

1 **MEETING MINUTES**

2 **AT A MEETING OF THE HAMPTON FINANCE COMMITTEE OF THE CITY OF HAMPTON, VIRGINIA HELD IN**  
3 **THE ECONOMIC DEVELOPMENT AUTHORITY CONFERENCE ROOM, SIXTH FLOOR, CITY HALL, ONE**  
4 **FRANKLIN STREET, ON MONDAY, APRIL 9, 2018 AT 1:00 P.M.**  
5

6 **Call to Order/Roll Call**

7 A meeting was called to order at 1:10 p.m. by the Honorable Christine Snead. Committee  
8 members present at roll call were Mary B. Bunting, Honorable Linda D. Curtis, and Susan H. Harris. David  
9 Duxbury will not be in attendance due to a doctor appointment. Brandon K. Singleton arrived at 1:20  
10 p.m. Staff members present were Brian D. DeProfio, Karl S. Daughtrey, James A. "Pete" Peterson, and  
11 Brenda Bailey.

12 **1. Approval of March 29, 2017 Meeting Minutes**

13 Chair Snead stated the minutes have been distributed for review and called for a motion to approve the  
14 minutes. A motion was made by the Honorable Linda D. Curtis moved and seconded by City Manager  
15 Mary B. Bunting. A voice vote was taken to approve the Minutes as presented.  
16

17 **2. Presentation - FY19 Manager's Recommended Budget**

18 City Manager Mary Bunting stated the budget has not officially been released so information  
19 presented today is preliminary and there will be changes between the presentations of the Budget to  
20 City Council and Virginia General Assembly approval of the state budget. She also advised that her top  
21 priority for this budget was a 2% general wage increase for city employees.

22 **Overview of the FY19 Revenues:** Mr. Karl Daughtrey, Director of Finance, advised he presented  
23 revenue information to City Council on March 14 so while the data may change slightly, it will be  
24 finalized before the official budget is released. Major revenue drivers are general property taxes (real  
25 estate and personal property), other local taxes (meals, sales, and lodging) and revenues from use of  
26 money (rental and interest income). He reviewed the handout "Preliminary Revenue Projections Fiscal  
27 Year 2018". Following are some highlights of the slide show presentation: home sales have increased  
28 and the process of assessing renovated properties is being reviewed for alignment with other localities;  
29 this is the first year of billing after adoption of the RV Tax, 2019 will include a full fiscal year of  
30 collections; meal tax is tracking a 3% growth rate and is driven by national trends; while future revenue  
31 growth is anticipated, sales and use taxes were impacted by the closure of Macy's and Kmart as well as  
32 e-commerce; in the past five to seven years, business license tax has been level and is expected to rise in  
33 fiscal year 2019; the long-term impact of payment plans on court fines is yet to be realized; the Fire  
34 Division is expecting a long-term increase in EMS transport fees; and while no changes in state revenues  
35 were assumed, adjustments will be made to the city budget following approval of the state budget when  
36 the General Assembly reconvenes on April 11. Ms. Bunting advised the first adjustment priority would  
37 be restoration of cuts made to balance the budget, if possible, with exceptions of any state mandates  
38 and resulting strings attached.

39 **Overview of the FY19 Expenditure Drivers:** Brian DeProfio, Assistant City Manager, presented  
40 an overview of the FY19 Expenditure Drivers. Highlights included an increase in Hampton City Schools'  
41 budget, fleet replacement costs and Solid Waste restructuring under internal service funds; the real time  
42 crime center under enhanced crime prevention and criminal prosecution, and increases for Hampton  
43 Roads Regional Jail as well as a decrease for Peninsula Regional Animal Shelter under regional entities.

44 The Manager’s Recommended Budget will be previewed at the afternoon session of the April 11<sup>th</sup> City  
45 Council meeting. Hard copies will be available at Hampton libraries and electronic copies will be  
46 available on-line April 16<sup>th</sup>. A public hearing and budget briefing will be held on April 25<sup>th</sup>. The first  
47 reading and a public hearing will be conducted on May 2<sup>nd</sup> with the 2<sup>nd</sup> reading and final adoption (to  
48 include any amendments) on May 9<sup>th</sup>.

49 **Report of the City Assessor:** In Brian Gordineer’s absence, Brian DeProfio reviewed the handout  
50 “Preliminary Land Book FY2019” and answered the committee member’s questions.

51

### 52 **3. Application of Tax Revenue Guidelines**

53 Mr. Daughtrey reviewed the handouts “Proposed Revenue Policy Calculation for Current Real  
54 Estate Taxes to Determine Amount of Inflationary Growth That Should be Used in the Budget for a  
55 Decline or Increase in Real Estate Assessments Revenue Guideline for Real Estate Taxes” and “Exhibit A:  
56 Proposed Revenue Guidelines for Real Estate Taxes”. He gave the following brief summary: City Council  
57 adopted the guidelines in 2006, City Council amended the guidelines in 2007 and City Council adopted  
58 the policy for flexibility to utilize up to the “growth factor”; the policy allows for raising taxes to a  
59 maximum of \$1.30. Chair Snead advised that even though the committee could raise the tax rate, the  
60 Manager’s Budget has no recommended increase. Ms. Curtis voiced her concern that maintaining the  
61 tax rate could impact future budgets and the committee should consider keeping pace with  
62 surrounding localities. Mr. Singleton moved and Ms. Curtis seconded the motion to maintain the tax  
63 rate at \$1.24. A voice vote was taken to approve the motion.

64

### 65 **4. New Business**

66 Chair Snead requested a volunteer to present the Tax Equalization Policy recommendation to  
67 City Council at the April 25<sup>th</sup> meeting. Ms. Curtis offered to make the presentation.

68

### 69 **5. Audience Granted to the Public**

70 No citizens were in attendance.

71

### 72 **6. Adjournment**

73 There being no further business, the meeting was adjourned at 2:12 p.m.