

# City of Hampton, Virginia

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## FY 2010 Council Approved Budget-in-Brief

### Budget Highlights

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- ❖ Total City budget is **\$434,823,454**, a (2.04%) decrease over FY 2009.
- ❖ The City operations portion is **\$226,110,416**, a (0.83%) decrease over FY 2009.
- ❖ The total Hampton City Schools budget is **\$208,713,038**, a \$7,167,204 or a (3.32%) decrease over FY 2009.
- ❖ Total Local Contribution to Schools at **\$68,051,707**, is a \$1,164,857 or a (1.68%) decrease over FY 2009.
  - ❖ Required Local Contribution according to State Law is **\$31,369,482**. The amount of this contribution is affected by the decrease in the Commonwealth of Virginia funding to the Hampton City Schools. For FY10, the state reduced the schools funding by \$6,002,347 which in return reduced the required local funding amount by 4.16% or \$1,362,533.
  - ❖ Local Contribution in Excess of State Requirement is **\$36,682,225**. This increased slightly by \$197,676 or 0.54%.

### Tax & Fee Rate Changes

- ❖ **Real Estate Property Tax Rate** remains unchanged at **\$1.04/\$100** assessed value.
- ❖ **Personal Property Tax Rate** remains unchanged at **\$4.25/\$100** assessed value.
- ❖ **Personal Property Tax Rate** on recreational vehicles and handicapped vehicles was reduced from **\$1.00 per \$100 of assessed value to \$0.000001/\$100** assessed value.
- ❖ A **Sewer Surcharge Fee** in the amount of **\$0.44 per 100 cubic feet** is recommended in order to comply with the Regional Consent Order regarding sanitation sewer systems. This rate would be effective July 1, 2009, to fund higher than expected



costs associated with implementing the Department of Environmental Quality regional consent order obligations related to the maintenance of the City's sewer infrastructures.

- ❖ **Emergency Medical Transport Fees** will increase. See the enclosed "*FY 2010 Tax and Fee Rates.*"
- ❖ All other major taxes and fees remain the same.

## Budgeted Funds



***Downtown Hampton  
Eaton Street***

**\* New/Enhanced Programs and Services (\$874,281):** Full-year funding for the operations of the Fishing Pier and the Teen Center Operations which will merge with the Coalition for Youth Department. Funding granted to purchase electronic polling books for the Electoral Board.

**\* State Impact on Revenues (\$618,431):** The Virginia State budget impacted the following revenues; HB599 Funds for Police protection was reduced by \$321,541; funds

for City/State Departments reduced by \$415,638; mobile home titling taxes and taxes on deeds increase \$51,000; Street and Maintenance funds increase by \$496,644; and Clerk of Circuit Court excess fees have been reduced by the State.

**\* Debt Service (\$664,300):** this projected increase will be paid by the School Construction Debt Service Reserve funds.

## Hampton City Council

### Mayor

Molly Joseph Ward

### Vice-Mayor

Joseph H. Spencer, II

### Council Members

Randall A. Gilliland

George E. Wallace

Ross A. Kearney, II

Paige V. Washington, Jr.

Angela Lee Leary

### City Manager

Jesse T. Wallace, Jr.

## FY 2010 Tax and Fee Rates

### SUPPORTING THE GENERAL FUND

Real Estate Tax	\$1.04/\$100 AV	Cigarette Tax	\$0.65/pack
Personal Property Tax	\$4.25/\$100 AV	Food Tax (Groceries)	2.5%
Amusement/Admissions Tax	10%	Sales Tax	5%
Cable Franchise Fee	5% of gross receipts	Restaurant/Meal Tax	6.5%
Personal Property Tax: Boats	\$.000001/\$100 AV	<b>Right of Way</b>	<b>\$0.89***/per line/per month</b>
<b>RV's</b>	<b>\$.000001/\$100 AV</b>	<b>EMS Recovery (Ambulance) Fees:</b>	
Motor Vehicle License Tax:	\$28.00 up to 2 tons \$33.00 over 2 tons	(per occurrence):	<b>\$430.00** for BLS transport</b>
<b>Vehicles Modified for the Disabled</b>	<b>\$.000001/\$100 AV</b>		<b>\$525.00** for ALS-1 transport</b>
Hotel/Motel Lodging Tax	8%		<b>\$750.00** for ALS-2 transport</b>
Courthouse Maintenance Fee	\$2.00/court case		<b>\$9.00 for Ground Transport Mileage (GTM) per loaded mile</b>
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	\$1.48 per 100 cu. ft.
<b>Sewer Surcharge Fee</b>	<b>\$0.44** per 100 cu. ft.</b>

\*\* 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 **\$677,715**, a **0.58%** increase over FY 2009 (natural growth);  
 Personal Property Tax revenue loss of **(\$3,597,734)**, a **(10.64%)** decrease over FY 2009;  
 Sales and Use Tax revenue loss of **(\$389,000)**, a **(2.76%)** decrease over FY 2009;  
 Business License Tax revenue loss of **(\$617,500)**, a **(4.81%)** decrease over FY 2009;  
 Restaurant/Meal Tax growth at **\$26,000**, a **0.19%** increase over FY 2009.

## FY2010 COUNCIL APPROVED BUDGET

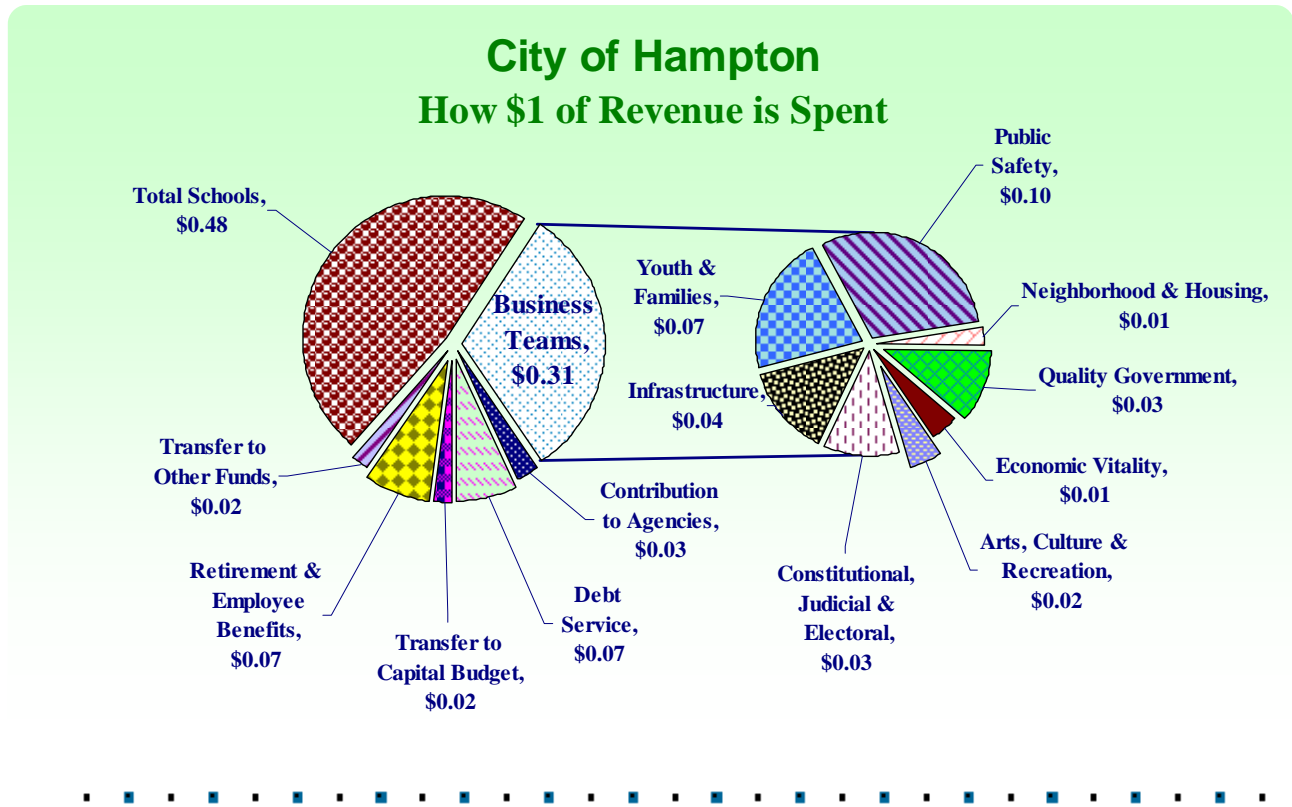
Categories	Council Approved FY 2009	Council Approved FY 2010	Differences	Percentage Increase/ (Decrease)
<b>Revenues:</b>				
General Property Taxes	\$160,674,411	\$157,863,392	(\$2,811,019)	(1.75%)
Other Local Revenues	83,523,207	81,260,607	(2,262,600)	(2.71%)
State Revenues	46,982,196	46,748,329	(233,867)	(0.50%)
Federal Revenues	30,500	30,500	0	0.00%
School Revenues Other Than City	146,663,678	140,661,331	(6,002,347)	(4.09%)
Fund Balance Transfer	4,000,000	5,594,965	1,594,965	39.87%
School Operating Fund Transfer	2,000,000	2,000,000	0	0.00%
Designated Fund Balance Debt Reserve	<u>0</u>	<u>664,330</u>	<u>644,330</u>	<u>N/A</u>
<b>Total Revenues</b>	<b><u>\$443,873,992</u></b>	<b><u>\$434,823,454</u></b>	<b><u>(\$9,050,538)</u></b>	<b><u>(2.04%)</u></b>

## EXPENDITURE HIGHLIGHTS

Categories	Council Adopted FY 2009	Council Approved FY 2010	Differences	Percentage Increase/ (Decrease)
<b>Expenditures by Business Teams:</b>				
Arts, Culture and Recreation	\$ 7,359,936	\$ 6,795,093	\$ (564,843)	(7.67%)
Constitutional, Judicial & Electoral	14,746,547	15,442,662	696,115	4.72%
Economic Vitality	5,999,868	5,663,514	(336,354)	(5.61%)
Infrastructure	19,012,890	19,026,450	13,560	0.07%
Neighborhood and Housing	3,843,139	3,682,549	(160,590)	(4.18%)
Public Safety	41,675,388	41,361,027	(314,361)	(0.75%)
Quality Government	14,453,487	14,891,061	437,574	3.03%
Youth and Families	28,765,587	29,037,426	271,839	0.95%
Retirement and Employee Benefits	<u>33,785,986</u>	<u>32,400,340</u>	<u>(1,385,646)</u>	<u>(4.10%)</u>
<b>Total Business Teams &amp; Employee Benefits</b>	<b>169,642,828</b>	<b>168,300,122</b>	<b>(1,342,706)</b>	<b>(0.79%)</b>
Contributions to Outside Agencies	11,414,582	11,489,762	75,180	0.66%
Debt Service	28,641,746	29,662,807	1,021,061	3.56%
Transfer to Capital Budget	9,668,969	8,522,500	(1,146,469)	(11.86%)
Transfer to Other Funds	<u>8,625,625</u>	<u>8,135,225</u>	<u>(490,400)</u>	<u>(5.69%)</u>
<b>Total City Operations</b>	<b>227,993,750</b>	<b>226,110,416</b>	<b>(1,883,334)</b>	<b>(0.83%)</b>

## EXPENDITURES HIGHLIGHTS (continued)

Categories	Council Adopted FY 2009	Council Approved FY 2010	Differences	Percentage Increase/ (Decrease)
<b>School Operations:</b>				
State/Federal/Other	146,663,678	140,661,331	(6,002,347)	(4.09%)
Local Contribution	<u>69,216,564</u>	<u>68,051,707</u>	<u>(1,164,857)</u>	<u>(1.68%)</u>
<b>Total Schools</b>	<b><u>215,880,242</u></b>	<b><u>208,713,038</u></b>	<b><u>(7,167,204)</u></b>	<b><u>(3.32%)</u></b>
<b>Total Expenditures</b>	<b><u>\$443,873,992</u></b>	<b><u>\$434,823,454</u></b>	<b><u>\$(9,050,538)</u></b>	<b><u>(2.04%)</u></b>



## BALANCING THE BUDGET

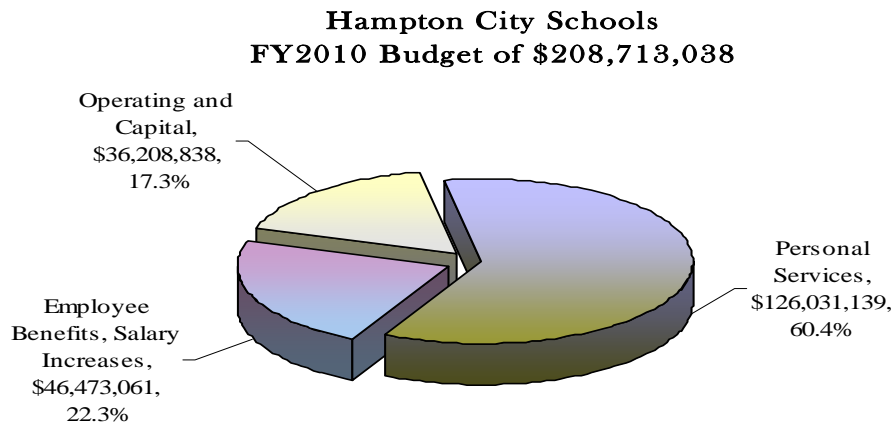
Due to the enormous decrease in the amount of revenues resulting from Virginia State budget reductions, general property taxes and other local revenue losses, several budget strategies were implemented to balance this budget. Two fee increases were recommended; EMS rate increase **(\$186,000)** and after-school program fee increase **(\$210,000)**. Further budget balancing measures total **\$14.36 million** and include: using fund balance for capital projects and one-time items **(\$5.59M)**; use of school construction debt reserve **(\$664,330)**; reducing contributions to non-contractual civic and community support agencies **(\$251,270)**; organizational-wide operating reductions/ restructuring **(\$1.57M)**; reallocation of funding for capital projects from general fund to bond funds **(\$1.83M)**; employee benefit changes and savings **(\$868,023)**; eliminating 45 permanent full-time positions, several part-time positions and reduced WAE funding **(\$2.22M)**; total benefits related to eliminated positions **(\$624,797)**; and departmental operating costs reductions **(\$744,623)**.

## HAMPTON CITY SCHOOLS EXPENDITURES

The total school budget for FY 2010 is **\$208,713,038**, a **(3.32%)** decrease over FY 2009. For FY 2010, the initial State budget reduction totaled \$14,138,964. However, the Schools will receive an estimated \$8,136,617 from the State Fiscal Stabilization Fund. The total local contribution to the Hampton School System is **\$68,051,707**, a **(1.68%)** reduction from FY 2009. The *required* local contribution, according to state law, is **\$31,369,482**. The City's contribution in excess of the state requirement is **\$36,682,225**. The local contribution to the schools is based on a mutually agreed upon formula in which they will receive a predetermined percentage of the growth in residential real estate, personal property and utility taxes. The overall reduction for the schools is due to a combination of the Virginia State budget cuts and a decrease in personal property taxes.



The photos above are the new Pre-K-8 Schools under construction as of June 18, 2009; Senator Hunter Booker Andrews (*left*) and George Perley Phenix (*right*). On March 11, the Hampton School Board accepted a recommendation to delay the opening of the division's two PreK-8 schools until 2010.



## CAPITAL BUDGET REVENUES

### **General Fund Revenues**

Transfer from General Fund Balance	\$4,487,500
Urban Maintenance Contributions	<u>4,035,000</u>
<b>Total General Fund Revenues</b>	<b>8,522,500</b>

### **Other Revenue Sources**

Congestion Mitigation Air Quality (CMAQ) Funds	267,296
General Obligation Bond Interest	3,900,000
General Obligation Bond Proceeds	4,555,104
General Obligation Bond Proceeds ~ Schools	5,287,500
Stormwater Fees	585,000
Urban Construction (UC) Funds	15,000,000
Urban Development Action Grant (UDAG) Funds	<u>200,000</u>
<b>Total Other Revenue Sources</b>	<b><u>29,794,900</u></b>

<b>Total Revenues</b>	<b><u>\$38,317,400</u></b>
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## CAPITAL BUDGET EXPENDITURES

- **Education - \$5,456,604:** General and enhanced maintenance projects for Hampton City Schools and site improvements at Thomas Nelson Community College.
- **Hampton's Waterways - \$550,000:** Maintenance dredging at Pochin Place/Indian Creek to facilitate street resurfacing repairs.
- **Maintenance of Public Properties and Performance Support - \$3,272,500:** City building maintenance; city-wide landscaping; Hampton Coliseum roof replacement; furnishings for main Public Library; maintenance of athletic surfaces at schools, parks and recreational facilities and various technological improvements.
- **Master Plans - \$2,925,000:** Buckroe, Downtown, North King Street strategic investments.
- **Neighborhood Support - \$1,935,000:** Blighted property acquisition/demolition, Housing Improvement Grants; Neighborhood Curb and Gutter Program and neighborhood improvement funding.
- **New Facilities - \$1,300,000:** Architectural design for new Circuit Court building, parking garage and acquisition of any rights-of-way and remaining contribution to the New American Theatre expansion project.
- **Other CIP Projects - \$1,090,000:** Contingency funding and strategic property acquisition.
- **Other Economic Development Support - \$1,700,000:** Retail Incentive/Opportunity Fund and Retail/Shopping Center Revitalization Program.
- **Public Safety - \$436,000:** Pre-wiring of critical facilities for generator service and weapons range cleaning/lead abatement.
- **Streets and Infrastructure - \$19,652,296:** Saunders Road Improvements; Street Resurfacing Program and the Hampton Electric Automated Transit (HEAT) program.

## 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 2010 Council Approved 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 3<sup>rd</sup> 2009, 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.