



Glossary

"Start your engines! I choose to invest in Hampton and drive Langley Speedway ahead full-throttle."

Bill Mullis

OWNER, LANGLEY SPEEDWAY



28. Glossary

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The City of Hampton's annual budget is structured to be easy to understand and meaningful to the general public and organizational users. This glossary is provided to assist those who are unfamiliar with budgeting terms or terms specific to Hampton's budgeting process.

- A -

AAA+ Bond Rating – This bond rating indicates that the organization has extremely strong capacity to meet its financial commitments and represents the highest rating. This is the highest credit rating that a government agency may receive from the three major independent rating agencies (Standard & Poor's, Moody's, and Fitch).

Accounting System – The total set of records and procedures which are used to record, classify and report information on the financial status of an entity or Fund.

Accrual Basis of Accounting – The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

Accrued Payroll – The City pays its employees on a bi-weekly basis during the fiscal year which begins July 1st and ends June 30th. For General Fund departments, any paydays within the first pay period of the fiscal year that relate to the month of June are (accrued) charged back to the closing fiscal year. The total amount accrued is charged against these budgeted funds instead of the individual department's personnel services category. This satisfies the principles of the modified accrual basis of accounting that is utilized by the City.

Actual – Denotes factual revenue or expenditure totals for a given period, as opposed to "Budget" which denotes estimates for a given period.

Ad Valorem Taxes – General property taxes levied on the assessed valuation of real and personal property.

Adopted Budget – The adopted budget reflects approved tax rates and estimates of revenues, expenditures, transfers and departmental goals, service descriptions, performance measures.

Adoption of Budget – A formal action by the City Council which sets the spending appropriations and limits for the fiscal year.

Allocation – An amount set aside by an agency in an appropriation or fund account for the use of another agency in carrying out the purpose of an appropriation.

American Rescue Plan Act – Federal legislation signed into law May 10, 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. This funding is intended to support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, to bolster government response to the COVID-19 emergency and its economic impacts.

Amended Budget – The adopted budget after it has been changed through fund transfers, carryovers, or increases to revenue enacted throughout the fiscal year.

Amortization – The process of reducing the value of either a loan or an intangible asset over the life of the loan or intangible asset.

Annual Budget – Total General Fund estimated revenues and appropriations.

Annual Comprehensive Financial Report – The complete annual financial report, prepared by an independent auditing firm, that provides detailed information on the City's financial position for a given period.



Appropriation – An authorization made by the legislative body of a government, which permits officials to incur obligations against, and to make expenditures of, governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Value – Refers to the value of all taxable real estate, as determined by the Assessor of Real Estate, within the geographic boundaries of the City, for tax calculation purposes.. Amounts included may be based on the estimate prior to actual appraisal.

Assessment Ratio – The ratio of same year property assessments to property sales.

Assets – Property and resources that have monetary value owned or held by the government.

Assigned Fund Balance – A Fund Balance classification that consists of funds intended to be used by the City for a specific purpose that is neither restricted nor committed. The governing body itself or an official such as the City Manager has the authority to assign amounts to be used for specific purposes. Assigned Fund Balance does not require a resolution.

Attrition – A method of achieving a reduction in personnel by not filling the positions that have become vacant due to resignation, reassignment, transfer, retirement or means other than layoffs.

Audit – A comprehensive investigation of the manner in which the government's resources were actually utilized. A financial audit is a review of accounting systems and financial information to determine how government funds were spent and if the expenditures were in compliance with the legislative body's appropriations.

Authorized Positions – Employee positions having official approval to be filled during the year.

- B -

Balanced Budget – All estimated sources of revenues, including uses of fund balances, equal all appropriations for the fiscal year. Sometimes a budget for which expenditures are less than income is also considered balance. An entity has a budget surplus if expenditures are less than revenues.

Base Budget – The cost of continuing existing levels of service in the current budget year.

Best Management Practices – A collection of structural practices and vegetative measurements which, when properly designed, installed, and maintained, will provide effective erosion and sedimentation control for all rainfall events up to and including a 24-year, 24-hour rainfall.

Board of Zoning Appeals – A 7-member body with two alternate members appointed by City Council and responsible for the review of variance request to the Zoning Ordinance and appeals of decisions by the Zoning Administrator for the city.

Bond – Interest bearing certificates of public indebtedness used primarily to finance capital projects. They evidence the issuer's obligation to repay a specified principal amount on a set maturity date, together with interest at a stated rate, or according to a formula which determines that rate.

Bond Anticipation Notes – A municipal note issued to obtain temporary or short-term financing for projects that will be repaid through the sale of bonds of a planned long-term bond issue.

Bond Rating – An evaluation performed by an independent rating service of the credit quality of bonds issued. Ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities.

Bonded Debt – The portion of indebtedness represented by outstanding bonds, including general obligation promissory notes, backed by the full faith and credit of the City and its taxing authority.



Budget (Operating) – A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

Budget Amendment – A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

Budget Calendar – A schedule of key dates or milestones in which the City management and City Council follow in the preparation, adoption, and administration of the budget.

Budget Document – The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Message – A message prepared by the City Manager explaining the proposed budget and the steps that are taken to achieve a balanced budget, strategies to achieve the City's goals, and highlighting the budget impacts and changes.

Budget Process – The series of steps involved in the planning, preparation, implementation, and monitoring of the City's Budget.

Budget Review Committee – A budget team established by the City Manager to assist with reconciling available resources, citizen or departmental expenditure requests, and the needs and goals of the City during the budget preparation process.

Budget Transfer – The transfer of an authorized budget dollar amount from one account or Fund to another, after the adoption of the annual budget.

Budgetary Basis – This refers to the basis of accounting used to estimate the financing resources and uses in the budget. Generally tends to be the accrual, modified or cash basis.

Budgetary Control – Control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within authorized appropriations limitations and available revenues.

Build America Bonds Subsidy – A type of municipal security, created under the 2009 American Recovery and Reinvestment Act (ARRA), designed to assist localities in raising funds for local infrastructure projects and lowering the borrowing costs for state and local bond issuers; thus, directing more funds towards construction projects that would, in return, generate jobs.

Business, Professional, and Occupational License – Business, Professional, and Occupational License refers to the license tax that is levied upon those doing business or engaging in a profession, trade, or occupation in the County.

- C -

Capital Assets – An asset costing \$50,000 or more with a useful life of more than five years.

Capital Budget – A plan of proposed major capital improvements, which are beyond the routine operation of the City, and the means of financing them. The capital budget is enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on a Capital Facilities Plan (CFP).

Capital Expenditures – Amounts appropriated to fund major capital improvements and economic development projects.

Capital Outlay – Expenditures which result in the acquisition of, or addition to, fixed assets.



Capital Improvement – Projects which purchase or construct capital assets. Typically, capital improvements include new street improvements, park development, land acquisition, major public facilities construction, and major maintenance/repair projects such as street resurfacing or public facilities modifications. The project may include design, permitting, environmental analysis, land acquisition construction, landscaping, site improvements, initial furnishings and equipment. The project cost must exceed \$50,000.

Capital Improvement Plan – A five-year expenditure plan that addresses the acquisition of property and equipment, new construction and other major improvements to existing public facilities, with the first year of the CIP being incorporated into the Manager’s Recommended Budget and the Council Approved Budget as the Capital Budget component for the respective fiscal year.

Capital Improvement Plan Fund – A fund used to pay for general municipal projects (excludes utilities). The money is derived from the real estate excise tax, interest, utility tax (1%) and the year-end cash surplus.

Capital Lease – A capital lease is similar to a loan agreement and is used for the purchase of a capital asset. Repayment is structured in installments with fixed terms and is non-concealable. Leased assets are capitalized as shown on the City of Hampton’s balance sheet as a fixed asset with a corresponding non-current liability (lease payable).

Capital Outlay – Capital Outlay is the general category in which funds are expensed for capital assets. Assets can include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items). Assets can also be intangible (e.g. easements and computer software). The cost and life-cycle of the asset depends upon the Fund in which the asset is procured and the purpose for which it is procured.

Capital Projects – Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a building or facility, with a life expectancy of more than ten (10) years. Also, it may include major maintenance or renovation of a current asset.

Capital Projects Fund – Governmental-type fund used to account for current financial resources and expenditures related to acquisition, construction, or repair of capital projects other than those financed by proprietary type (enterprise) funds.

Cash Basis – A basis of accounting in which transactions are recognized only when cash is received or paid.

Centum Cubic Feet – A volume of gas at standard pressure and temperature units of one hundred (100) cubic feet.

Chesapeake Bay Total Maximum Daily Load (TMDL) – Identifies the necessary pollution reductions of nitrogen, phosphorus, and sediment across Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia, and the District of Columbia, and sets pollution limits necessary to meet applicable water quality standards in the Bay and its tidal rivers.

City Council – The legislative branch of the City composed of these elected officials: one Mayor, one Vice-Mayor, and five Council members.

Committed Fund Balance – Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.

Community Development Authority – A specified area wherein infrastructure improvements to the area are financed through issuance of bonds paid off by owners of real estate in that area.



Community Development Block Grant and HOME Fund – Funds awarded to the City annually from the Department of Housing and Urban Development (HUD) which are used to supplement other resources in the implementation of the Healthy Neighborhoods Initiative.

Compensation – This budgeted line-item account houses the funds approved by Council for any compensation increases, including special incentives.

Comprehensive Plan – A long-term plan to control and direct the use and development of property in the City. It is also used to make strategic decisions regarding water and sewage lines, infrastructure, and roads.

Computer Aided Dispatch System – A system used that utilizes computer software to initiate calls for service, dispatch the appropriate public safety personnel to emergency situations, and monitor the status of resources in the field.

Contingency Reserve – An appropriation of reserved funds to cover unforeseen expenditures and emergencies.

Constitutional Officers – Elected officials whose positions are established by the Constitution of the Commonwealth or its statutes (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer).

Consumer Price Index – A statistical measure of change, over time, in the prices of goods and services in major expense grounds such as food, housing, apparel, transportation, and health and recreation typically purchased by urban consumers. Measures the purchasing power of consumers' dollars by comparing what a sample "market basket" of goods and services costs today with what the same sample market basket cost at an earlier date.

Contractual Services – Services rendered to a government by private firms, individuals, or other government agencies.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – Federal legislation signed into law March 27, 2020 to address the economic fallout of the COVID-19 pandemic in the United States. The CARES Act includes, among other things, monetary relief to support small business operations, direct payments to eligible Americans and workers, and grants to states and localities to assist with the financial impacts of the pandemic.

COVID-19 – Coronavirus Disease 2019 (COVID-19) is a new coronavirus first identified in Wuhan, China, in December 2019 that quickly spread into a worldwide pandemic.

- D -

Debt – Liability or obligation in the form of bonds, loan notes, or mortgages owed to another person(s) or government and required to be paid by a specific date.

Debt Limit – The maximum amount of money or other agreed upon value that a government is allowed to incur.

Debt Ratio – A comparative statistic illustrating the relationship between the issuer's outstanding debt and such factors as its tax base, population, or expenditures.

Debt Service – The amount of money necessary to repay the principal and interest on all long-term debt according to a predetermined payment schedule.

Debt Service Fund – The Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. Primary resources of



the Debt Service Fund are derived from transfers from the General Fund and the proceeds from the issuance of refunding bonds.

Defeasance – Rendering debt obligation null and void without the risk of prepayment penalties.

Deficit – The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

Department – A major budgetary unit of organization in the City that has been assigned overall management responsibility for an operation or a group of related operations and activities within a functional area. Departments are often comprised of one or more program reporting entities, or divisions, in one or more funds.

Depreciation – A systematic adjustment to book value of a capital asset to recognize the decline in value of an asset due to usage, passage of time, or other similar factors. Depreciation, while required for generally accepted accounting purposes, is not a budgetary type of expenditure since it does not involve commitments for future expenditures of monies.

- E -

Economic Development Fund – Capital funds derived primarily from land sales and rents, established for public improvement projects or purchases and acquisition of land in support of economic development efforts.

Effectiveness – An assessment of the degree in which predefined goals and objectives are met within a specific timeframe.

Efficiency Measure – The extent to which input (salaries, overhead, etc.) is minimized for a given level of output (programs/services), or outputs are maximized for a given level of inputs.

Employee Assistance Program – Provide assessment, counseling, and referral services designed to assist employees in resolving personal problems which may impair job performance, thereby enhancing productivity and reducing absenteeism and turnover.

Employee Benefits – Contributions made by the City to designated funds to meet commitments or obligations for employee fringe benefits. Included are the City's share of the cost of social security and the various pensions, medical, and life insurance plans.

Encumbrances – The commitment of appropriated funds to purchase now or in the future an item or service.

Enterprise Fund – A Fund whose income is derived from user fees charged to the general public. Examples of Enterprise Fund departments in the City are the Coliseum/Arts Commission, the golf courses, and the Hampton Roads Convention Center. These departments operate in a manner similar to private businesses.

Enterprise Zone – An area, designated by a local government, as ready for development or redevelopment. Businesses locating or expanding within the Zone are eligible for certain tax and economic development incentives.

Equal Employment Opportunity – A federal law banning the practice of employment discrimination based on race, religion, national origin, creed, sex, etc.

Equity – The excess of assets over liabilities generally referred to as fund balance.

Executive Management Team (EMT) – Comprised of the City Manager and two Assistant City Managers to promote and influence alignment across the organization and all departmental Directors.



Expenditures – An outflow of resources that results in a decrease in a Fund’s net assets. Expenditures, used with governmental-type Funds, are categorized as current expenditures, debt service, capital outlays, and other financing uses. Expenditures are recognized in the accounting period in which the Fund liability occurred, if measurable. There is an exception for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, which should be recognized when due.

Expense – Cost of goods or services.

- F -

Fats, Oils, and Grease – Provides information to prevent the introduction and accumulation of fats, oils, and grease, which can cause sanitary sewer blockages and obstructions into the City’s wastewater system.

Fees – A charge imposed on the beneficiary or recipient of a service provided by the City to help recover some or all of the costs incurred by the City in providing the service.

Federal Emergency Management Agency – A federal agency within the U.S Department of Homeland Security whose mission is to reduce loss of life, property, and protect our nation’s critical infrastructure from all types of hazards through a comprehensive risk-based emergency management program of mitigation, preparedness, response, and recovery.

Fiduciary Funds – Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other government units; i.e. pensions and other employee benefits.

Fines and Forfeitures – Revenue received from forfeitures and authorized fines such as library and parking violation fines.

Fiscal Year – The twelve-month period of the budgetary year. The fiscal year for the City of Hampton’s budget begins on July 1st and ends on June 30th of the following year.

Fixed Assets – Assets of long-term nature intended to continue to be held or used. Examples include buildings, land, machinery, furniture, and other equipment.

Fixed Costs – Costs that do not change from month to month such as vehicle replacement, fuel, and vehicle maintenance.

Fringe Benefits – Contributions made by a government to meet obligations for employee benefits such as health insurance, pension plans, FICA, etc.

Full-Time Equivalent (FTE) – An employee’s scheduled hours equaling an employer’s hours for a full-time work week.

Fund – A self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

Fund Accounting – The accounts of the City are organized based on funds, departments, and programs (budgetary units) and are used to demonstrate legal compliance and to aid in financial management by segregating financial transactions of various City functions and activities.

Fund Balance – Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

Fund Type – In governmental accounting, there are three broad types of funds with specific funds within each. They are: 1) Governmental: General, Special Revenue, Debt Service, Capital Projects; 2)



Proprietary: Enterprise, Internal Service; and 3) Fiduciary: Expendable Trust, Non-Expendable Trust, Agency.

- G -

General Bonded Debt – A long-term debt obligation that is backed by the “full faith and credit” pledge of the City’s General Fund revenues.

General Fund – Governmental-type fund through which all revenues and expenditures are accounted if not specifically allocated by law or contractual agreement to another specific fund. The General Fund is the main operating fund of the City.

General Obligation Bonds (GO Bond) – A certificate of debt issued by a government in which the payment of the original investment plus interest is guaranteed and secured by the full faith and credit of the government. Issuance of these bonds usually requires voter approval.

General Obligation Debt - Indebtedness whereby the general taxing power of the jurisdiction is pledged to repay both the principal and interest associated with the debt.

General Property Taxes – A category of revenue from taxes levied on property located in or owned by the residents and businesses of the City of Hampton. This includes taxes on real and personal property, motor vehicles, mobile homes, intangibles, and equipment.

Generally Accepted Accounting Principles – The standard rules and procedures set to account for the receipt and expenditure of funds.

Goals – An intended accomplishment based on critical issues identified both by the City management and the City Council.

Government Finance Officers Association – Association that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Governmental Accounting Standards Board – A body that established accounting principles for both state and local governments.

Governmental Funds – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grant – A contribution of assets by one governmental unit or other type of organization to another; typically, to local governments from the state and federal governments usually for specified purposes.

- H -

Hampton Employees Retirement System (“HERS”) Contribution – HERS is a City provided retirement plan that was designed to supplement the retirement of those City employees eligible for participation in the Virginia Retirement System (“VRS”). HERS covers all full-time salaried employees who were first hired prior to July 1, 1984. The City is required to contribute an actuarially determined amount.

Hampton Comprehensive Plan – This document is an update of the 1998 Strategic Plan and the 2010 Comprehensive Plan adopted by City Council in 1989 to provide a foundation for other City policy, planning, and budgeting initiatives.

Hospitalization Insurance (Self-Insured) – The City offers one medical plan to all eligible, active employees and is supported by the City and its subscribers. Eligible retirees have coverage through a



Medicare Advantage Plan. Vision and dental plans are offered by the City to eligible employees and retirees with all premiums paid in full by the enrollee through payroll deductions.

- I -

Indirect Costs – A cost necessary for the funding of the government as a whole but which cannot be directly assigned to one service or program area.

Infrastructure – The structural underlying framework for physical assets such as streets, bridges, and buildings.

Intergovernmental Revenues – Revenues received from another government entity, such as the state or federal government.

Internal Control – A plan of organization for purchasing, accounting, and other financial activities, that include, but is not limited to: Employees' duties are assigned so that no single employee handles a financial action from beginning to end. Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed. Records and procedures are arranged appropriately to facilitate effective control.

Internal Service Charges – Charges to user departments for internal services provided by another governmental department.

Internal Service Fund – A proprietary Fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis. While accounted for on a similar basis as a private business, the Internal Service Fund comprises Risk Management, Fleet Management, Fleet Equipment Replacement, and Information Technology departments.

- K -

Kilowatt-hours – A measure of electrical energy equivalent to a power consumption of 1,000 watts for one (1) hour.

- L -

Land Book Value – The value assigned to property located within the City based on the Assessor's assessments, as exchanged by the Board of Equalization of Real Estate Assessments, and certified by the Commissioner of the Revenue.

Law Enforcement Officers ("LEOs") Supplemental Retirement – A 0.15% retirement supplement for all eligible, hazardous-duty service in addition to the standard supplemental pay.

Levy – To impose taxes, special assessments, or service charges for the support of government activities.

Liability – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Licenses and Permits – Fees collected for the issuance of licenses and permits such as business licenses and sign permits.

Life Insurance – All eligible, permanent full-time employees of the City of Hampton are automatically covered, from the first day of employment, under the basic group life insurance program for Virginia Retirement System ("VRS") members and retirees. The premium costs are calculated as a percentage of the employee's annual salary. The group life insurance rate is approved by the Virginia Governor and General Assembly.



Line Item Budget – A budget that lists each expense category separately along with the dollar amount budgeted for each specified category.

Line-of-Credit – Utilized to quickly take advantage of an opportunity to purchase physical assets such as real property.

Line-of-Duty Act – Applies to any first responder or public safety employee who dies or becomes disabled in the line of duty as mandated by Virginia Code Section 9.1-400. The plan, a component of the Virginia Retirement System (“VRS”), will provide death benefits and continued health insurance coverage to disabled persons, their spouses, dependents and surviving spouses and dependents of deceased law enforcement officers and firefighters.

Literary Fund Loan – Funds authorized by the Code of Virginia 22.1-146 to be loaned to local School Boards by the Virginia Board of Education for the purpose of erecting, altering or enlarging school buildings; purchasing and installing educational technology equipment and infrastructure; equipping school buses for alternative fuel conversions and construction of school bus fueling facilities; and refinancing or redemption of indebtedness or obligations incurred by a locality on behalf of a school division.

Local Revenues – Total of all General Fund revenues, excluding state revenues and federal aid.

- M -

Major Fund – Expenditures/expenses of the individual Governmental or Enterprise Fund equaling at least 10 percent of the corresponding total (assets, liabilities, etc.).

Materials and Supplies – An object series that includes expendable materials and operating supplies necessary to conduct departmental operations.

Measures – A structured statement that describes how actual outcomes and outputs are measured against planned outcomes and outputs. All measures should be aligned with and gauged by organizational goals.

Merit Increase – A salary increase within the pay range of a class to which an employee is assigned. Merits are awarded based on job performance in accordance with the city’s performance appraisal program.

Miscellaneous Revenue – All revenue received, not otherwise classified into another line item, such as interest, concessions, and rental of property/equipment.

Mission Statement – A broad, high-level statement of purpose for a department/division that defines the department’s fundamental purpose, where there is a close relationship between the description of services provided by the divisions and the planned outcomes.

Modified Accrual Basis – The accrual basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash; unless they are “measurable” and “available” to finance governmental operations or are of a material amount and were not received at the normal time of receipt.

Multi-Year Grant – A grant that affects the appropriation of funding beyond one fiscal year.

- N -

Net Bonded Debt – The unpaid and outstanding General Obligation Bonds of the City as of June 30.

Non-General Fund – A term describing all other Funds of the City excluding the General Fund.



Non-Major Fund – Monitor and track special purpose city activities; i.e., capital projects.

Nonspendable Fund Balance – A fund balance classification which includes items where the cash will not be realized until the next year such as inventory, long-term receivable, or a fund that is legally or contractually required to be maintained intact such as a permanent fund.

- O -

Object of Expenditure – Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include: 1. Personnel Services (salaries and wages) 2. Contracted services (utilities, maintenance contracts, travel) 3. Supplies and materials 4. Capital outlays

Operating Budget – Plans of current expenditures and the proposed means to finance them. The operating budget contains appropriations for such expenditures as salaries, fringe benefits, supplies, training, utilities, fuel, various services, repair and maintenance, rentals and leases, and capital outlay for various departments such as Police, Fire, Social Services, and Parks and Recreation.

Operating Transfers – All legally authorized appropriation transfers between funds (interfund) and within funds (intrafund) other than residual equity transfers (Fund Balance) to the appropriate expenditure item.

Ordinance – An ordinance becomes the local law of the City of Hampton if adopted by the City Council. If the ordinance deals with matters of a general and permanent nature, it is considered a “coded ordinance” and included in the Hampton City Code. Non-coded ordinances deal with matters of a special nature.

Other Financing Sources – Non-operating revenue received to assist with financing City operations such as recoveries, gifts/donations, and the sale of surplus fixed assets.

Other Fringe Benefits – Miscellaneous fringe benefits, such as deferred compensation, included in the compensation package of City Council appointed positions.

Output Measure – Direct products of program activities measured in terms of the volume of work accomplished such as number of street signs fabricated, number of construction plans reviewed, or number of development cases processed.

- P -

Pay-As-You-Go – An apportionment of cash funding from the general revenue of the city to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing.

Penalties and Interest – Fees collected for violations or delinquent payments.

Performance Indicators – Quantitative and qualitative statistical information used to assess the success of a department in achieving their goals and objectives.

Permanent Full-Time – A staffing level measurement where one PFT is equal to one full-time position for an entire year.

Personal Property – A category of property, other than real estate, identified for purposes of taxation. It includes resident owned items, corporate property, and business equipment. Examples of personal property include automobiles, motorcycles, trailers, boats, airplanes, business furnishings, and manufacturing equipment.



Personnel Services – Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees as well as the fringe benefit costs associated with City of Hampton employees.

Projected – An estimation of revenues or expenditures based on past trends, current economic conditions, and future financial forecasts.

Property Tax – A tax levied on the assessed value of real, public utility, and personal property.

Property Tax Rate – The dollar amount applied to the assessed value of various categories of property used to calculate the amount of taxes to be collected. The tax rate is usually expressed as an amount per \$100 of assessed valuation.

Proprietary Fund – A fund category used to account for the business-type activities within a government. This category includes two fund types: enterprise fund and internal service fund.

Public Service Property – Property specifically designated for public service use, including property purchased or received as a gift by a government. Public Service Property includes real property and other property, such as computers, copiers, and cash registers.

- R -

Real Property – Real estate, including land and improvements (building, fencing, paving) classified for purposes of tax assessment.

Reclassification – A reassignment of job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Recommended Budget – Each year, the City Manager submits a formal budget to City Council based on his or her recommendations and Council has the option to adopt as is or to modify and adopt.

Recovery Zone – An area of the City of Hampton that has significant poverty, unemployment, home foreclosures or general distress or that has already been federally designated as an Empowerment Zone or Renewal Community.

Recovery Zone Economic Development Bonds Subsidy – A bond created by the American Recovery and Reinvestment Act (ARRA) passed by the U.S. Congress in February 2009. The proceeds may be used to finance City projects with economic development outcomes and located in a Recovery Zone.

Recreation Fees – Charges for services provided to participants of Parks and Recreation Department classes, activities, and recreational sports.

Reserve – A portion of Fund Balance that is restricted for a special purpose.

Resolution – A resolution is a method of expressing the opinion or policy of the City Council about matters of administration. Resolutions are less formal than ordinances.

Resources – Total combined amount of beginning funds on hand and estimated revenues available for appropriation.

Restricted Fund Balance – A fund balance classification where the constraints placed on these funds are either externally imposed by creditors, grantors, laws or regulations of other governments or they are imposed by law through constitutional provisions or enabling legislation.

Revenue – The term designates an increase in a Fund's assets which does not increase a liability (e.g., proceeds from a loan), does not represent a repayment of an expenditure already made, does not represent a cancellation of certain liabilities, and does not represent an increase in contributed capital.



Revenue Bonds – A special type of municipal bond where repayment is solely from revenues generated from the facility providing a service.

Revenue Estimate – A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically, a future fiscal year.

Risk Management – The coordinated and continuous effort to minimize the potential financial and human resource loss arising from worker's compensation, liability, and property exposures.

- S -

School Funding Formula – An agreed upon formula to share specifically identified local revenues with the school system to both provide the locally required match to state funds and the additional local support beyond that minimum.

School Operating Fund – A special revenue Fund used to account for the revenues and expenditures of the Hampton City School System.

Separation Leave Pay – Employees who retire or separate from employment with the City of Hampton are entitled to receive payment for unused vacation and sick leave. Active employees who are eligible for separation benefits have an established maximum number of hours that can be paid out. For retirees, unused sick leave is paid based on an hourly rate equivalent to one-half of the employee's hourly rate on the date of separation up to the allowed maximum accrual payout.

Smart Scale – A Virginia Department of Transportation funding program that invests in projects that meet the most critical transportation needs in Virginia.

Social Security (FICA) – This is the employer portion of the Medicare tax obligations for all paid employees. Contributions are calculated utilizing the combined rate of Social Security and Medicare applied to a predetermined wage base.

Special Revenue Fund – Revenues in this Fund are restricted for a specific purpose. Examples of special revenue funds are the Community Development Block Grant (CDBG) Fund and the Economic Development Fund.

Statute – A written law enacted by a duly organized and constituted legislative body.

Strategic Plan – With broad direction provided by the Community Plan, this plan outlines the most effective ways for achieving its goals through different strategies, programs, and action plans.

Supplanting – Substituting one source of funding to augment reductions in funding by another agency. The city's policy of not supplanting federal, state or private funding reductions with local funding applies to grants, capital projects, or program revenues.

Supplemental Nutrition Assistance Program – Federal food stamp program that provides assistance to low- and no-income people and families living in the U.S. The program is administered by the U.S. Department of Agriculture with benefits distributed by the individual states.

- T -

Taxes – Compulsory charges levied by a government to finance services performed for the common benefit of all people.

Temporary Assistance to Needy Families – Federal assistance, requiring all participants to find work after receiving assistance for 24 months and must participate in community services within two months.

Total Estimated Revenues – Total General Fund estimated revenues, excluding state and federal revenues received exclusively for Hampton City School operations.



Transfer To – This term refers to the transfer of financial resources out of one Fund to another Fund. Typically, these transfers are from the General Fund to other Funds.

- U -

Unassigned Fund Balance – For the General Fund, amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

Undesignated Fund Balance – See definition for Unassigned Fund Balance.

Unemployment Insurance – The City of Hampton pays unemployment tax on the first \$8,000 of wages earned for each employee during a calendar year. The percentage rate applied is computed by the Virginia Department of Taxation.

Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future expenses.

Unrestricted Net Assets – An equity account that reflects the accumulated spendable earnings of any enterprise or internal service fund.

Useful Life – The length of time that a depreciable asset is expected to be useful.

User Charges – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

User Fees – Receipt of a fee for providing a direct and specifically identifiable service to a particular customer, e.g., building permit fee.

- V -

Variance – Compares the budget with the actual. The effort in government is to stay within budget and to avoid unfavorable variances, that is, where the actual collection or expense is out of line with the budget.

Virginia Retirement System – An agent and cost-sharing multiple-employer defined benefit pension plan administered by the Commonwealth of Virginia and offered to Virginia's public sector employees.

Virginia Retirement System Contribution – The City of Hampton contributes an actuarially determined amount to VRS which is an agent and cost-sharing multiple-employer defined benefit pension plan. All full-time, salaried employees of the City must participate in the VRS Plan. Members are required, by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual reported compensation to VRS.

- W -

Worker's Compensation (Self-Insured) – The City is exposed to various risks of loss related to torts; theft of, damages to and destruction of assets; error and omissions; injuries to employees and natural disasters. The City has an established Risk Management Fund (in the Internal Service Fund) to account for and finance its uninsured risk of loss along with the cost of providing insurance coverage such as automobile, general liability and workman's compensation. Since the City of Hampton is self-insured, this appropriation is essentially a General Fund Transfer to the Risk Management Fund to support this self-insured liability of the City.



- Y -

Year-End – The term is used in reference to the end of the fiscal year, for the City of Hampton, June 30th.

Year-to-Date – For the period that starts at the beginning of the fiscal year July 1st for the City of Hampton to the current date.





- A -

AAA	AAA Bond Rating
ACFR	Annual Comprehensive Financial Report
ACM	Assistant City Manager
ACS	American Community Survey
ADA	Americans with Disabilities Act
AFB	Assigned Fund Balance
ALS	Advance Life Support
ARPA	American Rescue Plan Act of 2021
ARRA	American Recovery and Reinvestment Act
AASHTO	American Association of State Highway and Transportation Officials

- B -

BABS	Build America Bonds Subsidy
BAN	Bond Anticipation Notes
BID	Business Improvement District
BMP	Best Management Practice
BPOL	Business, Professional and Occupational License
BRC	Budget Review Committee
BZA	Board of Zoning Appeals

- C -

CADS	Computer Aided Dispatch System
CAP	Continuing Authorities Program
CARES ACT	Coronavirus Aid, Relief, and Economic Security Act
CCF	Centum Cubic Feet
CCTV	Closed-circuit television
CDA	Community Development Authority
CDBG	Community Development Block Grant Fund
CDL	Commercial Driver's License
CEARC	Citizens Engagement Advisory and Review Commission
CHDO	Community Housing Redevelopment Organizations
CIP	Capital Improvement Plan
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSA	Children's Comprehensive Services Act



- D -

DCR	Department of Conservation and Recreation
DEQ	Department of Environmental Quality
DMV	Department of Motor Vehicles

- E -

EAP	Employee Assistance Program
EDA	Economic Development Authority
EDF	Economic Development Fund
EEO	Equal Employment Opportunity
EMS	Emergency Medical Services
EOC	Emergency Operations Center
EPA	Environmental Protection Agency

- F -

FEMA	Federal Emergency Management Agency
FICA	Federal Insurance Contributions Act
FOG	Fats, Oils, and Grease
FOIA	Freedom of Information Act

- G -

GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFB	General Fund Balance
GFR	General Fund Operating Revenues
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GWI	General Wage Increase

- H -

HART	Hampton Animal Response Team
HCS	Hampton City Schools
HERS	Hampton Employees Retirement System
HIPAA	Health Insurance Portability and Accountability Act
HIRE	Hampton Information on Recruitment and Employment
HOME Fund	HOME Investment Partnerships Program Funds
HPD	Hampton Police Department
HRCC	Hampton Roads Convention Center



HRHA	Hampton Redevelopment and Housing Authority
HRIS	Human Resources Information System
HRSD	Hampton Roads Sanitation District
HSIP	Highway Safety Improvement Program
HSO	Health and Safety Officer
HUD	Department of Housing and Urban Development
HVAC	Heating, ventilation and air conditioning
- I -	
IDA	Industrial Development Authority
ISO	Insurance Services Office
- K -	
kWh	Kilowatt-hours
- L -	
LEO	Law Enforcement Officers
LODA	Line of Duty Act
- M -	
MRB	Manager's Recommended Budget
MUTCD	Federal Manual on Uniform Traffic Control Devices
- N -	
NASA	National Aeronautics and Space Administration
NCOA	National Change of Address
NFPA	National Fire Protection Association
NYCA	National Youth Sports Coaches Association
- O -	
OSHA	Occupation Safety and Health Administration
- P -	
PFT	Permanent Full-Time
PPE	Personal Protective Equipment
PPT	Permanent Part-Time
- R -	
RAIN	Resilient and Innovative Neighborhood
ROW	Rights-of-Way



- S -

SNAP	Supplemental Nutrition Assistance Program
SOP	Standard Operating Procedures
SRO	School Resource Officer
STEM	Science, Technology, Engineering and Math
SWMF	Stormwater Management Fund
SWAT	Special Weapons and Tactics

- T -

TANF	Temporary Assistance to Needy Families
TMDL	Total Maximum Daily Load

- U -

USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture

- V -

VAWA	Violence Against Women's Act
VCIN	Virginia Criminal Information Network
VDEQ	Virginia Department of Environmental Quality
VDOT	Virginia Department of Transportation
VJCCCA	Virginia Juvenile Community Crime Control Act
VOIP	Voice Over Internet Protocol
VRS	Virginia Retirement System

- W -

WAE	When Actually Employed
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