,708	1,290,708	1,522,994
Fees-Administration	0	81	0	0	0
Fees-Ambulance Service	4,045,715	3,741,286	3,919,061	3,919,061	3,969,061
Fees-Cobra Administration	576	238	1,000	1,000	1,000
Fees-Community Dev. Technology	47,530	47,460	65,000	65,000	65,000
Fees-Court Officers	33,043	33,274	27,000	27,000	27,000
Fees-DMV Select	77,617	86,714	75,000	75,000	75,000



	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
Fees-Excess Of Clerk	44,616	50,634	60,000	60,000	60,000
Fees-Funeral Escort Fees	41,000	50,000	53,000	53,000	53,000
Fees-Healthy Family Partnership Class	9,321	7,846	7,638	7,638	7,788
Fees-Housing Federal Prisoners	588	294	1,000	1,000	1,000
Fees-Insurance	0	(98)	0	0	0
Fees-Jail Admission Fee	13,101	12,301	8,350	8,350	8,350
Fees-Recreation	1,064,424	1,096,174	1,080,350	1,080,350	1,032,050
Fees-Sheriff + Animal Control	16,566	15,836	14,741	14,741	14,741
Fees-Teen Center	48,129	47,236	68,000	68,000	0
Fire Prevention	214,412	211,064	211,750	211,750	213,400
Fort Monroe PILOT	983,960	983,960	983,960	983,960	983,960
Landfill Host Fees + Hazmat	726,263	771,364	800,000	800,000	910,432
Library Fines & Fees	32,578	28,356	50,000	50,000	50,000
Passport Application Fees	34,400	34,565	50,000	50,000	50,000
PEG Capital Grant Surcharge Fee	206,884	212,842	200,000	200,000	200,000
Radio Maintenance Fees	16,607	27,561	29,937	29,937	53,435
<b><i>Fines and Forfeitures</i></b>	<b>1,549,731</b>	<b>1,560,319</b>	<b>1,616,270</b>	<b>1,616,270</b>	<b>1,390,762</b>
<b><i>License, Permit &amp; Privilege Fee</i></b>	<b>1,408,572</b>	<b>1,449,748</b>	<b>1,364,600</b>	<b>1,364,600</b>	<b>1,364,600</b>
Animal License	41,306	42,028	55,000	55,000	55,000
Building Permit	852,586	779,795	835,000	835,000	835,000
Miscellaneous Permit	35,170	33,106	21,600	21,600	21,600
Street and Taxi Permit	198,406	204,381	168,000	168,000	168,000
Zoning, Land and Site Fee	281,104	390,438	285,000	285,000	285,000
<b><i>Miscellaneous Revenues</i></b>	<b>5,400,100</b>	<b>5,467,558</b>	<b>5,490,153</b>	<b>5,490,153</b>	<b>5,677,621</b>
Administrative Fees (CDA + Operating)	1,139,582	1,189,412	1,173,600	1,173,600	1,273,600
Indirect Costs-Others	123,275	123,275	123,275	123,275	123,275
Indirect Costs-Solid Waste	356,470	356,470	356,470	356,470	356,470
Indirect Costs-Steam Plant	218,000	218,000	218,000	218,000	218,000
Indirect Costs-Wastewater Mngmt	456,000	456,000	456,000	456,000	456,000
Miscell Revenue-Insurance Recovery	0	5,485	0	0	0
Miscellaneous Fees and Donations	27,957	48,619	0	0	0
Miscellaneous Revenue	210,952	227,004	150,000	150,000	150,000
Payment In Lieu of Taxes	0	97,840	75,000	75,000	75,000
Recovered Costs-Miscellaneous	294,522	127,576	150,000	150,000	150,000
Recovered Costs-NASA Fire Station	906,000	953,500	916,000	916,000	916,000
Reimb for Radio Main. - Coliseum	48,437	50,837	50,369	50,369	50,573
Reimb for Radio Main. - Fleet Services	1,845	1,918	1,901	1,901	1,908
Reimb for Radio Main. - Solid Waste	36,904	38,847	38,490	38,490	38,645
Reimb for Radio Main. - Storm Water	27,217	28,296	28,036	28,036	28,149
Reimb for Radio Main. - Wastewater	22,604	23,500	23,284	23,284	23,378



	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
Reimbursement For Services-School	1,518,632	1,508,818	1,482,426	1,482,426	1,569,321
Return on Investment - Solid Waste	0	0	116,000	116,000	116,000
Return on Investment - Wastewater	0	0	113,292	113,292	113,292
Returned Check Fees	7,445	7,767	14,010	14,010	14,010
Unemployment Fees	4,258	4,394	4,000	4,000	4,000
<b>Revenue from Use of Money &amp; Property</b>	<b>558,308</b>	<b>777,594</b>	<b>1,034,950</b>	<b>1,034,950</b>	<b>1,498,429</b>
Interest from Investm. + Net Apprec.	312,130	561,753	814,271	814,271	1,280,568
Parking Fee	40,192	38,896	48,000	48,000	0
Rental of Property	42,712	20,869	33,016	33,016	67,836
Revenue from Advertising & Comm.	69,557	71,644	71,644	71,644	76,006
Sales of Property, Material	77,777	66,880	65,019	65,019	65,019
Vending Machines-Other	15,940	17,552	3,000	3,000	9,000
<b>Other Local Revenues Total</b>	<b>96,159,104</b>	<b>95,938,553</b>	<b>97,692,041</b>	<b>97,692,041</b>	<b>98,941,220</b>
<b>Federal Revenues</b>					
Federal Assistance - Other	0	363,810	0	0	0
Federal Revenues	610	0	0	0	0
Fed Rev-VDOT Projects (FCN 20.205)	0	4,977	0	0	0
Indirect Costs	5,000	10,000	10,000	10,000	10,000
Rad. Emergency Response	9,529	1,125	20,500	20,500	20,500
<b>Federal Revenues Total</b>	<b>15,139</b>	<b>379,912</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>
<b>State Revenues</b>					
<b>State Revenue for City Depts</b>	<b>23,565,316</b>	<b>24,149,861</b>	<b>24,115,845</b>	<b>24,115,845</b>	<b>24,240,676</b>
E911 Wireless Grant	434,905	447,433	409,000	409,000	409,000
Healthy Families Prog - Federal/State	541,685	630,890	640,081	640,081	640,081
Public Library Books	162,419	166,828	162,055	162,055	162,055
Recovered Costs-Police	6,523,452	6,733,488	6,733,487	6,733,487	6,733,487
Street & Highway Maintenance	15,902,855	16,171,222	16,171,222	16,171,222	16,296,053
<b>State Revenue for City/State Depts</b>	<b>23,681,760</b>	<b>23,808,405</b>	<b>24,297,060</b>	<b>24,297,060</b>	<b>24,297,060</b>
City Treasurer	271,135	254,382	266,623	266,623	266,623
Clerk of the Circuit Court	796,696	843,937	814,236	814,236	814,236
Commissioner of the Revenue	293,842	293,704	300,897	300,897	300,897
Commonwealth's Attorney	1,349,260	1,338,644	1,402,569	1,402,569	1,402,569
Electoral Board and Voter Registrar	105,916	53,204	53,144	53,144	53,144
Misc	200	0	0	0	0
Recovered Costs - Sheriff Jail	720,257	665,004	677,495	677,495	677,495
Recovered Costs-Probation	7,750	9,144	8,500	8,500	8,500
Sheriff and Jail	6,304,186	6,157,744	6,594,123	6,594,123	6,594,123
Social Services - Federal/State	13,515,985	13,876,939	13,863,769	13,863,769	13,863,769
VA. Juvenile Block Grant	316,533	315,703	315,704	315,704	315,704



	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
<b>Unrestricted State Revenues</b>	<b>854,445</b>	<b>890,766</b>	<b>829,828</b>	<b>829,828</b>	<b>829,828</b>
Mobile Home Titling Tax	21,119	17,511	20,312	20,312	20,312
Railroad Tax	15,310	14,030	10,516	10,516	10,516
State Share Isabel (FEMA)	0	106,435	0	0	0
Tax on Deeds	431,391	346,774	394,000	394,000	394,000
Vehicle Rental Tax	386,625	406,016	405,000	405,000	405,000
<b>State Revenues Total</b>	<b>48,101,521</b>	<b>48,849,032</b>	<b>49,242,733</b>	<b>49,242,733</b>	<b>49,367,564</b>
<b>Schools Revenues (Other than City)</b>					
Federal Projects	818,133	800,142	940,000	940,000	940,000
Other Funds	2,507,176	2,489,245	2,622,500	2,622,500	2,571,000
Share 1% Sales Tax	21,434,790	21,639,413	21,603,117	21,603,117	21,800,599
State Funds	98,923,954	101,254,260	92,303,250	92,303,250	90,086,506
State Lottery Profits	0	0	13,154,824	13,154,824	12,865,152
<b>Schools Revenues (Other than City) Total</b>	<b>123,684,053</b>	<b>126,183,060</b>	<b>130,623,691</b>	<b>130,623,691</b>	<b>128,263,257</b>
<b>Transfers from Other Funds</b>					
Com. Fund Bal.-Budget Savings	1,990,660	3,042,360	892,016	892,016	865,000
Com. Fund Bal.-Drainage Prog	116,000	116,000	354,588	354,588	354,588
Com. Fund Bal.-School Debt Serv	592,984	757,984	857,984	857,984	390,000
Transfer from EDA	119	180	0	0	437,345
Transfer from Federal Grant Fund	1,035	12,301	0	0	0
Transfer from P/Y Encumbrance	1,708,448	1,721,603	0	0	0
Transfer from School Oper. Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfer from Wastewater	113,292	113,292	0	0	0
Unassigned General Fund Balance	11,970,755	9,871,502	3,624,401	3,624,401	4,629,925
<b>Transfers Total</b>	<b>18,493,293</b>	<b>17,635,222</b>	<b>7,728,989</b>	<b>7,728,989</b>	<b>8,676,858</b>
<b>General Fund Total</b>	<b>466,808,645</b>	<b>470,014,375</b>	<b>467,844,000</b>	<b>467,844,000</b>	<b>471,165,931</b>

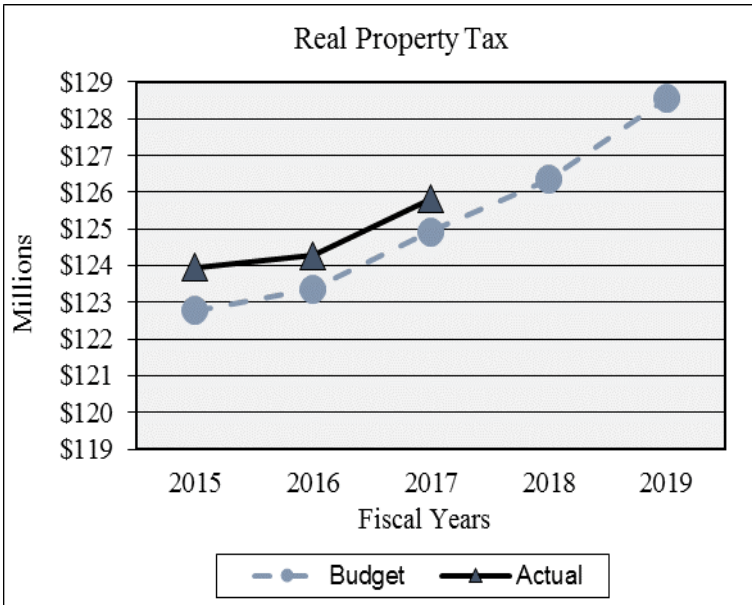




The General Fund revenues (before schools funding and transfers) are projected to increase by \$4,734,496 to \$334,225,816, representing a 1.44% growth from FY 2018. These estimates are based on historical trends, current market conditions, and consultation with the Commissioner of the Revenue, the City Treasurer, City Assessor, the Finance Director, other city staff, and the Commonwealth of Virginia's 2018-2020 Biennium Budget.

The following is a brief summary of the **\$471,165,931** in expected total revenues for FY 2019.

**General Property Taxes**

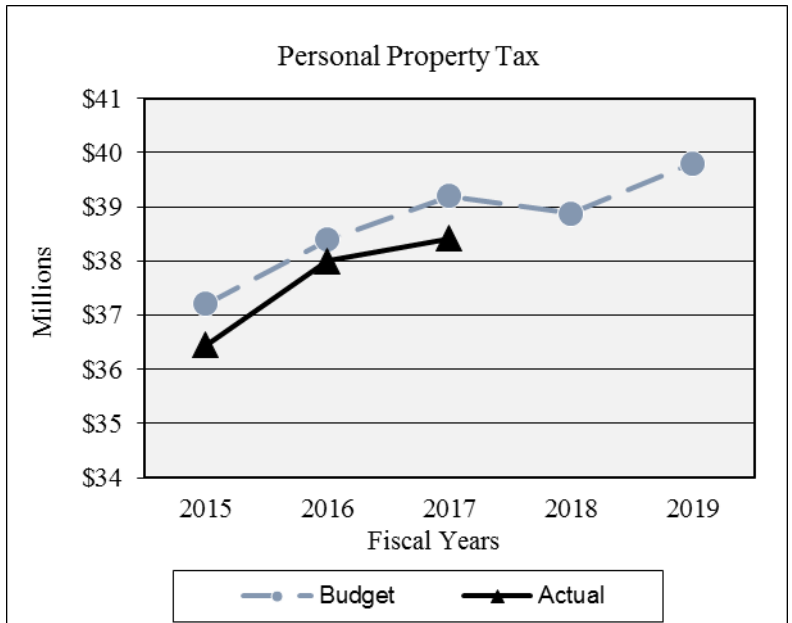


**Real Property Tax** represents the largest revenue source for the City. The ad valorem taxes are based on the assessed value of all real property. Current real property is assessed at fair market value as of July 1 of each year. While 70% of home values didn't change, 9% decreased and 21% increased, averaging to an overall increase of 0.64%. Multi-family and commercial properties showed gains in values of 2.49% and 0.95%, respectively.

The estimated real property tax revenues for FY19 totals \$128,554,961, an increase of \$2,208,293 over FY18. The projected collection rate for current real estate taxes is 98.4%.

**The real estate tax rate for FY19 remains at \$1.24 per \$100 of assessed value.**

**Personal Property Tax** includes taxes levied on tangible personal property, recreational vehicles, trailers, and motor vehicles owned by citizens and businesses. Taxes are levied on a calendar year basis. Projected revenues are going up by \$921,533 to a total of \$39,801,432, which represents a growth of 2.37%. The projected collection ratio is 95%. **The FY19 tax rate remains at \$4.50 for most personal property and \$0.000001 per \$100 assessed value** for all recreational watercraft and personal property for the disabled, the elderly and 100% disabled Veterans.



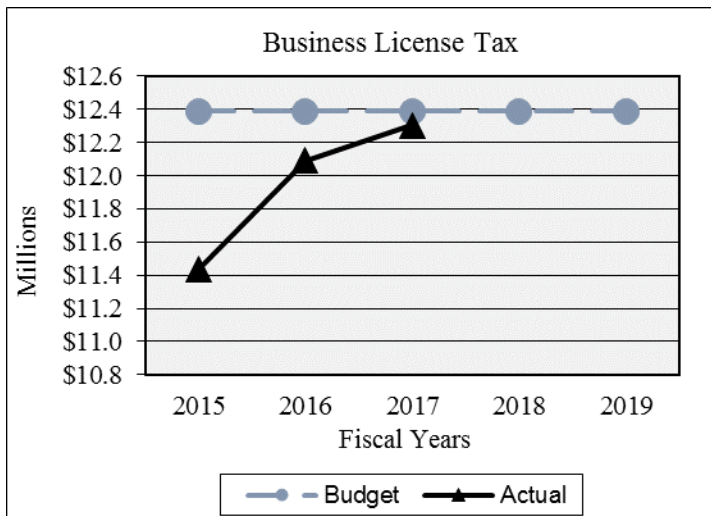
**Machinery & Tool Tax** is a personal property tax levied on tangible business machinery and tools. **The current rate remains the same at \$3.50 per \$100 of assessed value.** The estimated revenues for FY19 increased to \$2,466,796. The collection rate is estimated to be at 98%.



**Other General Property Revenues** consist of Public Service Tax, delinquent real estate and personal property tax revenues from previous years along with refunds, penalties, and mobile home taxes, totaling \$5,301,138 for FY19, which is an increase of \$138,694 over 2018.

**Other Local Revenues**

**Utility Tax - Electric & Gas:** The City has the authority by the State to impose and levy a monthly tax, on a "per meter" basis, on each purchase of natural gas (delivered by pipeline) and electricity. This tax is collected by the service provider from the consumers. The total revenues for FY19 remain level to FY18 at \$5,000,000. The current rates for residential, commercial, industrial and all other consumers are listed in the **Tax and Fee Rates** section of this document.



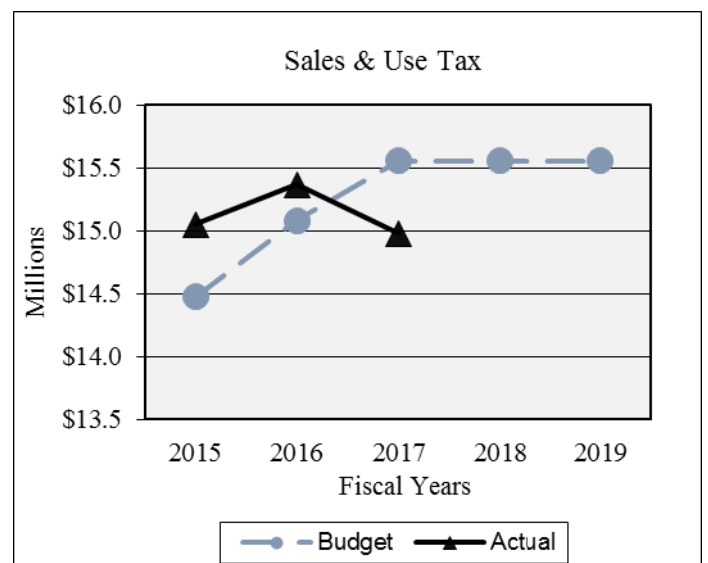
**Communications Sales & Use Tax** Effective July 1, 2007, the State combined the local telephone service, mobile telecommunication service, cable service, cable franchise fees, video programming excise tax and E911 service tax into one communication sales and use tax. The imposed rate will be 5% of gross receipts and imposed separate right-of-way fees for land line phones, cable lines and 911 land line services. These taxes and fees are now State imposed fees which will be collected by the State and distributed to localities. The projected revenues for FY19 decreased to \$8,425,093.

**Business License Tax** is generally assessed on the gross receipts of a business. Tax rates vary depending on the business category. A new business must obtain a business license from the Commissioner of the Revenue before conducting business in Hampton. The total revenues for FY19 are projected to remain level at \$12,390,000.

**Sales & Use Tax** is the retail and use taxes charged and collected by certain businesses on behalf of the Commonwealth of Virginia. One percentage point of this tax is designated as the "local portion" and is directly returned by the Commonwealth of Virginia to the localities in which the business operates. The projected revenue for FY19 is \$15,556,505, which is the same as it was in FY18.

The current sales tax rate in most of Virginia is at 5.3%. However, Northern Virginia and the Hampton Roads areas also have an additional 0.7%, bringing the total to 6%: the Commonwealth collects the majority (5%) and Hampton collects 1%. The rate on groceries is 2.5%: 1.5% for state, and 1% for Hampton.

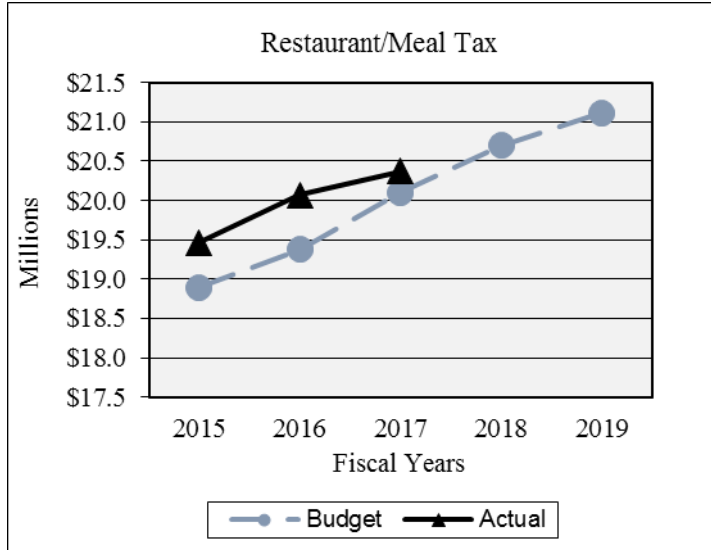
**Lodging -Transient Tax** is imposed and levied by the City in the amount of 8% of the total amount paid for lodging, by or for any transient, to any hotel, plus \$1.00 per room







per night (instituted back in FY 2014). Two percent of this tax rate is designated to the Convention Center Fund. Funds from this tax have been utilized to protect important cultural attractions and ensure that visitor-generating businesses continue to generate room nights for our hotel community. The projected revenue for FY19 anticipates an increase of \$203,686 for a total of \$3,978,686.



**Restaurant/Meal Tax** is assessed on the sales price of prepared food and beverages sold at food establishments (as defined in Section 37-226 of the City Charter) in the City. Meal Tax revenue continues to grow with a projected \$414,011 increase over FY18. The total estimated revenues for FY19 restaurant/meal tax are \$21,114,540. The Meal tax remains at 7.5%, all remaining local.

**Admission/Amusement Tax** is levied at a current rate of 10% of any admission charge (per person) to any place of amusement or entertainment where the admission charge is thirty-five cents (\$0.35) or more. The projected revenues total is expected to grow to \$1,358,755 in FY19.

**Other Local Taxes Collected** are the remaining local taxes not previously mentioned including; bank stock taxes, motor vehicle license taxes, recordation taxes, short term rental taxes, the right-of-way fee, and tobacco taxes. The projected combined total for these revenues is projected at \$11,648,383 for FY19.

**Charges for Services**

This category consists of revenues from fees charged by court officers, the Sheriff’s department, recreation, ambulance services, Healthy Start Programs, Healthy Family Partnership Classes, Library fines/fees, legal services, landfill host fees and miscellaneous fees. The Boat License fee is also accounted for here.

Revenues in this category are projected to increase by \$301,716, bringing total revenues to \$9,537,846. The primary increase is due to more fee revenues expected to be collected from the Recreation department for School Age programs.

**Fines and Forfeitures**

These collections are the results of charges ordered by the courts for violations of City ordinances. These revenues are projected to have a decrease in court appeals, which contributes to an overall decline of \$225,508 for FY19. Funds received from this function are to be expended in the Sheriff’s budget for court security. Revenue is projected to decrease to \$1,390,762.

**License, Permit & Privilege Fee**

These revenues are generated from various activities within the City primarily from the growth of construction by issuance of building plans; and electrical and plumbing permits to ensure the quality and appearance of the City



along with the safety of our citizens. Other fees are collected for animal licenses, street and taxi permits, zoning and land fees. The projected revenue for FY19 remains level at \$1,364,600.

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### Miscellaneous Revenues

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This category includes School service reimbursements, payment in lieu of taxes, indirect cost from other funds to the General Fund, recovered costs, and other revenues not classified in any other category. This category reflects an increase of \$187,468 over adopted FY18 revenues. The total estimated FY19 revenue for this category is \$5,677,621.

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### Revenues from Use of Money & Property

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Interest earned on investments generates the majority of the revenue in this category. The projected revenue is expected to continue to increase, going from \$1,034,950 in 2018 to \$1,498,429 in 2019. Most of that growth is resulting from higher investment proceeds being due and collected.

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### State Revenue for City Departments\*

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This section includes categorical State and Federal funding. The City's police department recovers some of its costs from the "599 funds" distributed by the Commonwealth of Virginia. For Street & Highway Maintenance revenues, the Virginia Department of Transportation will contribute a projected \$16,296,053 for FY19, an increase of \$124,831 over FY18. All the other revenue sources are expected to remain level. This category as a whole has anticipated revenues of \$24,240,676.

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### State Revenues for City/State Departments\*

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This category consists of shared-expenses in which the State provides funding assistance for the Constitutional Officer's salaries/wages as determined by the State Compensation Board on an annual basis; funds for the elected official offices include Clerk of Circuit Court, Commissioner of Revenue, Commonwealth's Attorney, Electoral Board, Voter Registrar, Treasurer, Sheriff's Office and Jail. Funding is also provided for Federal/State share of Social Services' Programs.

The projected revenue in this category is remaining level at \$24,297,060.

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### Unrestricted State Revenues\*

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Non-categorical aid received from Virginia for the City's share of taxes levied on vehicle rental, mobile home titling, and deeds make up this category. The estimated FY19 revenue for this category is \$829,828, remaining level with the 2018 revenues.

*\***Note:** Due to the uncharacteristically late nature of the 2018-2020 state budget approval process this year, some of the state revenues had to be estimated.*



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### **School Funds from Other than City\***

State funding for education represents the largest categorical aid received by the City from the Commonwealth of Virginia. The State Funds are revenues received based on a formula comprised of a ratio of the number of school age children within the City compared to the number of school-aged children statewide.

We are estimating a state contribution of \$90,086,506 to our schools for FY19, which is a decrease of \$2,216,744. The State Lottery Profits dedicated for the purpose of public education is estimated to decrease by \$289,672 in FY19 to \$12,865,152.

Other Funds include miscellaneous revenues such as fees from students, tuition from day students, Medicare reimbursement and interest earnings. Revenues are expected to decrease by \$51,500 to \$2,571,000 for FY19.

The Federal Impact Funds is aid from the federal government to support special education under the Individuals with Disabilities Education Act and related services for students with learning disabilities. The federal government also provides aid under Public Law 874 to assist local schools systems for the number of federal employees including military families by providing financial assistance for school construction and operations. The total revenues are expected to stay the same at \$940,000 in FY19.

Of the Share 1% Sales Tax collected by the State for sales and use taxes, the City contributes the entire 1% to the Hampton City Schools. This amount will increase by \$197,482 to \$21,800,599 in FY19.

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### **General Fund Balance**

Each year, the City allocates a specific portion of unassigned fund balance to be used for one-time operational costs in the proceeding fiscal year. This amount designated shall comply with the City's financial policies regarding unassigned fund balance.

For FY19, a total of \$4,629,925 will be appropriated from unassigned fund balance for one-time funding items. The Committed Fund Balance-Debt Reserve account, which was established in FY 2007, are funds set aside to be used to mitigate debt service obligations in subsequent years.

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### **Transfer from School Operating Fund**

The Hampton City School Board has agreed to contribute \$2,000,000 from their operating fund to the City's debt service reserve for the future debt service repayment on the general obligations bonds issued for school construction.

*\***Note:** Due to the uncharacteristically late nature of the 2018-2020 state budget approval process this year, some of the state revenues had to be estimated.*



	2016 Actual	2017 Actual	2018 Budget	2018 Adjusted	2019 Budget
<b>General Fund</b>					
<b>Constitutional, Judicial &amp; Electoral</b>	16,091,632	15,964,100	15,932,825	16,011,719	16,373,345
<b>Economic Vitality &amp; Neighborhoods</b>	7,552,128	7,708,221	7,876,421	7,971,931	7,904,462
<b>Infrastructure</b>	18,171,288	18,030,676	18,600,997	18,701,499	18,956,203
<b>Leisure Services</b>	6,811,711	6,922,698	7,089,857	7,135,570	6,903,762
<b>Public Safety</b>	47,076,264	49,251,441	48,448,062	49,157,692	49,791,850
<b>Quality Government</b>	13,565,131	14,450,325	16,864,565	16,988,982	17,047,559
<b>Youth &amp; Families</b>	26,778,936	27,819,580	28,647,485	28,696,889	28,609,103
<b>Retirement &amp; Benefits</b>	38,230,744	36,230,071	42,864,268	41,660,198	43,619,176
<b>Contributions to Outside Agencies</b>	20,971,799	20,289,404	21,132,043	21,132,043	21,271,068
<b>Debt Service</b>	33,267,203	32,477,863	33,392,972	33,392,972	34,204,811
<b>School Operations</b>					
<i>Schools - State &amp; Federal</i>	123,684,054	126,183,060	130,623,691	130,623,691	128,263,257
<i>Schools - Local Contribution</i>	71,112,223	71,471,416	73,036,416	73,036,416	73,827,042
<b>School Operations Total</b>	<b>194,796,277</b>	<b>197,654,476</b>	<b>203,660,107</b>	<b>203,660,107</b>	<b>202,090,299</b>
<b>Transfers to Other Funds</b>					
<i>Transfers - Capital Projects Fund</i>	15,959,883	18,427,928	14,038,105	14,038,105	15,128,732
<i>Transfers - Other</i>	9,415,247	9,324,378	9,296,293	9,296,293	9,265,561
<b>Transfers Total</b>	<b>25,375,130</b>	<b>27,752,306</b>	<b>23,334,398</b>	<b>23,334,398</b>	<b>24,394,293</b>
<b>General Fund Total</b>	<b>448,688,243</b>	<b>454,551,161</b>	<b>467,844,000</b>	<b>467,844,000</b>	<b>471,165,931</b>



Business Team	Increases/ (Decreases)	Explanation
<b>Constitutional, Judicial and Electoral Offices</b>	\$361,626	The net increase in this business team is attributed to the addition of five (+5.0) permanent full-time positions to the Commonwealth's Attorney's Office (please see Tab 24 - Personnel Allocation for details) along with an increase in funding for operating expenses, the majority of which is for a case management system maintenance contract; an increase in funding for the City Sheriff/Jail for personnel services cost dictated by the Compensation Board, a new food services contract and an increase in inmate healthcare costs.
<b>Economic Vitality and Neighborhoods</b>	(67,469)	The net decrease in this business team is the result of a slight increase in fixed costs and the transfer of funds for the Neighborhood Capacity Building Initiative previously funded in the Office of Youth and Young Adult Opportunity. These increases were offset by salary savings due to retirements and reductions in operating expenses to help balance the budget.
<b>Infrastructure</b>	254,704	The increase is the result of filling multiple vacant positions at salaries greater than the minimum of the range along with some position reclassifications, enhanced street lighting and an increase in fixed costs primarily associated with higher maintenance and repair costs.
<b>Leisure Services</b>	(231,808)	The decrease in this business team is attributed to transiting the Performing Arts Center to the Arts Commission, the funds for which are temporarily housed in Non-departmental until the transition plan has been finalized; a decrease in lease payments for a library branch due to renegotiated terms and decreases in operating expenses to help balance the budget.
<b>Public Safety</b>	634,158	The net increase in this business team is the result of a combination of changes. First are the salary savings from the elimination of one (-1.0) Fire and Rescue Battalion Chief position vacated by retirement and other retirement savings; the transfer of the Citizens' Unity Commission to the Quality Government business team and the Office of Youth and Young Adult Opportunities to the Youth and Families business team. These decreases were offset by a full year of funding for the seven patrol officers added mid-year in FY18; the addition of two (+2.0) permanent full-time Crime Analyst positions and converting one vacant Office Specialist position to a third Crime Analyst position and an increase in fixed costs.



Business Team	Increases/ (Decreases)	Explanation
<b>Quality Government</b>	58,577	The net increase in this business team is attributed to the transfer of one (-1.0) permanent full-time position from the City Attorney's Office to the Commonwealth's Attorney's Office; freezing one (-1.0) permanent full-time position in Information Technology; vacancy and retirement savings in the City Manager's Office; funding to support the neighborhood centers coming on-line and decreases in operating expenses to balance the budget. These decreases were mostly offset by an increase in costs for the Veterans Court and Intergovernmental Affairs contracts; and, housing the funding for the Performing Arts Center (previously budgeted in Parks, Recreation and Leisure Services) in Non-departmental while the transition to the Arts Commission is finalized.
<b>Youth and Families</b>	(87,786)	The net decrease in this business team is a result of a decrease in fixed costs; a decrease in the city's contractual agreement with the Health Department and the transfer of the Special Assistant Prosecutor position and the Neighborhood Capacity Building, which were previously housed in the Office of Youth and Young Adult Opportunities, to the Commonwealth's Attorney's Office and Community Development respectively. These decreases were partially offset by the 2% general wage increase budgeted in Social Services.
<b>Retirement and Employee Benefits</b>	1,958,978	The net increase in Retirement and Employee Benefits reflects an increase for the 2% general wage increase (GWI) for permanent full-time and part-time employees along with increases in health insurance, Line of Duty pay and the Virginia Retirement System. These increases were partially offset by savings from retirements and a transfer of fringe benefit costs for the Performing Arts Center transition.
<b>Contributions to Outside Agencies</b>	139,025	The increases in contributions are attributed to an increase in the Hampton Roads Regional Jail, the Peninsula Regional Animal Shelter and the Hampton Roads Planning District Commission offset by a decrease in Hampton Roads Transit and the transfer of the contribution to the Boo Williams Sportsplex to the Debt Service Fund to offset the debt service cost.
<b>Debt Service</b>	811,839	This increase is the result of purchasing the Boo Williams Sportsplex. The associated debt service increase is offset by rental payments received and other revenues previously allocated to support the Sportsplex for purchasing the facility.
<b>Transfer to Capital Budget</b>	1,090,627	This increase reflects the cost of funding and implementing a new payroll system and an increase in Urban Maintenance Funds for street resurfacing.





Business Team	Increases/ (Decreases)	Explanation
<b>Transfer to Other Funds</b>	(30,732)	The net decrease is attributed to a decrease in the contribution to the Economic Development Authority to cover a portion of the debt service cost of the Boo Williams Sportsplex. This decrease is partially offset by an increase in EDA performance agreements and an increase in the Convention Center funding from the dedicated 2% meals plus 2% lodging taxes (2+2).
<b>School Operations (Local Funds)</b>	790,626	There is an increase in the local contribution based on the agreed upon school funding formula in which the school system receives a predetermined percentage of the growth in residential general property and utility taxes. In addition to what is due the School system from the funding formula, the city is also providing \$350,000 in one-time funds to support the Career Academies.
<b>School Operations (State, Federal and Misc.)</b>	(2,360,434)	The decrease is attributed to a decrease in State funding for the schools, the amount of which was included in the Governor's original budget submission to the General Assembly in December 2017. At the time of printing, the State budget had not been finalized.
<b>Net Increase/ (Decrease)</b>	<b>\$3,321,931</b>	



## Distribution of General Fund Expenditures

	FY18 Adjusted	FY19 Budget	Increase/ (Decrease)	Percentage of FY19 Budget
<b>City Operations</b>				
Personnel Services	\$88,858,665	\$88,407,797	(\$450,868)	18.8%
Employee Benefits*	41,660,198	43,619,176	1,958,978	9.3%
<b>Total Personnel Services</b>	<b>130,518,863</b>	<b>132,026,973</b>	<b>1,508,110</b>	<b>28.0%</b>
Operating and Capital Outlay	55,805,617	57,178,487	1,372,870	12.1%
Contributions to Outside Agencies	21,132,043	21,271,068	139,025	4.5%
Debt Service	33,392,972	34,204,811	811,839	7.3%
Transfer to Capital Budget	14,038,105	15,128,732	1,090,627	3.2%
Transfer to Other Funds	9,296,293	9,265,561	(30,732)	2.0%
<b>Total City Budget</b>	<b>264,183,893</b>	<b>269,075,632</b>	<b>4,891,739</b>	<b>57.1%</b>

	FY18 Adjusted	FY19 Budget	Increase / (Decrease)	Percentage of FY19 Budget
<b>School Operations</b>				
Personnel Services	\$113,788,791	\$113,197,260	(\$591,531)	24.0%
Employee Benefits	50,338,539	48,802,482	(1,536,057)	10.4%
<b>Total Personnel Services</b>	<b>164,127,330</b>	<b>161,999,742</b>	<b>(2,127,588)</b>	<b>34.4%</b>
Operating and Capital	39,532,777	40,090,557	557,780	8.5%
<b>Total School Budget</b>	<b>203,660,107</b>	<b>202,090,299</b>	<b>(1,569,808)</b>	<b>42.9%</b>

<b>Total Expenditures</b>	<b>\$467,844,000</b>	<b>\$471,165,931</b>	<b>\$3,321,931</b>	<b>100.0%</b>
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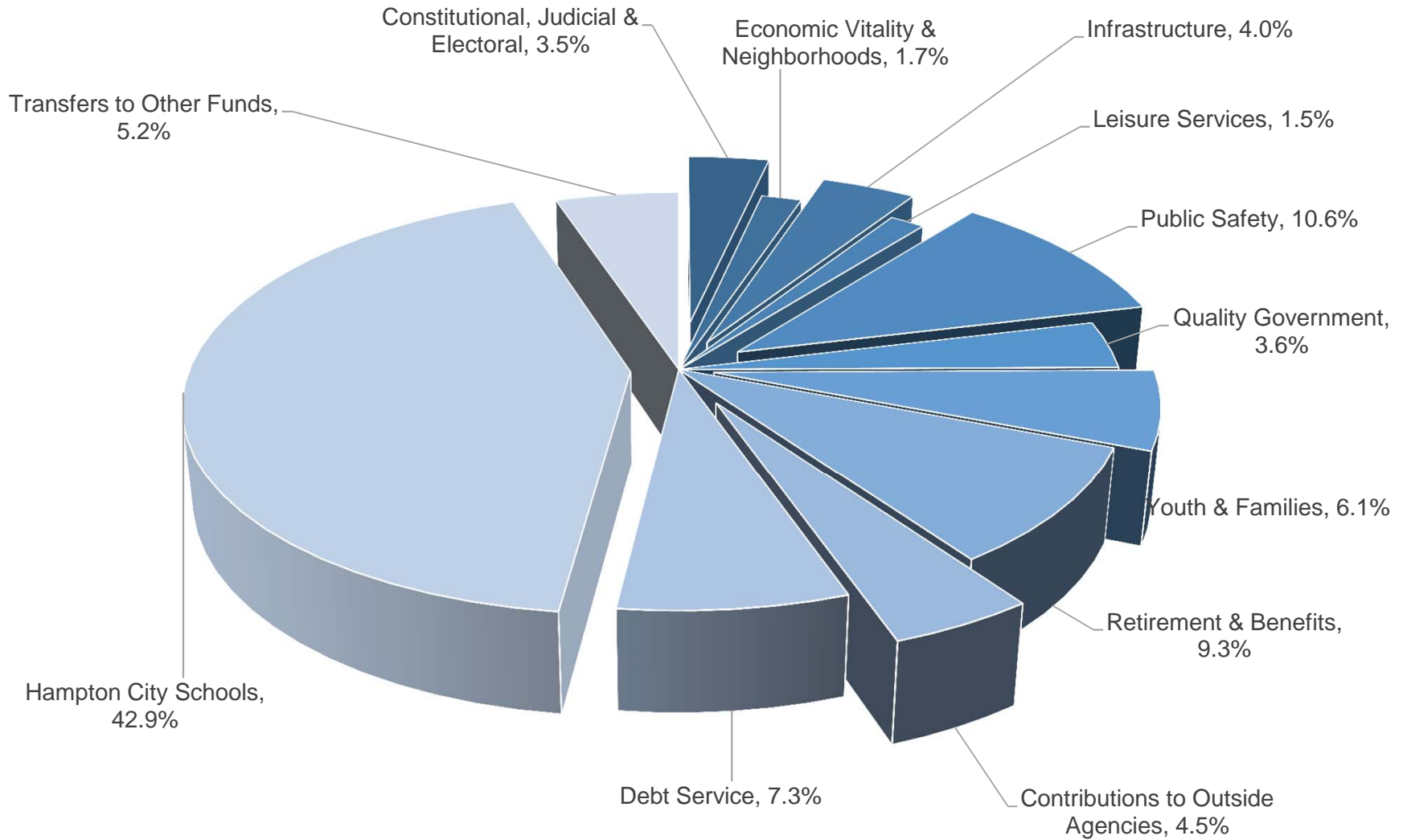
\* **Budget Note:** Funds are included for a 2% compensation package in FY2019, the details of which can be found in the Retirement and Employee Benefits tab.



City Manager's Office-Budget Division

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City of Hampton



\*Note: Percentages may not total exactly to 100% due to rounding