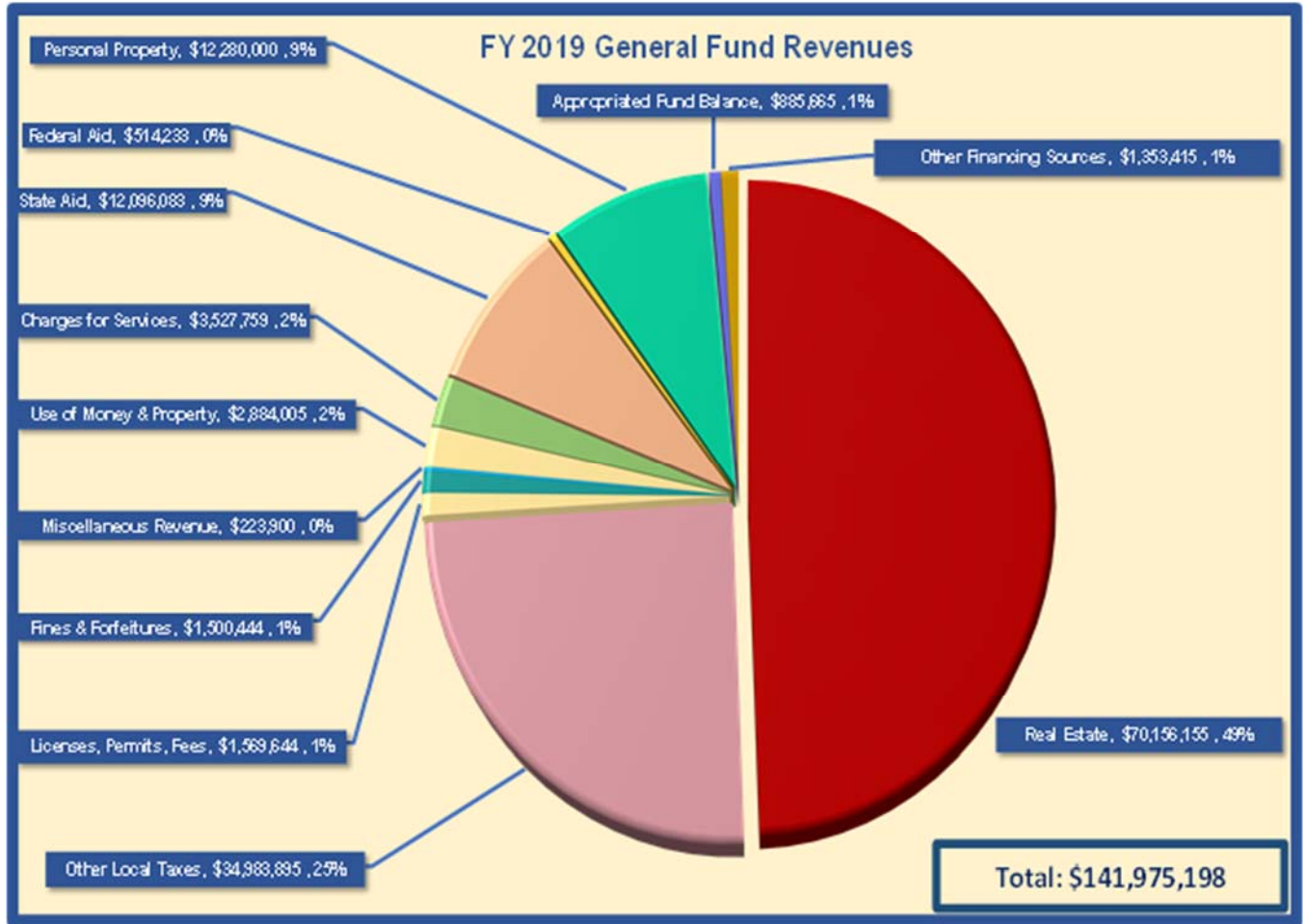


GENERAL FUND REVENUE OVERVIEW

FY 2019 Adopted Budget – City of Fairfax, Virginia

The following pie chart provides an overview by category of General Fund revenue sources for the City of Fairfax FY 2019 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$885,665** is funded by the estimated FY 2018 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **11.7 percent (\$16.0m)** of adopted General Fund revenues.

FY 2019 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted	Variance to Budget \$	Variance to Budget %
General Property Taxes							
311110	Real Estate Current December	\$ 30,567,148	\$ 30,407,182	30,561,559	31,814,201	\$ 1,407,019	4.63%
311111	Real Estate Current June	30,103,036	31,227,520	31,224,632	32,144,077	916,557	2.94%
311112	Real Estate Old Town - June	94,645	97,952	95,417	99,355	1,403	1.43%
311113	Delinquent Real Estate	788,567	889,165	48,226	448,000	(441,165)	-49.62%
311114	Real Estate Old Town - December	95,326	97,952	98,768	99,355	1,403	1.43%
311116	Delinquent R/E Old Town District	2,249	5,033	3,213	5,000	(33)	-0.66%
311119	Delinquent R/E Commercial	25,013	58,586	13,294	24,000	(34,586)	-59.03%
311120	Stormwater Fund Tax	1,389,593	1,488,761	1,566,066	1,664,312	175,551	11.79%
311121	Comm. Real Estate Tax Rate Trans. - June	940,552	1,008,336	956,075	1,087,149	78,813	7.82%
311122	Comm. Real Estate Tax Rate Trans. - Dec	901,672	977,563	986,355	1,077,707	100,144	10.24%
311210	Personal Property Current	10,895,367	10,875,363	11,371,453	11,620,000	744,637	6.85%
311213	Delinquent Personal Property	549,509	831,985	321,145	400,000	(431,985)	-51.92%
311311	PSC R/E Current	1,121,840	1,125,000	1,118,464	1,125,000	-	0.00%
311312	PSC PP Current	262,785	260,000	245,502	260,000	-	0.00%
311313	PSC R/E Delinquent	2,149	-	(9,787)	-	-	0.00%
311410	Penalties on Delinquent Taxes	325,995	388,000	292,052	353,000	(35,000)	-9.02%
311411	Interest on Delinquent Taxes	171,880	180,000	164,548	215,000	35,000	19.44%
Total General Property Taxes		\$ 78,237,326	\$ 79,918,396	\$ 79,056,980	82,436,155	\$ 2,517,758	3.15%
Other Local Taxes							
312010	Local Sales & Use Tax	\$ 11,276,435	\$ 11,589,000	\$ 11,322,225	11,400,000	\$ (189,000)	-1.63%
312011	Consumers Utility Tax	1,524,189	1,600,000	1,556,318	1,579,795	(20,205)	-1.26%
312012	Business & Occupational Licenses	8,698,368	8,930,000	8,947,235	9,000,000	70,000	0.78%
312013	Motor Vehicle Licenses	733,769	700,000	742,563	760,000	60,000	8.57%
312014	Recordation Tax	420,295	500,000	399,328	420,000	(80,000)	-16.00%
312015	Bank Franchise Tax	2,121,337	1,899,500	2,300,000	2,300,000	400,500	21.08%
312016	Tobacco Tax	807,025	839,512	752,293	732,000	(107,512)	-12.81%
312017	Transient Lodging Tax	709,335	800,000	748,743	760,000	(40,000)	-5.00%
312018	Meals Tax	5,972,064	6,000,000	5,892,064	5,900,000	(100,000)	-1.67%
312020	911 Emergency Tax	-	-	-	-	-	0.00%
312021	Consumption Tax	102,139	110,000	101,387	110,000	-	0.00%
312024	Communication Taxes	2,145,207	2,200,000	2,090,733	2,022,100	(177,900)	-8.09%
Total Other Local Taxes		\$ 34,510,163	\$ 35,168,012	\$ 34,852,889	34,983,895	\$ (184,117)	-0.52%

FY 2019 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted	Variance to Budget \$	Variance to Budget %
Licenses, Permits & Fees							
313202	Building Permits	\$ 196,848	\$ 230,000	\$ 230,000	350,000	\$ 120,000	52.17%
313203	Electrical Permits	123,716	100,000	120,543	80,000	(20,000)	-20.00%
313204	Plumbing Permits	83,016	80,000	84,487	70,000	(10,000)	-12.50%
313205	Mechanical Permits	136,145	100,000	172,747	80,000	(20,000)	-20.00%
313206	Elevator Inspection	56,124	58,000	57,801	58,000	-	0.00%
313225	Rental Housing Occupancy	3,300	2,000	2,050	2,500	500	25.00%
313226	Fire Marshal Permit	88,138	90,000	89,436	90,000	-	0.00%
313227	Fire Protection System Permit	38,459	40,000	44,330	50,000	10,000	25.00%
313231	Fire Marshal Development Fees	13,330	15,000	12,945	14,000	(1,000)	-6.67%
313233	Public Safety Fee	51,529	45,000	50,479	50,000	5,000	11.11%
313234	Reinspection Fees	3,872	2,500	3,782	3,000	500	20.00%
313240	State Levy - Construction Permits	-	-	334	-	-	0.00%
313308	Sign Permits	21,666	18,375	28,842	18,006	(369)	-2.01%
313309	Occupancy Permits	26,363	36,200	26,776	29,309	(6,891)	-19.04%
313310	Soil & Erosion Fees	10,898	11,550	12,430	11,515	(35)	-0.30%
313323	Zoning Fees	83,590	83,100	96,975	95,000	11,900	14.32%
313328	Special Use Permits	18,765	57,350	23,935	71,834	14,484	25.26%
313329	Variances	3,760	9,600	5,415	8,430	(1,170)	-12.19%
313411	Cemetery Interments	78,772	70,000	78,104	70,000	-	0.00%
313420	Street Opening Permits	52,800	50,000	88,188	50,000	-	0.00%
313440	Public Right of Way Use	200,992	190,000	189,406	213,050	23,050	12.13%
313510	Animal Licenses	9,320	12,000	10,430	12,000	-	0.00%
313512	Peddlers Permits	10,950	9,500	12,405	9,500	-	0.00%
313610	Cable TV	-	-	19,820	-	-	0.00%
313620	Transfer Fees	104,857	120,000	122,461	120,000	-	0.00%
313630	Cellular Comm	10,024	13,500	10,738	13,500	-	0.00%
Total Licenses, Permits & Fees		\$ 1,427,234	\$ 1,443,675	\$ 1,594,859	1,569,644	\$ 125,969	8.73%
Fines & Forfeitures							
314001	Court Fines & Forfeitures	\$ 687,875	\$ 680,000	\$ 646,000	750,000	\$ 70,000	10.29%
314002	Parking Fines	114,149	110,000	121,310	125,000	15,000	13.64%
314003	Juvenile Court	588	-	1,124	-	-	0.00%
314005	Circuit Court Revenue	6,722	-	4,824	-	-	0.00%
314006	Court Facilities Fee	17,459	-	16,602	-	-	0.00%
314010	Zoning Civil Penalties	4,000	10,500	2,900	6,380	(4,120)	-39.24%
314011	Photo Red Light	420,677	720,000	532,064	532,064	(187,936)	-26.10%
314012	Jail Admin Fee	1,116	-	938	-	-	0.00%
314013	Courthouse Security	91,680	70,000	86,503	87,000	17,000	24.29%
Total Fines & Forfeitures		\$ 1,344,266	\$ 1,590,500	\$ 1,412,265	1,500,444	\$ (90,056)	-5.7%

FY 2019 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted	Variance to Budget \$	Variance to Budget %
Use of Money & Property							
315101	Interest on Investments	\$ 128,209	\$ 100,000	\$ 305,000	450,000	\$ 350,000	350.00%
315202	Rental - Old Town Hall	167,198	198,822	198,822	200,000	1,178	0.59%
315203	Rental - Green Acres	88,713	66,921	100,000	100,000	33,079	49.43%
315206	Rental - Schools	1,569,935	1,750,000	1,569,935	1,600,000	(150,000)	-8.57%
315208	Rental - Community Center	347,082	270,646	365,000	365,000	94,354	34.86%
315209	Rental - Main Street Day Care	33,696	36,440	36,973	39,005	2,565	7.04%
315211	Rental - Blenheim	66,617	65,278	65,278	65,000	(278)	-0.43%
315213	Rental - Ball Fields	58,665	65,000	65,720	65,000	-	0.00%
Total Use of Money & Property		\$ 2,460,115	\$ 2,553,107	\$ 2,706,728	2,884,005	\$ 330,898	12.96%
Charges for Services							
316110	Court Fees	\$ 5,803	\$ 5,000	\$ 4,711	5,000	-	0.00%
316220	Sale of Record Copies	2,890	4,000	2,887	4,000	-	0.00%
316221	False Alarm Fees	17,300	25,000	7,450	18,000	(7,000)	-28.00%
316223	Ambulance Fees	1,004,137	930,000	1,026,543	1,030,000	100,000	10.75%
316225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	2,095	3,000	1,870	2,500	(500)	-16.67%
316245	FFX Water	61,579	61,580	61,580	61,580	-	0.00%
316346	Community Programming	43,508	50,000	59,933	60,000	10,000	20.00%
316347	Sherwood Programming	255,089	200,000	275,000	275,000	75,000	37.50%
316348	Green Acres Programming	63,133	75,000	63,000	70,000	(5,000)	-6.67%
316349	Senior Programs	81,759	85,000	85,000	85,000	-	0.00%
316350	Rec Youth	5,372	-	4,981	-	-	0.00%
316351	Day Camps	581,603	530,000	572,218	575,000	45,000	8.49%
316352	Pavilion Rentals	25,071	25,000	31,988	25,000	-	0.00%
316353	Cultural Arts	5,000	5,000	4,026	5,000	-	0.00%
316354	Special Events	201,883	260,000	255,445	250,000	(10,000)	-3.85%
316355	Museum Revenue	954	1,500	885	1,000	(500)	-33.33%
316356	Museum Gift Shop	11,499	14,500	11,667	11,500	(3,000)	-20.69%
316357	Show Mobile Revenue	3,151	4,000	5,189	4,000	-	0.00%
316459	General Sales	-	-	311	-	-	0.00%
316460	Sale of Publications	35	35	20	35	-	0.00%
316461	Subdivision Review Fees	6,623	18,600	11,667	16,679	(1,921)	-10.33%
316462	Site Plan Review Fees	52,370	85,000	39,811	85,000	-	0.00%
316463	Architectural Review	3,768	5,880	3,885	4,000	(1,880)	-31.97%
316464	Tree Removal Permit	2,324	2,020	2,370	1,713	(307)	-15.20%
316466	Surety Review	15,684	14,000	17,320	13,559	(441)	-3.15%
316467	Mapping Sales	-	500	-	500	-	0.00%
316570	School Age Child Care	635,693	642,805	635,693	635,693	(7,112)	-1.11%
316580	Returned Check Fees	1,665	2,000	1,907	2,000	-	0.00%
316585	Administrative Fees	6,530	3,000	6,054	6,000	3,000	100.00%
316586	Collection Fees	16,396	8,000	14,074	15,000	7,000	87.50%
316811	Inspection Fees After Hours	51,050	30,000	41,250	40,000	10,000	33.33%
Total Charges for Services		\$ 3,388,964	\$ 3,315,420	\$ 3,473,735	3,527,759	\$ 212,339	6.40%

FY 2019 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted	Variance to Budget \$	Variance to Budget %
Miscellaneous Revenue							
318102	Sale of Surplus Property	\$ 127,143	\$ 70,000	\$ 135,824	70,000	\$ -	0.00%
318104	Sale of Cemetery Lot	39,744	40,000	65,304	40,000	-	0.00%
318105	Perpetual Care - Cemetery	6,442	4,200	9,777	4,200	-	0.00%
318108	Sale of City License Plates	4,620	5,000	4,185	4,700	(300)	-6.00%
318109	Recycling Rebate	5,941	180,000	5,941	25,000	(155,000)	-86.11%
318201	Misc. Revenue	(3,207)	80,000	80,000	80,000	-	0.00%
318202	VMGSIA Grant Program	24	-	-	-	-	0.00%
318203	Police Seized Assets - State	-	-	-	-	-	0.00%
318207	Police Seized Assets - Federal	-	-	-	-	-	0.00%
Total Miscellaneous Revenue		\$ 180,707	\$ 379,200	\$ 301,031	223,900	\$ (155,300)	-40.95%
State Aid							
321103	Rolling Tax	\$ 308	\$ -	\$ 230	-	\$ -	0.00%
321104	State Aid Police	614,284	600,000	614,284	600,000	-	0.00%
321106	Vehicle Rental Tax	340,863	325,000	353,554	340,000	15,000	4.62%
321201	Commissioner of Revenue	143,277	146,000	145,028	148,000	2,000	1.37%
321202	Treasurer	96,313	100,000	101,308	110,000	10,000	10.00%
321203	Registrar /Electoral	41,810	50,000	41,810	50,000	-	0.00%
321204	DMV Reimbursement	71,670	72,000	69,599	72,000	-	0.00%
324201	State Sales Tax	3,565,247	3,808,756	3,507,846	3,442,149	(366,607)	-9.63%
324202	Basic School Aid	4,602,914	4,534,879	4,500,292	4,550,191	15,312	0.34%
324302	Four for Life Grants	31,416	25,000	25,000	25,000	-	0.00%
324323	Fire Equip Mini Grant	700	-	-	-	-	0.00%
324331	Asset Forfeiture	1,142	-	-	-	-	0.00%
324344	VDFP Aid to Localities	73,226	70,000	70,000	70,000	-	0.00%
324345	VDFP Education & Conference Grant	3,500	-	-	-	-	0.00%
324403	Street & Highway Maint.	2,638,338	2,637,152	2,669,418	2,682,743	45,591	1.73%
324405	Solid Waste Grant	6,192	6,000	6,038	6,000	-	0.00%
324411	Disaster Assistance State	21,713	44,030	8,233	-	(44,030)	-100.00%
324614	Arts Grant	-	-	400	-	-	0.00%
Total State Aid		\$ 12,252,913	\$ 12,418,817	\$ 12,113,040	12,096,083	\$ (322,734)	-2.60%

FY 2019 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted	Variance to Budget \$	Variance to Budget %
Federal Aid							
331005	Bulletproof Vest Grant	\$ 2,443	\$ 5,000	\$ 5,008	3,500	\$ (1,500)	-30.00%
331009	Alcohol Safety Grant	17,902	13,000	13,000	17,000	4,000	30.77%
331010	Gang Task Force Grant	9,857	-	-	-	-	0.00%
331011	FEMA Reimbursement	63,414	254,020	260,450	-	(254,020)	-100.00%
331013	Body Worn Camera Grant	28,878	-	-	-	-	0.00%
331018	NCR Regional Planner	45,953	145,000	150,277	95,801	(49,199)	-33.93%
331021	Speed Enforcement Grant	2,764	6,000	10,000	10,000	4,000	66.67%
331023	Byrne JAG Grant	1,266	1,400	1,726	1,500	100	7.14%
331024	Gang Task Force Vehicle reimbursement	-	8,800	9,641	8,800	-	0.00%
331039	Emergency Mgt Cable Grant	30,000	-	-	-	-	0.00%
331040	2016 SAFER Grant	-	130,000	27,398	109,598	(20,402)	-15.69%
331043	2014 SAFER Grant	-	-	309,221	185,534	185,534	0.00%
331044	AFG (Flammable Liquids, Paramedic, FMO)	179,706	-	150,300	-	-	0.00%
331046	LEMPG Grant	7,750	-	32,500	32,500	32,500	0.00%
331047	UASI EOC GRANT	-	147,781	-	-	(147,781)	-100.00%
331048	Volunteer & Citizens Corp	134,428	13,300	13,300	25,000	11,700	87.97%
331049	UASI Citizen Prep Grant	-	-	-	-	-	0.00%
331051	UASI Phone	-	-	-	-	-	0.00%
331052	UASI State	7,500	-	-	25,000	25,000	0.00%
331053	UASI Tech	39,539	-	-	-	-	0.00%
331054	LEMPG Community Resilience Grant	11,500	-	-	-	-	0.00%
331056	AFG (Leadership Development Institute)	91,305	-	109,566	-	-	0.00%
Total Federal Aid		\$ 674,205	\$ 724,301	\$ 1,092,387	514,233	\$ (210,068)	-29.00%
Other Financing Sources							
318282	Fairfax Little League	\$ -	\$ 10,000	\$ -	50,000	\$ 40,000	400.00%
318288	FPYC Turf Contribution	-	20,000	20,000	40,000	20,000	100.00%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	802,841	809,918	802,841	809,705	(213)	-0.03%
341010	Capital Lease Proceeds	-	-	-	-	-	0.00%
342030	Insurance Recoveries	125,040	70,000	70,000	70,000	-	0.00%
347360	Downtown Fund Transfer for Debt Service	93,500	275,936	275,936	363,710	87,774	31.81%
Total Other Financing Sources		\$ 1,041,381	\$ 1,205,854	\$ 1,188,777	1,353,415	\$ 147,561	12.24%
Total Revenues		\$ 135,517,274	\$ 138,717,282	\$ 137,792,691	141,089,533	\$ 2,372,251	1.71%
Total Appropriated Fund Balance							
	Repayment to General Fund	\$ -	\$ -	\$ -	\$ -	-	0.00%
	School Tuition Reserve	-	-	-	-	-	0.00%
	Use of Unassigned Fund Balance	-	-	-	-	-	0.00%
	Use of Prior Year's Surplus	-	1,329,389	8,635	885,665	(443,724)	-33.38%
Total Appropriated Fund Balance		\$ -	\$ 1,329,389	\$ 8,635	885,665	\$ (443,724)	-33.38%
Total Revenue Available		135,517,274	140,046,671	137,801,326	141,975,198	1,928,527	1.38%

FY 2019 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

Category	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	2018 Estimate	2019 Adopted
Real Estate	\$ 49,386,587	\$ 49,960,103	\$ 51,075,000	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 64,699,575	\$ 66,790,301	\$ 67,374,169	\$ 70,416,155
Personal Property	9,782,686	9,976,554	9,944,909	10,377,334	10,243,702	10,171,214	10,777,155	11,447,025	11,682,811	12,020,000
Sales Tax	10,644,035	9,907,063	10,200,696	10,263,955	11,580,673	11,181,816	11,283,271	11,276,435	11,322,225	11,400,000
BPOL	7,485,808	8,151,072	8,554,669	8,932,634	8,709,712	8,740,824	8,838,556	8,698,368	8,947,235	9,000,000
Meals Tax	4,654,170	4,938,869	5,252,922	5,553,975	5,703,399	5,771,329	5,918,534	5,972,064	5,892,064	5,900,000
Other Local Taxes	7,687,009	8,036,140	8,560,379	8,384,251	8,375,385	8,543,760	8,511,155	8,563,296	8,691,365	8,683,895
Licenses, Permits, and Fees	1,299,114	1,230,352	1,540,689	1,408,601	1,434,496	1,300,349	1,341,098	1,427,234	1,594,859	1,569,644
Fines & Forfeitures	919,482	1,041,172	1,288,331	1,148,262	1,113,719	1,233,802	1,232,773	1,344,266	1,412,265	1,500,444
Use of Money & Property	1,965,922	1,866,897	1,947,934	2,162,378	2,696,575	2,725,994	2,661,993	2,460,115	2,706,728	2,884,005
Charges for Services	2,507,399	2,878,252	3,176,925	3,249,168	3,049,479	3,304,373	3,387,913	3,388,964	3,473,735	3,527,759
Intergovernmental	10,878,733	10,358,222	10,837,393	11,318,838	11,480,641	11,854,303	12,101,966	12,927,118	13,205,428	12,610,316
Other Financing Sources / Misc.	4,513,438	1,076,776	1,245,630	1,152,263	1,043,308	1,460,877	1,741,602	1,222,088	1,489,808	1,577,315
Appropriated Fund Balance	-	282,265	1,926,941	-	1,260,278	1,164,306	-	-	8,635	885,665
Total Revenue	\$111,724,383	\$109,703,737	\$115,552,418	\$121,024,054	\$ 126,196,973	\$128,894,460	\$132,495,591	\$135,517,274	\$137,801,326	\$141,975,198

Major Revenue Sources

Real Estate Tax

Background

Each year, the City Assessor's Office appraises all **real property** in the City to determine its value for tax purposes. All assessments of real property, including land and permanently affixed structures, are based on **fair market value** and are equitable with the assessments of comparable properties. Real estate assessments, which are made each year by the Assessor's Office, are effective January 1 of the year and are at 100 percent of estimated fair market value. During the budget process, City Council determines how much income the City must generate to provide municipal services to residents. The Council then sets a tax rate that will yield the needed revenue. That tax rate multiplied by the assessed value of the property determines the taxes owed by each property owner. City taxes are paid twice a year - June 21 and December 5.

Fiscal Impact – Real Estate Tax Revenue

Category	FY 2018 Budget	FY 2019 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 65,705,628	\$ 67,763,590	\$ 2,057,962	3.1%
Base Real Estate Tax Rate	\$ 1.0350	\$ 1.0325	\$ (0.0025)	-0.2%
Stormwater Tax Rate	\$ 0.0250	\$ 0.0275	\$ 0.0025	10.0%
Total Real Estate Tax Rate	\$ 1.060	\$ 1.060	\$ -	0.0%

Category	FY 2018 Budget	FY 2019 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ 200,936	\$ 203,710	\$ 2,774	1.4%
Old Town Service District Tax Rate	6.0¢	6.0¢	-	0.0%

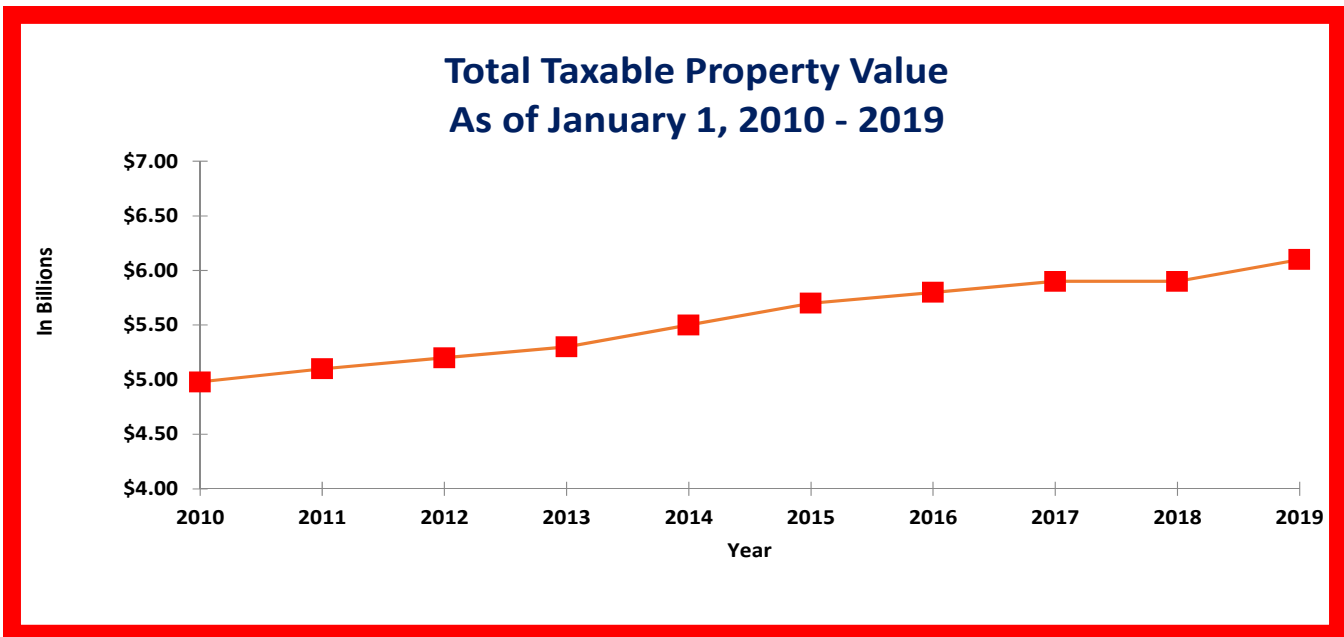
Category	FY 2018 Budget	FY 2019 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,044,484	\$ 2,188,856	\$ 144,372	7.1%
Commercial & Industrial Tax Rate	10.5¢	11.5¢	1¢	10.5%

Real property tax revenues account for the largest category of revenue for the General Fund, representing 50.1 percent of total General Fund revenues. For the FY 2019 Adopted Budget, the real estate tax rate remains flat at \$1.060, and includes 2.75¢ to be dedicated for the Stormwater Fund. The base rate was decreased 0.25¢ and the tax rate dedicated to stormwater increased 0.25¢. The Stormwater Fund revenues are dedicated to meet federal and state regulatory requirements along with maintenance of aging stormwater infrastructure. The FY 2019 Adopted Budget also increases the Commercial and Industrial tax rate by 1¢ to 11.5¢.

FY 2019 Adopted Budget – City of Fairfax, Virginia

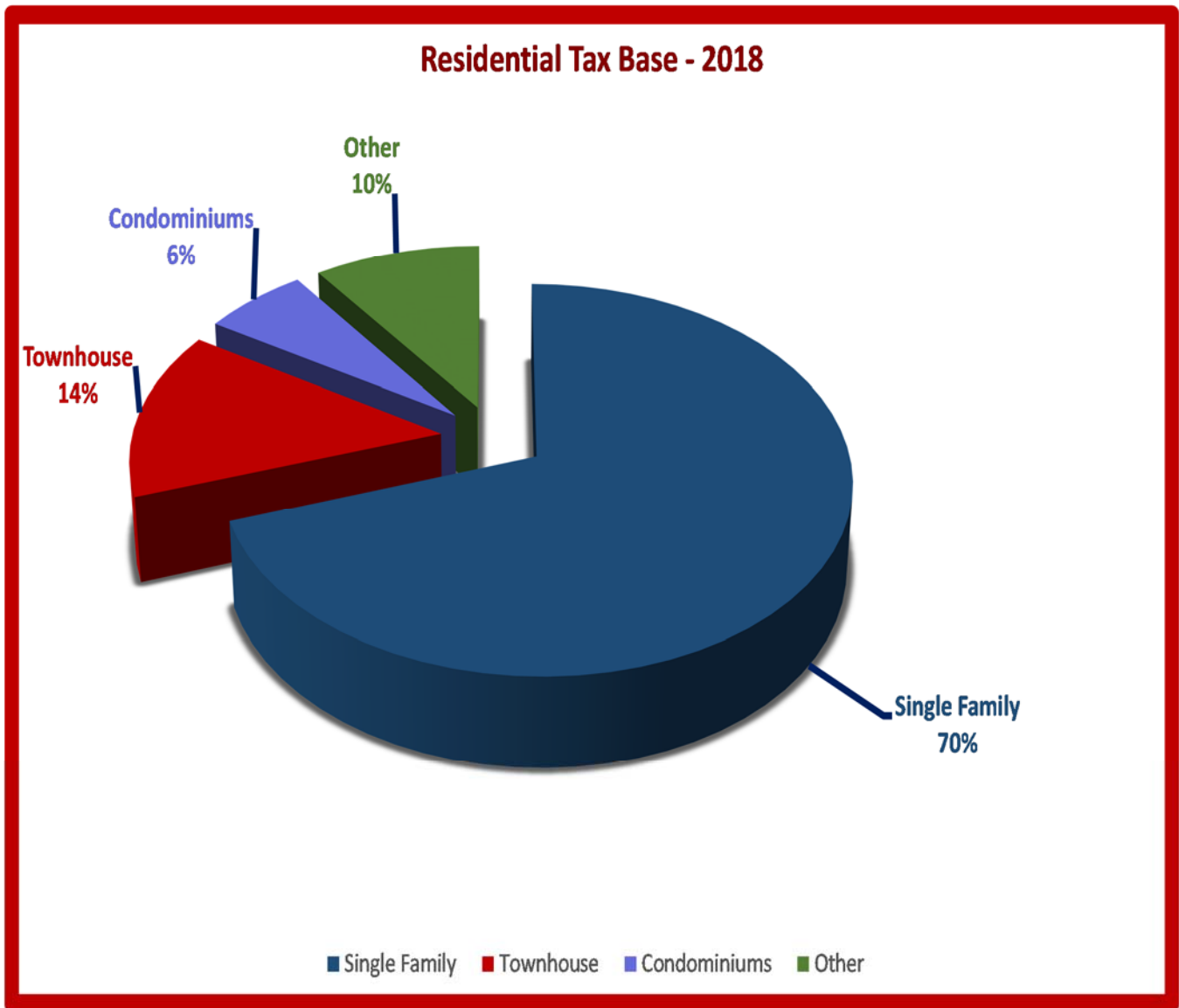
Total real estate assessments are up 1.9 percent, which includes new construction of \$105.9 million, compared to a 1.0 percent increase for the previous calendar year.

Assessments	CY 2017	CY 2018	Variance	
			\$	%
Residential	\$ 3,816,137,800	\$ 3,939,339,000	\$ 123,201,200	3.2%
Commercial	\$ 2,125,746,200	\$ 2,116,762,900	\$ (8,983,300)	-0.4%
Total	\$ 5,941,884,000	\$ 6,056,101,900	\$ 114,217,900	1.9%

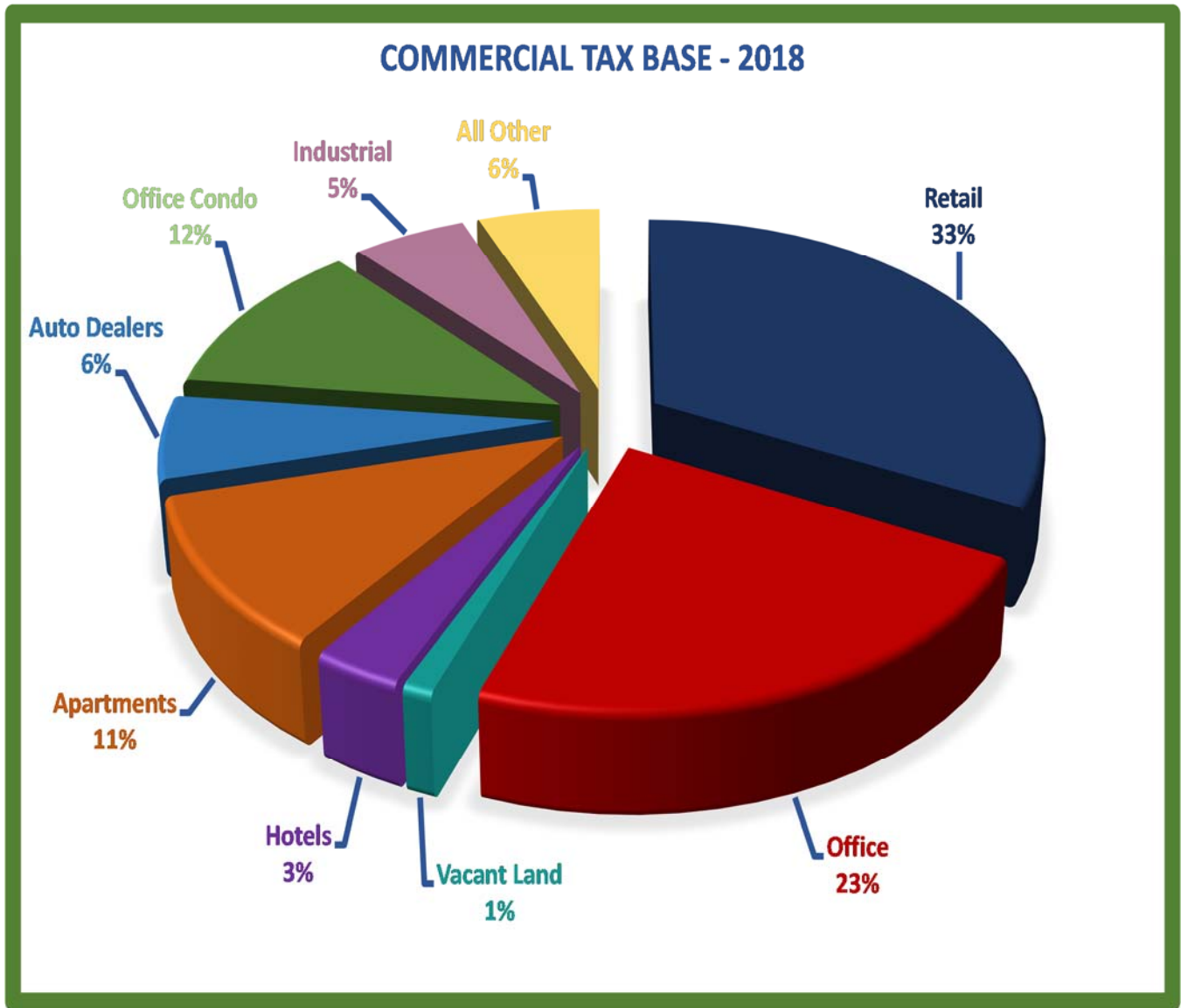


The calendar year 2018 total taxable value of City residential and commercial properties before appeals is \$6,056,101,900, an increase from last year’s total assessed value of \$114,217,900 (1.9%).

The overall residential assessment total, including new construction, has increased by 3.2 percent. The following notes the breakout by category for the residential tax base.



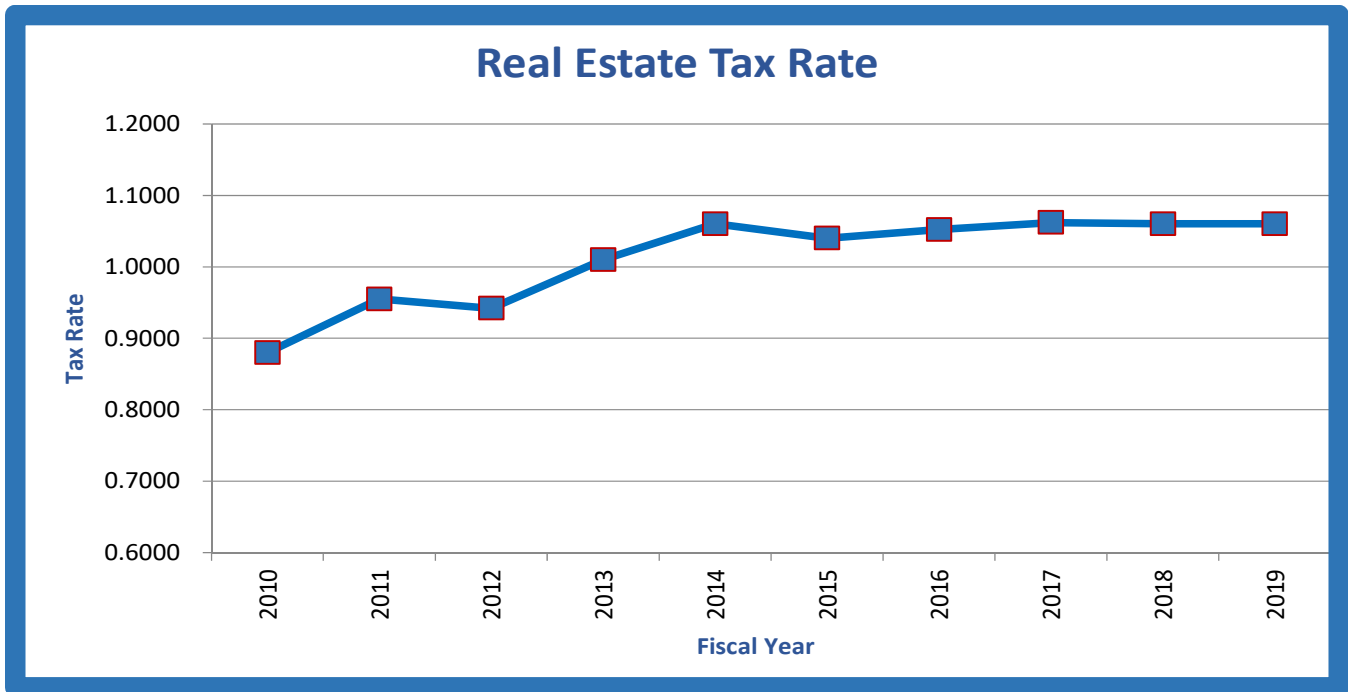
Commercial assessments decreased 0.4 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



The Old Town Service District tax remains at 6.0 cents per \$100 of assessed value. The revenue generated is used to provide additional government services to the Old Town Service District and to pay debt service on downtown infrastructure improvement.

As part of the FY 2010 Adopted Budget, the Transportation Tax Fund provided for a surcharge on commercial and industrial real estate properties at a rate of 8.0 cents per \$100 of assessed value. During the FY 2011 budget process, the City Council decreased this rate from 8.0 cents per \$100 of assessed value to 5.5 cents per \$100 of assessed value. The rate was increased to 7.5¢ for the FY 2016 budget, to 9.5¢ for the FY 2017 budget, and 10.5¢ for the FY 2018 budget. A 1¢ addition was adopted for FY 2019, increasing the rate to 11.5¢.

A historical review of the City’s Real Estate Tax Rate is below:



In comparing tax rates, it is important to keep in mind two factors often overlooked – levels of service vary from jurisdiction to jurisdiction, and for residents of area towns, a town tax is levied in addition to the county tax. Two large towns in our immediate area – Vienna and Herndon – known for similar levels of community services, levy real estate taxes of 22.5 and 26.5 cents per \$100 of assessed value (adopted fiscal year 2019 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate of \$1.06 remains flat compared to the FY 2018 rate. The base rate was decreased by 0.25 and the tax rate dedicated to stormwater increased 0.25¢. The average residential tax bill is expected to increase by 0.45 percent. The following chart provides an example of three residential assessed values:

**Impact of 2019 Real Estate Tax Rate
On Residential Property Owner’s Tax Bill at Various Values**

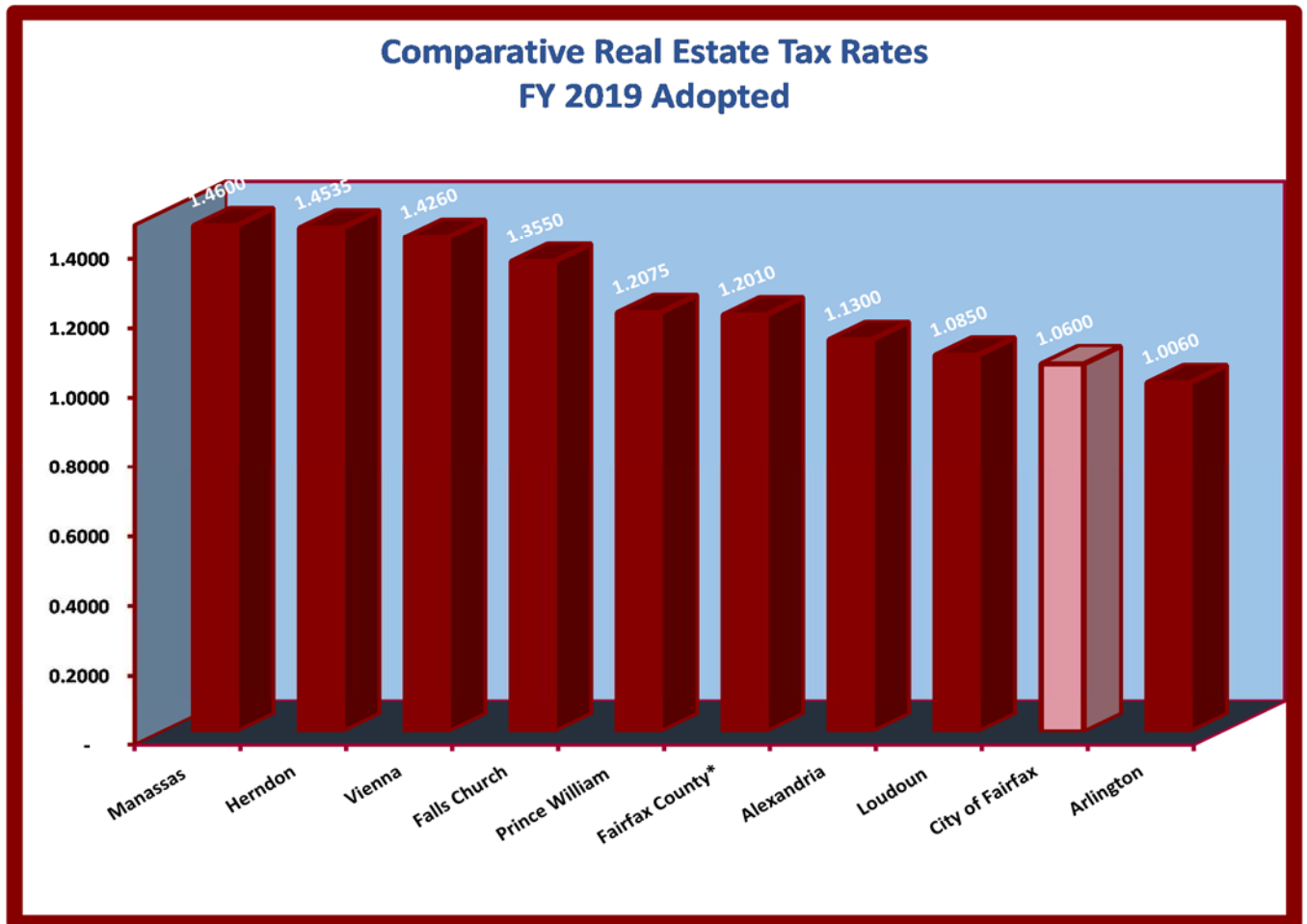
CY 17 Assessment	CY 17 Tax Rate	CY 17 Tax Bill	CY 18 Assessment	CY 18 Tax Rate	CY 18 Tax Bill	Change	
						\$	%
490,224	\$ 1.060	5,196	492,444	1.0600	5,220	24	0.45%
521,554	\$ 1.060	5,528	523,915	1.0600	5,554	25	0.45%
730,176	\$ 1.060	7,740	733,482	1.0600	7,775	35	0.45%

Note: average estimated increase in residential assessment of 0.45 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

FY 2019 Adopted Budget – City of Fairfax, Virginia

The real estate tax rate necessary to provide residential equalization, whereby the average homeowner would pay no more in taxes than in the prior year equates to \$1.0552 per \$100 of assessed value. This is 0.005¢ less than the adopted FY 2019 rate of \$1.060. The real estate equalization rate for residential and commercial properties combined is \$1.0585 per \$100 of assessed value, 0.002¢ less than the adopted FY 2019 rate of \$1.060.

FY 2019 adopted rates are for all of the surrounding jurisdictions, and are shown below for comparison.



*Fairfax County Rate includes Pest Management and Leaf Collection for most County residents

Personal Property Tax

Background

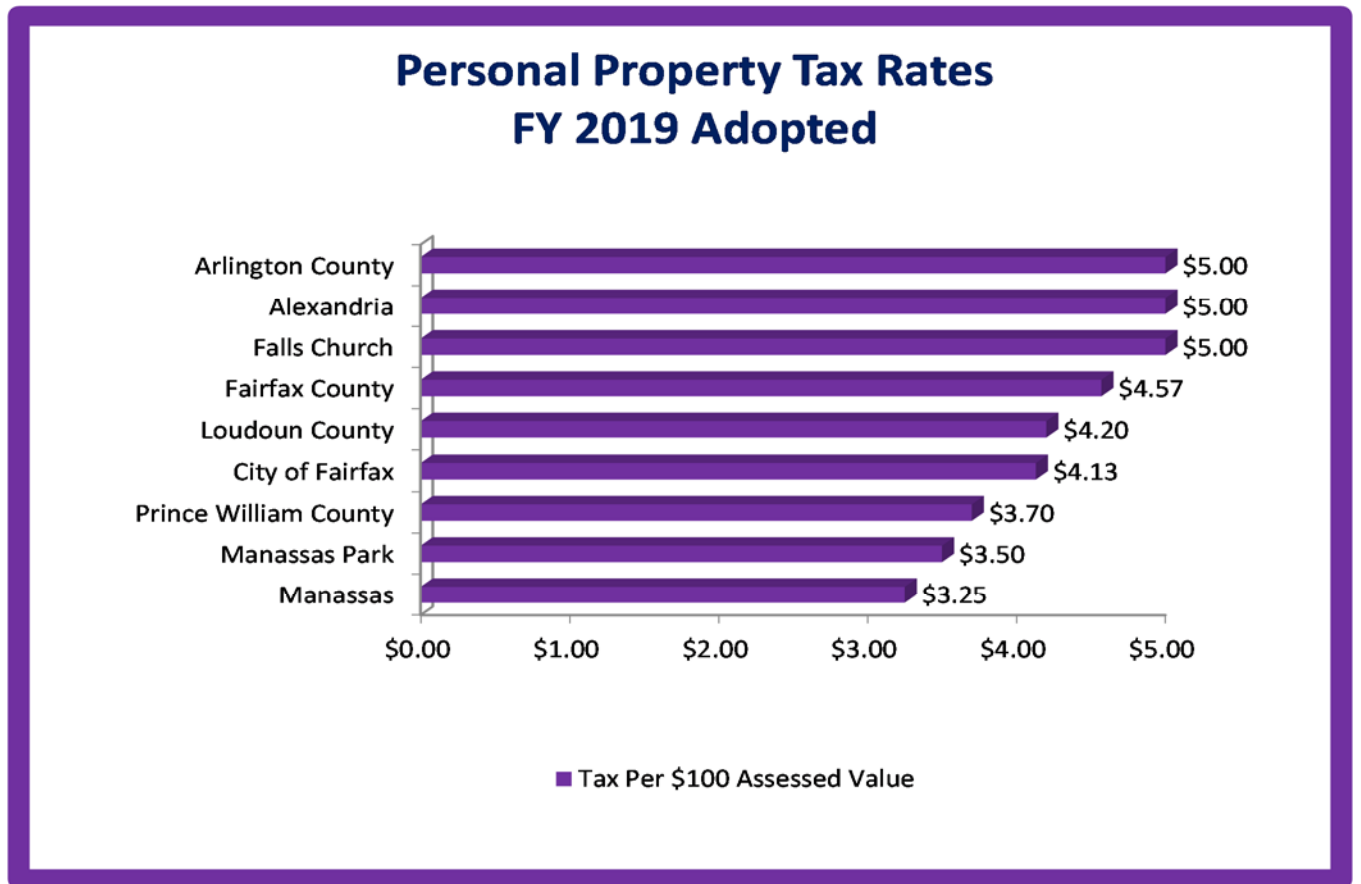
The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other personal property such as furniture and equipment located within the City boundaries. All such property is considered personal property. Additionally, the City imposes a Motor Vehicle License Tax for each vehicle and issues a vehicle license decal as proof that the license tax and personal property taxes have been paid.

The Commissioner of the Revenue determines the method of assessment for personal property and the City Council establishes the tax rate. The current personal property tax rate is \$4.13 per \$100 of assessed value. In addition to the personal property tax, all motor vehicles normally garaged in the City are required to display a Motor Vehicle License Decal. The Motor Vehicle License Tax is \$33.00 per annum and is administered directly by the City Treasurer. Before obtaining a decal, vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 47.4 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, the 2004 level of reimbursement. While in most cases a disproportionate amount of tax collected at local levels is disbursed to other areas of the state through means such as the composite index for education funding, in the case of personal property tax, a disproportionately larger amount is paid to Northern Virginia, because there are more and higher value cars in this area.

Fiscal Impact – Personal Property Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Personal Property Tax Revenue	\$ 11,447,025	\$ 11,707,348	\$ 11,682,811	\$12,020,000
Personal Property Tax Rate	\$4.13	\$4.13	\$4.13	\$4.13



The FY 2019 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2019 revenues are projected to increase 2.7% compared with the FY 2018 budget. The increase is based on current collection experience which is attributable to additional resources made available to the Treasurer’s Department to aid in collections.

Local Sales and Use Tax

Background

A sales tax is imposed on gross receipts from retail sales. The seller collects the tax from the customer by separately stating the tax and adding it to the sales price or charge. The local sales and use tax is 1.0%

Fiscal Impact – Local Sales and Use Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Local Sales & Use Tax Revenue	\$ 11,276,435	\$ 11,589,000	\$ 11,322,225	\$11,400,000

The local sales and use tax is one of the most important economic indicators and highest revenue generators for the City. These revenues are projected to remain flat in FY 2019 based on retail sales trends. As planned development comes online, local sales tax is projected to increase.

Business, Professional, and Occupational License (BPOL) Tax

Background

All businesses operating in the City of Fairfax must apply for an annual license with the Commissioner of the Revenue. Business license taxes are levied annually and are typically based on a business’s gross receipts. All new businesses must submit an application within 30 days of the start of operations. All business licenses expire at the end of each calendar year and must be renewed annually by **March 1**. Businesses in the City of Fairfax are taxed on either their gross receipts or a flat rate basis or both. Most businesses are taxed based on gross receipts. The BPOL tax rate is established annually by the City Council for each business category.

Fiscal Impact – BPOL Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
BPOL Tax	\$ 8,698,368	\$ 8,930,000	\$ 8,947,235	\$ 9,000,000

FY 2019 adopted BPOL tax revenues are predicted to remain flat due to the timing of the transition from the Fairfax Circle Shopping Center to the new Scout on the Circle development. Construction has begun on the Scout on the Circle development. Once this project comes online BPOL revenues are anticipated to increase.

Meals Tax

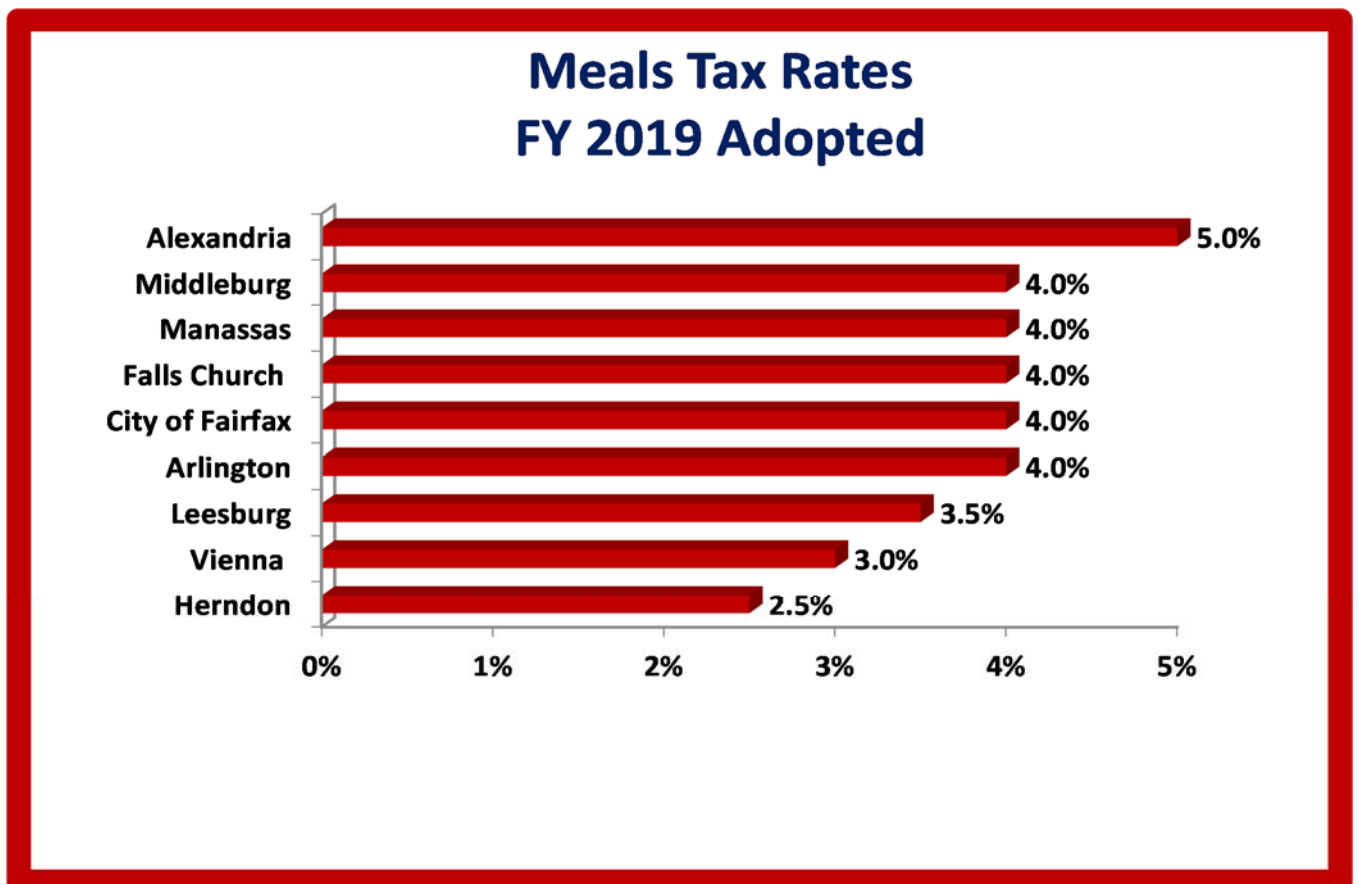
Background

The City of Fairfax imposes a **4%** tax upon all meals sold in the City by a restaurant or similar establishment.

Fiscal Impact – Meals Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Meals Tax Revenue	\$ 5,972,064	\$ 6,000,000	\$ 5,892,064	\$ 5,900,000
Meals Tax Rate	4%	4%	4%	4%

The City’s meals tax remains a stable source of revenue for the City. The FY 2018 revenue estimate is projected to remain flat from the FY 2017 actual, based on receipts for the first nine months of the current fiscal year. The FY 2019 projection remains flat as compared to the FY 2018 budget based on current trends and other economic indicators. As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.



Tobacco Tax

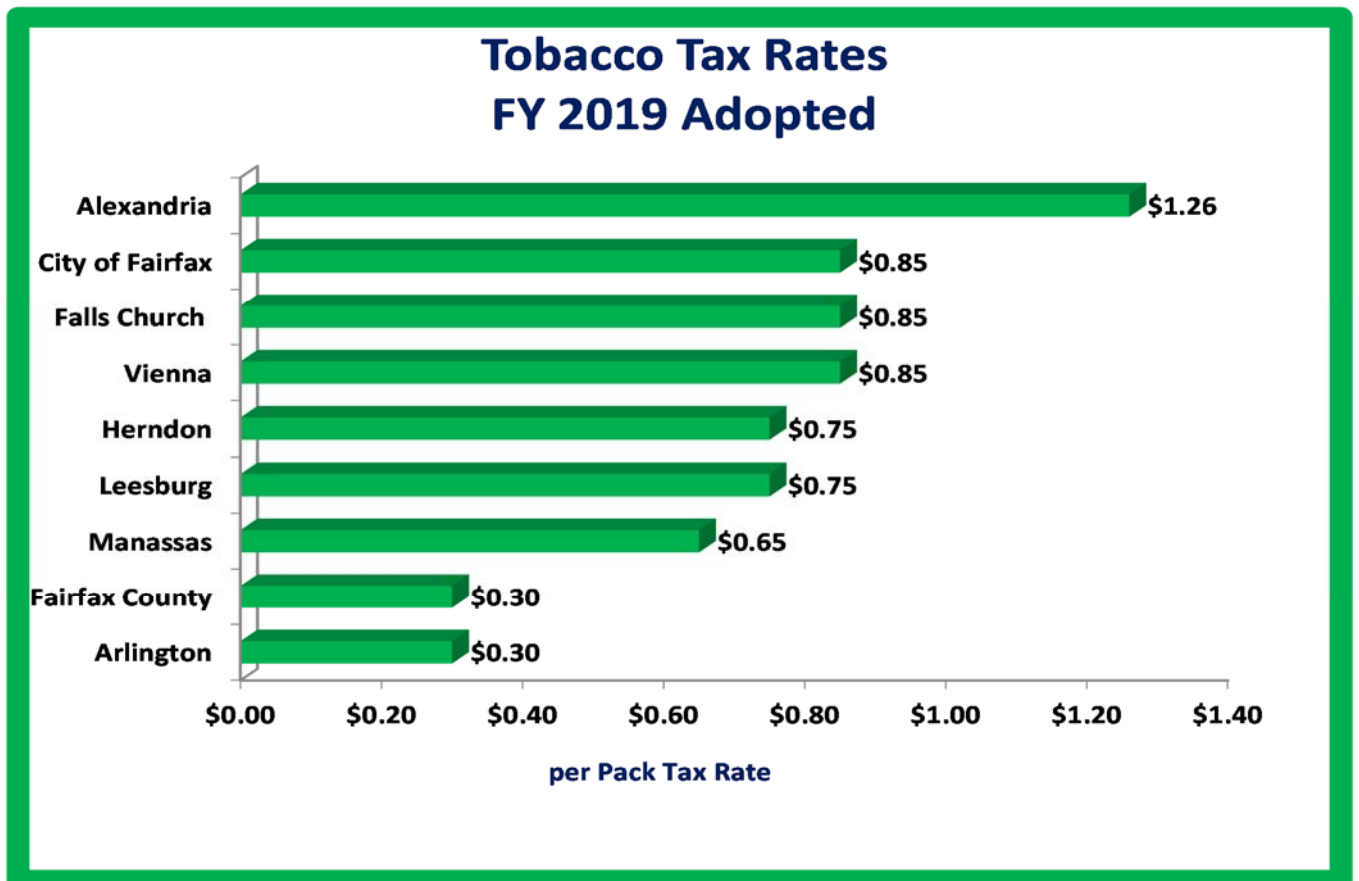
Background

The cigarette tax is **85 cents** for each package of 20 cigarettes sold within the City. On January 1, 2010 the Tobacco Tax was increased by 25 cents, from 50 cents to 75 cents per package. On July 1, 2010 the rate was increased by 10 cents, from 75 cents to 85 cents per package.

Fiscal Impact – Tobacco Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Tobacco Tax Revenue	\$ 807,025	\$ 839,512	\$ 752,293	\$ 732,000
Tobacco Tax Rate	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2018 estimate are projected at \$752,293, based on receipts for the first nine months of the current fiscal year, a decrease of 6.8% from FY 2017 actual revenues. FY 2019 revenues are projected to decrease from the FY 2018 estimate as we continue to see tobacco sales on a downward trend.



Transient Lodging Tax

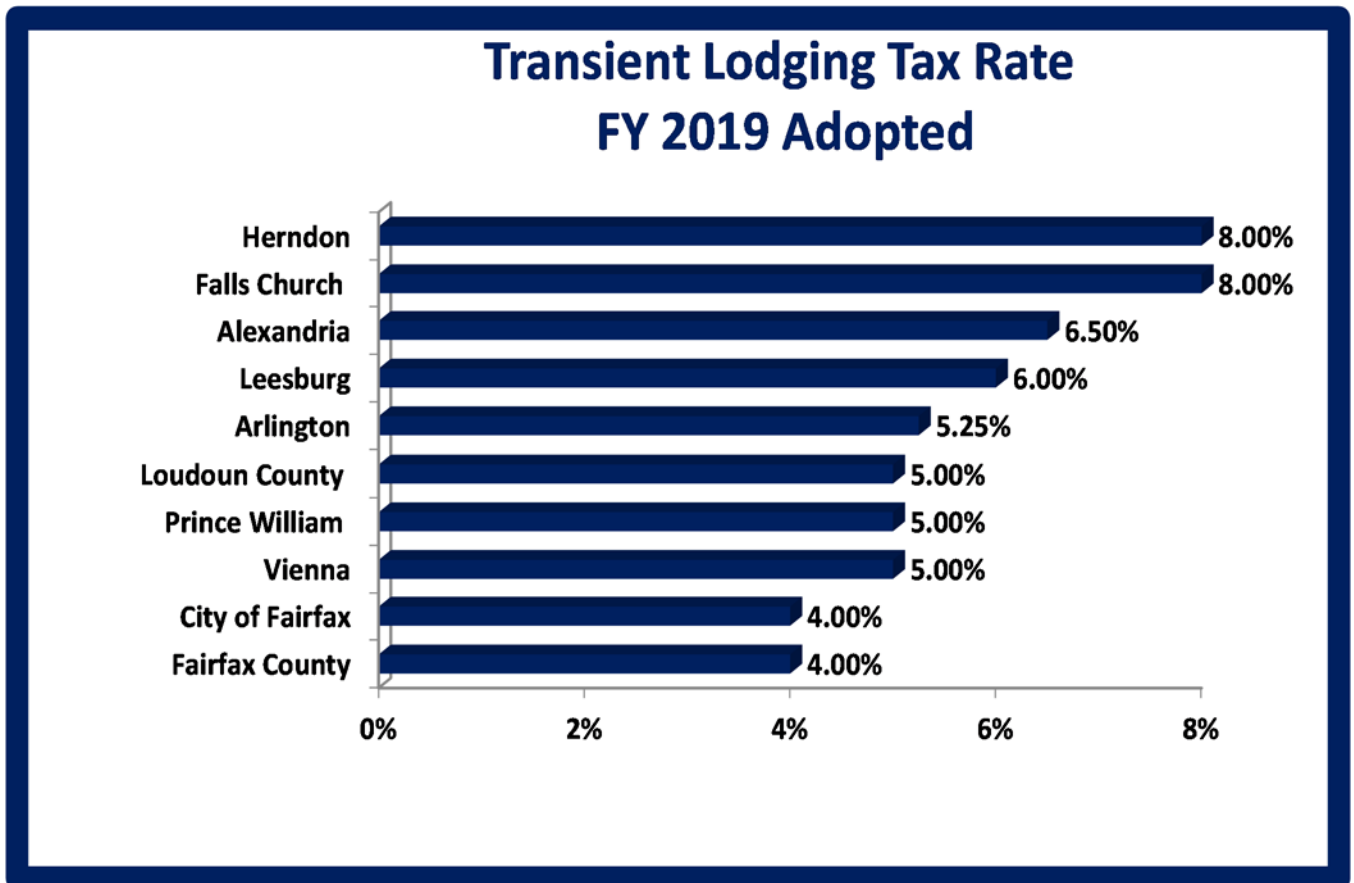
Background

Every public or private hotel, inn, apartment hotel, hostelry, motel, or other lodging place within the City offering lodging for four or more persons at any one time on a transient basis (30 consecutive days or less), is levied a tax on the gross receipts of the lodging. The transient occupancy tax rate is **4 percent** of the total amount of the room rental charge, and is the maximum allowed per City Charter. Any increase above the current tax rate needs approval from the General Assembly.

Fiscal Impact – Transient Lodging Tax

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Transient Lodging Tax Revenue	\$ 709,335	\$ 800,000	\$ 748,743	\$ 760,000
Transient Lodging Tax Rate	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to remain on par with the FY 2018 estimated based on our current experience during the first nine months of this fiscal year. The City of Fairfax is tied with Fairfax County for the lowest rate in the region as shown by the chart below.



Licenses, Permits, and Fees

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Licenses, Permits, and Fees	\$ 1,427,234	\$ 1,443,675	\$ 1,594,859	\$ 1,569,644

The City reviews its licenses, permits and fees rates and levies annually to ensure each is on par with other jurisdictions in the region. The budget for FY 2019 projects a 1.6% decrease from the FY 2018 estimate primarily due to the timing of construction-related permits for several large commercial projects.

Fines and Forfeitures

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Fines & Forfeitures	\$ 1,344,266	\$ 1,590,500	\$ 1,412,265	\$ 1,500,444

This category of revenues is projected to increase by 6.2% in FY 2019 from the FY 2018 estimate based on recent trends in collections. A projected increase in Photo Red Light fines is the primary cause of this increase. Photo Red Light fines are projected to increase in FY 2019 as additional intersections have come online. Photo Red Light revenues will decrease over time as drivers adjust their behavior.

Use of Money and Property

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Use of Money and Property	\$ 2,460,115	\$ 2,553,107	\$ 2,706,728	\$ 2,884,005

Overall revenues are projected to increase by 6.6% in FY 2019 from the FY 2018 estimate. The primary driver is a projected increase in the Classroom Rental Fee charged to Fairfax County Public Schools for an estimated net increase in County students attending City schools.

Charges for Services

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Charges for Services	\$ 3,388,964	\$ 3,315,420	\$ 3,473,735	\$ 3,527,759

Overall revenues are projected to remain relatively flat in FY 2019 as compared to the FY 2018 estimate.

State Aid

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
State Aid	\$ 12,252,913	\$ 12,418,817	\$ 12,113,040	\$12,096,083

Total funding for state aid is projected to remain flat in FY 2019 compared to the FY 2018 estimate.

Federal Aid

	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimate	FY 2019 Adopted
Federal Aid	\$ 674,205	\$ 724,301	\$ 1,092,387	\$ 514,233

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. These numbers can fluctuate greatly from year to year based on grants awarded.

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