

HAMPTON VA

NEWS RELEASE

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Hampton manager proposes flat budget; no general tax increase, some fee increases

April 8, 2015 - Hampton City Manager Mary Bunting outlined her proposed fiscal year 2016 budget to City Council on Wednesday. Essentially, the total is less than half a percent smaller than the current year. The shares of spending for both city and schools are basically flat.

The recommended budget totals \$450,428,275 and represents a decrease of 0.38% from the current year. Of that total, city operations would cost \$207 million; capital and debt for city and school projects, \$48 million; and school operations, \$195 million. The budget projects maintaining city service levels, continuing to reinvest in the community and investment in the workforce without a general tax increase.

Two user fees would be increased: The solid waste fee, which has not been increased in 10 years, would cost households an additional \$84.76 per year. Residents who participated in recent input sessions preferred an increase to cutting services by 58 percent. A stormwater fee increase would cost households an extra \$10.08 a year and go toward projects that meet pollution mandates – and also help with flooding. Residents also favored that spending increase by 79%.

Other tax and fee adjustments in the proposal include: A new boat license fee, which would range from \$20-\$150 annually, depending on the size of the boat. Small, non-motorized boats (such as kayaks) would be exempt. While the city did away with its boat tax a number of years ago after a study quantified economic benefits from the boaters, the idea of restoring a tax has been raised by many citizens each year. Bunting noted in her message that, “Given the service level provided to our boating community and the attractiveness of Hampton’s waterways, we have continued to explore ways to strike a balance between securing a revenue stream to support those services while maintaining the economic impact of our boating industry.”

The city school system would receive funding equal to the current year, although the agreed-upon formula allocating revenues would have called for a slight decline. The amount, Bunting said, would allow the system to give teachers 3% raises.

City employees would also receive 3% raises beginning in July under this budget. To ensure that the increase in gross salary makes it to take-home pay, the city will cover the full increase in insurance premiums for FY16. Funds are also allocated to begin implementing recommendations from a compensation study, the results of which are due before the end of the year.

The proposed budget allocates capital funding for breathing gear for firefighters, body cameras for police officers, as well as Council's strategic priorities for economic development and quality-of-life improvements for residents. Hampton will join with Poquoson to hire a coastal resiliency specialist to work collaboratively on regional efforts to mitigate flooding risks.

While the budget numbers were essentially flat, FY16 is the first year that property values are projected to increase, after five years of declining assessments. Bunting projects that recovery will take hold in Hampton:

“As I reflect on those past years, and the ones ahead, one thing is abundantly clear. Our citizens, businesses, staff and elected officials have all consistently pulled together during the tough economy to keep Hampton's quality of life strong. We have shown that we are willing to make tough choices when necessary – whether that is restructuring the staff or supporting a higher tax rate that offsets the decline in property values. We have committed to focusing on increasing growth in the commercial tax base, housing stock and reinvesting in our community. These tough decisions have served us well, and we are now beginning to reap the benefits of the sacrifices made.”

The detailed budget will be released to City Council members and the public by April 15. Copies will be placed in the libraries and online. Council will hold public hearings on the budget at its meetings April 22 and 29.

Go [online](http://www.hampton.gov/Archive.aspx?ADID=2058) to <http://www.hampton.gov/Archive.aspx?ADID=2058> to read the Manager's Message in its entirety.

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