



**HIGHLIGHTS OF THE MANAGER'S MESSAGE**

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When we started the process of developing our Fiscal Year 2021 Budget, we were on track to experience the best revenue growth since before the Great Recession. This revenue growth would have given us the ability to invest in our community, particularly in the areas of public safety, crime prevention, youth programming, and family resilience. Unfortunately, due to the impacts of the COVID-19 pandemic, we were forced to freeze all new positions and most vacant positions to ensure we could weather the uncertainty and downturn we knew the pandemic would bring. We were extremely fortunate in that we did not have to lay off any permanent staff during these challenging times.

Critical revenues that help fund city services were negatively impacted, such as commercial property assessments, meals tax, hotel taxes, and amusement taxes. Sales taxes did improve. Our FY22 projections are based on the assumption that the revenues impacted by the pandemic will begin to rebound in the fiscal year, but they will not fully recover immediately. Federal aid in the form of the American Rescue Plan will benefit Hampton greatly with a one-time infusion of funds of potentially up to \$51 million over the next two fiscal years. We have never been in a pandemic situation before, and it is difficult to predict what will happen this year as we begin

recovery. However, we are beginning to see a light at the end of the tunnel. Thanks to a powerful coalition of our hospital systems, the Health Department and Peninsula localities working together, we have administered nearly 255,000 vaccine doses on the Peninsula and 780,000 in the region. As of this writing, more than 40,000 Hampton residents have received at least their first dose of the vaccine. We are gradually and carefully beginning to reopen and work toward our new "normal."

The recommended FY22 budget totals **\$530,279,092**, which is a **2.6%** increase over FY21.

- **City Operations** total **\$232,233,110** and represent **43.8%** of the City budget.
- **School Operations** total **\$236,514,205** and represent **44.6%** of the City Budget

In particular, the FY22 budget will address key areas of investment held over from the proposed FY21 budget and unfreeze funds impacted by the uncertainty of the pandemic to address City Council and citizen priorities and invest in the areas below:

- 👍 Salary increases for our dedicated and hard-working employees, compression adjustments, a merit bonus program, pay scale adjustments, and the new minimum wage rate of \$11 per hour;
- 👍 Recurring and one-time increases for our Hampton City Schools, to facilitate teacher and employee raises as well as pay scale adjustments and support their transformational college and career academy program ("Academies of Hampton");
- 👍 Increases to fight crime, including new positions for the Police Division, as well as additional funds for enhanced public-safety street lighting and surveillance systems;
- 👍 Investments in our housing stock;
- 👍 Investments in flood mitigation and prevention efforts; and
- 👍 Investments in our Family Resilience and Economic Empowerment initiatives such as the summer youth employment program and workforce development.

*A full version of the Manager's Message can be viewed online in the FY22 Manager's Recommended Budget under the "Manager's Message" section. See the "Additional Information" section of this publication.*



## TAX AND FEE RATES

- **Real Estate Tax** rate remains unchanged at **\$1.24 per \$100 of assessed value** and the **Personal Property Tax** rate remains unchanged at **\$4.50 per \$100 of assessed value**.
- **Personal Property Tax** rate for all Personal Property Tax not otherwise specified, including cars, motorcycles, buses, etc., remains unchanged at **\$4.50 per \$100 of assessed value**.
- **Personal Property Tax** rate for (1) privately owned camping trailers, travel trailers and certain privately owned trailers used to transport horses and (2) motor homes used for recreational purposes only remains unchanged at **\$1.50 per \$100 of assessed value**.
- **Public Rights-of-Way Use Fee** increases from **\$1.15/Per Line/Per Month** to **\$1.60/Per Line/Per Month**. This rate is determined annually by the Virginia Department of Transportation per Code of Virginia §56-468.1.
- **Solid Waste User Fee** remains unchanged at **\$7.25 per week** for Recyclers and \$13.00 per week for Non-Recyclers. See Code of Virginia §5.2-928(A).
- **Sewer User Fee** increases from **\$1.48 per 100 cu. ft. of water consumption** to **\$1.81 per 100 cu. ft. of water consumption**. **Sewer Surcharge Fee** increases from **\$0.66 per 100 cu. ft. of water consumption** to **\$0.94 per 100 cu. ft. of water consumption**. See Code of Virginia §2-2122.
- **Stormwater User Fee** increases from **\$9.83 per 2,429 sq. ft. of impervious area ("ERU") per month** to **\$10.83 per ERU, per month** for Commercial and from **\$9.83 per month** to **\$10.83 per month** for Residential to support projects that mitigate flooding and improve water quality. See Code of Virginia §15.2-2114.



## HAMPTON CITY SCHOOLS

- The City's commitment to strong Schools remains consistent with *continued* local funding above the level which is required by State law. The total School budget for FY22 is **\$236,514,205**. This budget includes over \$4.1 million dollars over the FY21 funding level from the State. This funding level represents a restoration to "pre-recession" levels of State funding.
- The total local contribution of **\$80,165,119 increased** from FY21 by **\$3,216,651**. The required local contribution, according to State law, is \$45,928,735. The City's contribution *in excess* of the State requirement is \$34,236,384.
- The City continues its support of the college and career academies ("Academies of Hampton").
- In the Capital Budget, we are adding a total of \$15 million above what was budgeted in FY21 for maintenance and technology investments to enhance maintenance of school buildings and replace trailers at one of our high schools with a new wing of state-of-the-art, science and math classrooms.
- The Schools' budget also includes a recommended 5% pay increase, partially funded by the State, for all employees along with other market based adjustments for select employee groups and an increase in supplement pay.



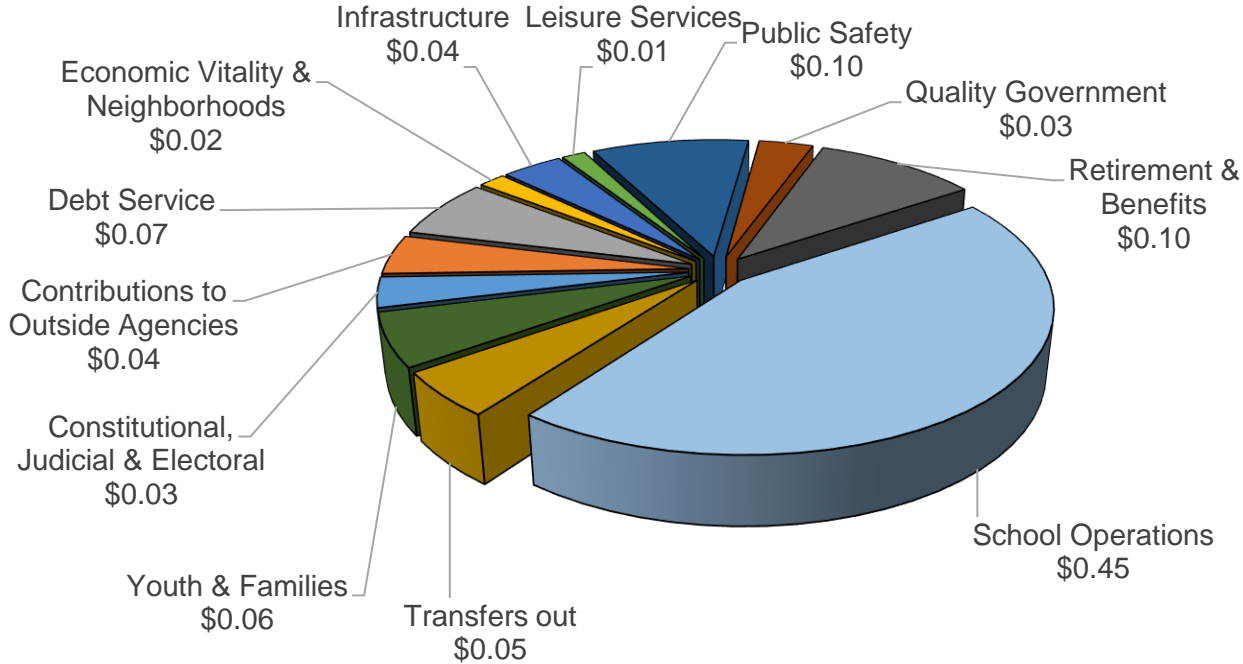
## CAPITAL BUDGET

- **Economic Growth ~ \$6,487,584:** *generating the resources necessary to support the services the community desires and produce quality jobs for our citizens.* This category includes: a curb appeal matching grant program for neighborhoods; housing redevelopment funding to support redevelopment of small residential and commercial properties; acquisition and demolition of strategically located properties in the Housing Venture and Master Plan areas; Model Block Housing Program; and funding for the acquisition of strategic properties throughout the City of Hampton.
- **Educated and Engaged Citizenry ~ \$23,474,006:** *partnering with Hampton City Schools, Hampton University, Thomas Nelson Community College and other formal and informal educational providers to keep, develop and attract a talented citizenry that will have a positive impact on their community and be able to succeed in the global economy.* This category includes maintenance projects; the continuation of the 'One-to-One' Technology Initiative at various Hampton City Schools; construction of classrooms to replace the temporary use of trailers; and site improvements at Thomas Nelson Community College.
- **Good Government ~ \$19,655,768:** *attracting, retaining, developing and rewarding high quality public servants who are committed to being stewards of community resources and trust, providing great customer service and demonstrating the highest level of ethical conduct.* This category includes citywide street and traffic maintenance; maintenance projects at various public facilities and sites; re-engineering technology; citywide signal system upgrades and retiming; continued compliance with updating portions of the sanitary sewer system; financial system upgrades; road construction in the Little Back River Road area; and set aside funding for City Council's strategic initiatives.
- **Living with Water ~ \$3,860,000:** *addressing coastal resiliency, recurring flooding, waterways and environmental sustainability while enhancing our tax base and quality of life.* This category includes construction of various stormwater management facilities to reduce flooding and treat stormwater runoff; drainage improvements in the Newmarket area and throughout the City; outfall maintenance; stormwater infrastructure assessments and retrofitting of stormwater management facilities; construction of a detention pond at the John B. Cary Elementary School; and watershed studies.
- **Placemaking ~ \$4,123,500:** *creating vibrant and authentic places that reflect and celebrate the unique culture, history and character of our community.* This category includes: enhanced maintenance of public parks and other recreational facilities; citywide and downtown landscaping enhancements; neighborhood improvement and neighborhood infrastructure improvements; and pedestrian, sidewalk and crosswalk improvements in the Mercury Boulevard and Power Plant Parkway areas.
- **Safe and Clean Community ~ \$11,814,922:** *ensuring that all Hampton citizens and businesses are safe, healthy and secure in their persons and property.* This category includes: the acquisition and demolition of blighted property; commercial blight abatement; public safety equipment replacement/upgrades such as personal protection equipment, various fire and rescue equipment and tools, police vehicles and cameras; jail maintenance; and the design of the 911/Emergency Operations Center and police firing range.

*A complete schedule of capital improvement projects can be viewed online in the FY22 Manager's Recommended Budget under the "Capital Budget" section. See the "Additional Information" section of this publication.*



## HOW \$1 OF REVENUE IS SPENT



## ADDITIONAL INFORMATION

Additional information regarding the FY22 Manager's Recommended Budget can be obtained by calling the City Manager's Office-Budget Division at (757) 727-6377 from 8:00 a.m. to 4:30 p.m., Monday through Friday. Additional copies of the FY22 Manager's Recommended Budget-In-Brief can be obtained at no cost. Copies can also be found at all branch libraries.

- Main Branch Library, 4207 Victoria Boulevard, (757) 727-1154
- Northampton Branch Library, 936 Big Bethel Road, (757) 825-4558
- Phoebus Branch Library, 1 South Mallory Street, (757) 727-1149
- Willow Oaks Branch Library, 227 Fox Hill Road, (757) 850-5114

**Internet Access:** The FY22 Manager's Recommended Budget and Budget-In-Brief may be viewed online at <http://www.hampton.gov/budget>.