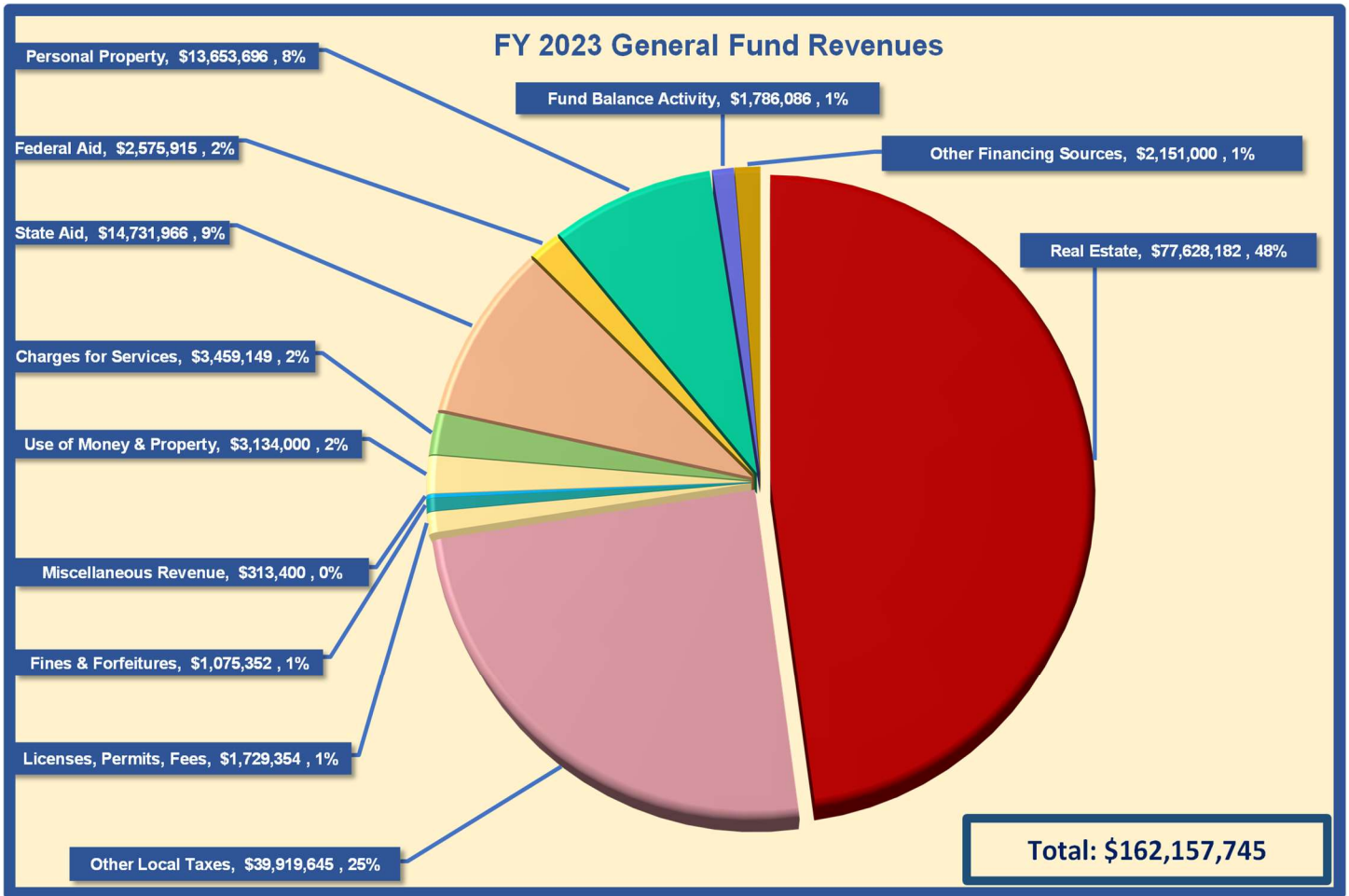


GENERAL FUND REVENUE OVERVIEW

FY 2023 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 2023 adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$1,786,086** is funded by the estimated FY 2022 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **15.0% (\$23.6M)** of adopted General Fund revenues.

FY 2023 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account # | Account Title | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted | Variance to Budget \$ | Variance to Budget % |
|-------------------------------------|--|----------------------|----------------------|----------------------|----------------------|--------------------------|-------------------------|
| General Property Taxes | | | | | | | |
| 311110 | Real Estate Current December | \$ 33,828,215 | \$ 34,509,009 | \$ 34,712,086 | \$ 36,119,062 | \$ 1,610,053 | 4.67% |
| 311111 | Real Estate Current June | 34,471,031 | 35,527,538 | 36,132,534 | 36,802,330 | 1,274,792 | 3.59% |
| 311112 | Real Estate Old Town - June | - | - | 87,123 | 94,225 | 94,225 | 0.00% |
| 311113 | Delinquent Real Estate | 284,805 | 325,000 | 390,000 | 370,000 | 45,000 | 13.85% |
| 311114 | Real Estate Old Town - December | - | - | - | 87,123 | 87,123 | 0.00% |
| 311116 | Delinquent R/E Old Town District | 403 | - | - | - | - | 0.00% |
| 311119 | Delinquent R/E Commercial | 18,200 | 20,000 | 30,000 | 20,000 | - | 0.00% |
| 311120 | Stormwater Fund Tax | 1,960,744 | 2,005,409 | 996,519 | - | (2,005,409) | -100.00% |
| 311121 | Comm. Real Estate Tax Rate Trans. - June | 1,118,419 | 1,147,368 | 1,163,722 | 1,163,722 | 16,354 | 1.43% |
| 311122 | Comm. Real Estate Tax Rate Trans. - Dec | 1,195,473 | 1,145,625 | 1,160,537 | 1,163,722 | 18,097 | 1.58% |
| 311210 | Personal Property Current | 11,763,561 | 12,500,000 | 12,500,000 | 13,108,696 | 608,696 | 4.87% |
| 311213 | Delinquent Personal Property | 179,494 | 245,000 | 270,000 | 270,000 | 25,000 | 10.20% |
| 311311 | PSC R/E Current | 1,262,324 | 1,230,414 | 1,265,414 | 1,280,000 | 49,586 | 4.03% |
| 311312 | PSC PP Current | 261,922 | 275,000 | 275,000 | 275,000 | - | 0.00% |
| 311313 | PSC R/E Delinquent | (5,337) | - | - | - | - | 0.00% |
| 311410 | Penalties on Delinquent Taxes | 351,372 | 370,000 | 380,000 | 390,000 | 20,000 | 5.41% |
| 311411 | Interest on Delinquent Taxes | 126,148 | 90,000 | 128,000 | 138,000 | 48,000 | 53.33% |
| Total General Property Taxes | | \$ 86,816,773 | \$ 89,390,363 | \$ 89,490,934 | \$ 91,281,878 | \$ 1,891,517 | 2.12% |
| Other Local Taxes | | | | | | | |
| 312010 | Local Sales & Use Tax | \$ 12,555,783 | \$ 12,524,180 | \$ 13,659,538 | \$ 14,200,389 | \$ 1,676,209 | 13.38% |
| 312011 | Consumers Utility Tax | 1,686,103 | 1,500,793 | 1,800,793 | 1,900,000 | 399,207 | 26.60% |
| 312012 | Business & Occupational Licenses | 8,575,536 | 9,344,777 | 9,344,777 | 9,500,000 | 155,223 | 1.66% |
| 312013 | Motor Vehicle Licenses | 676,354 | 743,644 | 700,000 | 750,000 | 6,356 | 0.85% |
| 312014 | Recordation Tax | 962,976 | 674,166 | 974,166 | 1,000,000 | 325,834 | 48.33% |
| 312015 | Bank Franchise Tax | 2,995,594 | 2,954,000 | 3,297,278 | 3,300,000 | 346,000 | 11.71% |
| 312016 | Tobacco Tax | 518,370 | 506,145 | 506,145 | 500,000 | (6,145) | -1.21% |
| 312017 | Transient Lodging Tax | 238,642 | 429,193 | 400,000 | 430,000 | 807 | 0.19% |
| 312018 | Meals Tax | 5,503,374 | 5,592,406 | 6,392,406 | 6,562,256 | 969,850 | 17.34% |
| 312021 | Consumption Tax | 101,036 | 101,652 | 101,652 | 102,000 | 348 | 0.34% |
| 312024 | Communication Taxes | 1,673,368 | 1,765,445 | 1,675,000 | 1,675,000 | (90,445) | -5.12% |
| Total Other Local Taxes | | \$ 35,487,137 | \$ 36,136,401 | \$ 38,851,755 | \$ 39,919,645 | \$ 3,783,244 | 10.47% |

FY 2023 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account # | Account Title | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted | Variance to Budget \$ | Variance to Budget % |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------------------------|
| Licenses, Permits & Fees | | | | | | | |
| 313202 | Building Permits | \$ 379,104 | \$ 250,000 | \$ 350,000 | \$ 350,000 | \$ 100,000 | 40.00% |
| 313203 | Electrical Permits | 257,285 | 100,000 | 140,000 | 140,000 | 40,000 | 40.00% |
| 313204 | Plumbing Permits | 107,702 | 90,000 | 90,000 | 90,000 | - | 0.00% |
| 313205 | Mechanical Permits | 197,107 | 100,000 | 140,000 | 140,000 | 40,000 | 40.00% |
| 313206 | Elevator Inspection | 58,318 | 70,000 | 70,000 | 70,000 | - | 0.00% |
| 313225 | Rental Housing Occupancy | 975 | 2,000 | 2,000 | 2,000 | - | 0.00% |
| 313226 | Fire Marshal Permit | 130,909 | 115,000 | 115,000 | 115,000 | - | 0.00% |
| 313227 | Fire Protection System Permit | 67,927 | 70,000 | 55,000 | 55,000 | (15,000) | -21.43% |
| 313231 | Fire Marshal Development Fees | 10,664 | 30,000 | 15,000 | 15,000 | (15,000) | -50.00% |
| 313233 | Public Safety Fee | 48,539 | 50,000 | 35,000 | 50,000 | - | 0.00% |
| 313234 | Reinspection Fees | 1,080 | 12,000 | 2,000 | 2,000 | (10,000) | -83.33% |
| 313240 | State Levy - Construction Permits | 67 | - | - | - | - | 0.00% |
| 313308 | Sign Permits | 23,718 | 19,400 | 19,400 | 19,433 | 33 | 0.17% |
| 313309 | Occupancy Permits | 21,859 | 23,717 | 23,717 | 23,081 | (636) | -2.68% |
| 313310 | Soil & Erosion Fees | 14,345 | 13,012 | 13,012 | 13,454 | 442 | 3.40% |
| 313323 | Zoning Fees | 75,075 | 61,968 | 61,968 | 70,253 | 8,285 | 13.37% |
| 313328 | Special Use Permits | 23,775 | 57,143 | 57,143 | 50,638 | (6,505) | -11.38% |
| 313329 | Variances | 2,815 | 3,692 | 3,692 | 2,995 | (697) | -18.88% |
| 313411 | Cemetery Interments | 70,298 | 70,000 | 70,000 | 70,000 | - | 0.00% |
| 313412 | Columbarium Interments | - | - | - | - | - | 0.00% |
| 313420 | Street Opening Permits | 92,575 | 50,000 | 80,000 | 80,000 | 30,000 | 60.00% |
| 313440 | Public Right of Way Use | 122,901 | 150,000 | 125,000 | 125,000 | (25,000) | -16.67% |
| 313442 | Mobility Pilot Permit Fee | 20,546 | 16,000 | 16,000 | 22,000 | 6,000 | 37.50% |
| 313510 | Animal Licenses | 5,492 | 5,000 | 5,000 | 5,000 | - | 0.00% |
| 313512 | Peddlers Permits | 6,635 | 10,000 | 5,000 | 5,000 | (5,000) | -50.00% |
| 313620 | Transfer Fees | 206,838 | 125,000 | 200,000 | 200,000 | 75,000 | 60.00% |
| 313630 | Cellular Comm | 14,078 | 13,500 | 13,500 | 13,500 | - | 0.00% |
| Total Licenses, Permits & Fees | | \$ 1,960,625 | \$ 1,507,432 | \$ 1,707,432 | \$ 1,729,354 | \$ 221,922 | 14.72% |
| Fines & Forfeitures | | | | | | | |
| 314001 | Court Fines & Forfeitures | \$ 177,860 | \$ 145,000 | \$ 185,000 | \$ 200,000 | \$ 55,000 | 37.93% |
| 314002 | Parking Fines | 84,113 | 75,000 | 100,000 | 110,000 | 35,000 | 46.67% |
| 314005 | Circuit Court Revenue | 18,233 | 40,000 | 20,000 | 20,000 | (20,000) | -50.00% |
| 314006 | Court Facilities Fee | 3,307 | 9,000 | 9,000 | 9,000 | - | 0.00% |
| 314010 | Zoning Civil Penalties | - | 1,032 | 1,032 | 952 | (80) | -7.75% |
| 314011 | Photo Red Light | 362,044 | 200,000 | 450,000 | 460,000 | 260,000 | 130.00% |
| 314012 | Jail Admin Fee | 275 | 400 | 400 | 400 | - | 0.00% |
| 314013 | Courthouse Security | 17,592 | 40,000 | 20,000 | 25,000 | (15,000) | -37.50% |
| 314014 | Speed Camera Enforcement | - | 115,000 | 15,000 | 250,000 | 135,000 | 117.39% |
| Total Fines & Forfeitures | | \$ 663,424 | \$ 625,432 | \$ 800,432 | \$ 1,075,352 | \$ 449,920 | 71.9% |

FY 2023 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account # | Account Title | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted | Variance to Budget \$ | Variance to Budget % |
|--|-------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------------------------|
| Use of Money & Property | | | | | | | |
| 315101 | Interest on Investments | \$ 232,745 | \$ 125,000 | \$ 160,000 | \$ 160,000 | \$ 35,000 | 28.00% |
| 315102 | Interest on Bond Investments | 5 | - | - | - | - | 0.00% |
| 315106 | Unrealized Gain/Loss | (181,228) | - | - | - | - | 0.00% |
| 315202 | Rental - Old Town Hall | 26,680 | 170,000 | 40,000 | 170,000 | - | 0.00% |
| 315203 | Rental - Green Acres | 24,115 | 130,000 | 80,000 | 130,000 | - | 0.00% |
| 315206 | Rental - Schools | 2,139,653 | 1,986,000 | 2,000,000 | 2,000,000 | 14,000 | 0.70% |
| 315208 | Rental - Community Center | 70,392 | 310,000 | 310,000 | 310,000 | - | 0.00% |
| 315209 | Rental - Main Street Day Care | 42,998 | 47,000 | 47,000 | 47,000 | - | 0.00% |
| 315211 | Rental - Blenheim | 27,333 | 80,000 | 70,000 | 80,000 | - | 0.00% |
| 315213 | Rental - Ball Fields | 40,021 | 45,000 | 45,000 | 45,000 | - | 0.00% |
| 315215 | Rental - Robert Lewis | 10,500 | - | 42,000 | 42,000 | 42,000 | 0.00% |
| 318292 | Firing Range Rev - GMU | 150,000 | 150,000 | 150,000 | 150,000 | - | 0.00% |
| Total Use of Money & Property | | \$ 2,583,215 | \$ 3,043,000 | \$ 2,944,000 | \$ 3,134,000 | \$ 91,000 | 2.99% |
| Charges for Services | | | | | | | |
| 316110 | Court Fees | \$ 1,001 | \$ 5,000 | \$ 5,000 | \$ 5,000 | - | 0.00% |
| 316220 | Sale of Record Copies | 2,306 | 3,500 | 2,500 | 2,800 | (700) | -20.00% |
| 316221 | False Alarm Fees | 44,860 | 12,000 | 37,000 | 37,000 | 25,000 | 208.33% |
| 316223 | Ambulance Fees | 756,021 | 1,000,000 | 850,000 | 1,000,000 | - | 0.00% |
| 316225 | Fire Recovery Fee - GMU | 225,000 | 225,000 | 225,000 | 225,000 | - | 0.00% |
| 316230 | Animal Control Fees | 1,108 | 2,000 | 2,000 | 1,500 | (500) | -25.00% |
| 316245 | FFX Water | 61,579 | 61,580 | 61,580 | 61,580 | - | 0.00% |
| 316346 | Community Programming | 272 | 10,000 | - | - | (10,000) | -100.00% |
| 316347 | Sherwood Programming | 1,018 | 200,000 | 50,000 | 200,000 | - | 0.00% |
| 316348 | Green Acres Programming | 15,676 | 30,000 | 30,000 | 30,000 | - | 0.00% |
| 316349 | Senior Programs | 7,962 | 45,000 | 45,000 | 45,000 | - | 0.00% |
| 316351 | Day Camps | 499,110 | 750,000 | 575,000 | 750,000 | - | 0.00% |
| 316352 | Pavilion Rentals | 31,349 | 25,000 | 30,000 | 30,000 | 5,000 | 20.00% |
| 316353 | Cultural Arts | 1,807 | 5,000 | 5,000 | 5,000 | - | 0.00% |
| 316354 | Special Events | 68,579 | 185,000 | 165,000 | 185,000 | - | 0.00% |
| 316355 | Museum Revenue | 135 | 1,000 | 300 | 800 | (200) | -20.00% |
| 316356 | Museum Gift Shop | 5,103 | 8,000 | 6,000 | 10,000 | 2,000 | 25.00% |
| 316357 | Show Mobile Revenue | - | 9,000 | 9,000 | 9,000 | - | 0.00% |
| 316460 | Sale of Publications | - | 45 | 45 | 45 | - | 0.00% |
| 316461 | Subdivision Review Fees | 10,352 | 16,203 | 16,203 | 14,074 | (2,129) | -13.14% |
| 316462 | Site Plan Review Fees | 74,921 | 87,427 | 87,427 | 80,313 | (7,114) | -8.14% |
| 316463 | Architectural Review | 2,115 | 4,110 | 4,110 | 3,629 | (481) | -11.70% |
| 316464 | Tree Removal Permit | 2,545 | 2,374 | 2,374 | 2,489 | 115 | 4.84% |
| 316466 | Surety Review | 14,848 | 12,770 | 12,770 | 12,919 | 149 | 1.17% |
| 316570 | School Age Child Care | 333,364 | 690,000 | 690,000 | 690,000 | - | 0.00% |
| 316580 | Returned Check Fees | 1,641 | 1,500 | 1,500 | 1,500 | - | 0.00% |
| 316585 | Administrative Fees | 1,016 | 300 | 500 | 500 | 200 | 66.67% |
| 316586 | Collection Fees | 3,808 | 9,000 | 6,000 | 6,000 | (3,000) | -33.33% |
| 316811 | Inspection Fees After Hours | 60,910 | 20,000 | 60,000 | 50,000 | 30,000 | 150.00% |
| Total Charges for Services | | \$ 2,228,406 | \$ 3,420,809 | \$ 2,979,309 | \$ 3,459,149 | \$ 38,340 | 1.12% |

FY 2023 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account # | Account Title | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted | Variance to Budget \$ | Variance to Budget % |
|------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|-------------------------|
| Miscellaneous Revenue | | | | | | | |
| 318102 | Sale of Surplus Property | \$ 442,416 | \$ 200,000 | \$ 150,000 | \$ 150,000 | \$ (50,000) | -25.00% |
| 318104 | Sale of Cemetery Lot | 75,250 | 60,000 | 60,000 | 60,000 | - | 0.00% |
| 318105 | Perpetual Care - Cemetery | 8,787 | 9,200 | 9,200 | 9,200 | - | 0.00% |
| 318108 | Sale of City License Plates | 4,050 | 4,200 | 4,200 | 4,200 | - | 0.00% |
| 318201 | Misc. Revenue | 134,853 | 90,000 | 171,826 | 90,000 | - | 0.00% |
| Total Miscellaneous Revenue | | \$ 665,356 | \$ 363,400 | \$ 395,226 | \$ 313,400 | \$ (50,000) | -13.76% |
| State Aid | | | | | | | |
| 321103 | Rolling Tax | \$ 353 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| 321104 | State Aid Police | 701,529 | 670,000 | 661,921 | 665,000 | (5,000) | -0.75% |
| 321106 | Vehicle Rental Tax | 370,589 | 425,000 | 450,000 | 475,000 | 50,000 | 11.76% |
| 321201 | Commissioner of Revenue | 153,578 | 154,000 | 166,000 | 169,320 | 15,320 | 9.95% |
| 321202 | Treasurer | 112,016 | 112,000 | 133,000 | 135,660 | 23,660 | 21.13% |
| 321203 | Registrar /Electoral | 44,484 | 50,000 | 50,000 | 50,000 | - | 0.00% |
| 321204 | DMV Reimbursement | 139,107 | 130,000 | 105,000 | 130,000 | - | 0.00% |
| 321205 | Games of Skill Tax | 20,304 | - | - | - | - | 0.00% |
| 324201 | State Sales Tax | 4,182,563 | 3,729,230 | 4,084,495 | 4,207,030 | 477,800 | 12.81% |
| 324202 | Basic School Aid | 5,030,242 | 5,309,101 | 5,309,101 | 5,874,556 | 565,455 | 10.65% |
| 324302 | Four for Life Grants | 34,009 | 20,000 | 20,000 | 30,000 | 10,000 | 50.00% |
| 324344 | VDFP Aid to Localities | 85,996 | 70,000 | 70,000 | 80,000 | 10,000 | 14.29% |
| 324403 | Street & Highway Maint. | 2,856,104 | 2,800,000 | 2,904,900 | 2,904,900 | 104,900 | 3.75% |
| 324405 | Solid Waste Grant | 5,608 | 6,000 | 6,000 | 6,000 | - | 0.00% |
| 324447 | Judicial Trail Cxn VDOT | 11,981 | - | - | - | - | 0.00% |
| 324450 | EV Charging Station VDOT | 23,460 | - | - | - | - | 0.00% |
| 324608 | Historic Preservation Grant | - | 5,000 | 5,000 | - | (5,000) | -100.00% |
| 324614 | Arts Grant | 1,700 | - | 7,850 | 4,500 | 4,500 | 0.00% |
| Total State Aid | | \$ 13,773,625 | \$ 13,480,331 | \$ 13,973,267 | \$ 14,731,966 | \$ 1,251,635 | 9.28% |

FY 2023 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account # | Account Title | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted | Variance to Budget \$ | Variance to Budget % |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------|
| Federal Aid | | | | | | | |
| 331005 | Bulletproof Vest Grant | \$ (2,569) | \$ 4,000 | \$ - | \$ 1,000 | \$ (3,000) | -75.00% |
| 331009 | Alcohol Safety Grant | 4,783 | 13,240 | 5,000 | 5,000 | (8,240) | -62.24% |
| 331018 | NCR Regional Planner | 129,512 | 156,516 | 156,516 | 156,516 | - | 0.00% |
| 331021 | Speed Enforcement Grant | 3,596 | 7,500 | 3,000 | 2,000 | (5,500) | -73.33% |
| 331046 | LEMPG Grant | 7,500 | 7,500 | 7,500 | 7,500 | - | 0.00% |
| 331048 | Volunteer & Citizens Corp | 11,328 | 22,000 | 22,000 | 15,000 | (7,000) | -31.82% |
| 331058 | 2018 SAFER Grant | 3,958 | - | - | - | - | 0.00% |
| 331060 | FY 2019 SHSP Special Ops Swiftwater/Flood Rescue | 23,308 | - | - | - | - | 0.00% |
| 331061 | COVID FEMA FED | (56,353) | - | - | 252,164 | 252,164 | 0.00% |
| 331062 | Cares Funding | 3,871,130 | - | - | - | - | 0.00% |
| 331063 | AFG COVID19 Supplemental | 49,867 | - | - | - | - | 0.00% |
| 331065 | Bicycle and Pedestrian Grant | 1,214 | 3,750 | 1,000 | 1,000 | (2,750) | -73.33% |
| 331066 | Corona Virus Emergency Supplemental Funding (CESF Grant-COVID) | - | 16,050 | 16,050 | - | (16,050) | -100.00% |
| 331068 | Opioid Settlement | - | - | - | 35,735 | 35,735 | 0.00% |
| 331069 | Old Town Hall Rehabilitation Grant | - | - | - | 2,100,000 | 2,100,000 | 0.00% |
| 332066 | Cares Utility Relief | 49,039 | - | - | - | - | 0.00% |
| 332067 | Cares Utility FFW | - | - | - | - | - | 0.00% |
| 332068 | COVID-19 Municipal Utility Relief Program | - | - | 32,917 | - | - | 0.00% |
| 335009 | NPS Preservation Grant | 14,100 | - | - | - | - | 0.00% |
| 335010 | NPS CLG Grant Historic | 5,113 | - | - | - | - | 0.00% |
| 336006 | Cares Act Grant | 49,555 | - | - | - | - | 0.00% |
| 343001 | CTCL COVID19 Grant | 14,175 | - | - | - | - | 0.00% |
| Total Federal Aid | | \$ 4,179,255 | \$ 230,556 | \$ 243,983 | \$ 2,575,915 | \$ 2,345,359 | 1017.26% |
| Other Financing Sources | | | | | | | |
| 318288 | FPYC Turf Contribution | \$ - | \$ 46,282 | \$ 26,000 | \$ 26,000 | \$ (20,282) | -43.82% |
| 318289 | Schools Turf Contribution | 20,000 | 20,000 | 20,000 | 20,000 | - | 0.00% |
| 319008 | City - County Contract | 846,901 | 925,000 | 960,396 | 975,000 | 50,000 | 5.41% |
| 342030 | Insurance Recoveries | 191,859 | 75,000 | 130,000 | 75,000 | - | 0.00% |
| 347180 | Transfer from ARPA | - | - | 900,000 | 1,055,000 | 1,055,000 | 0.00% |
| 347360 | Transfer from OTSD | - | - | - | - | - | 0.00% |
| Total Other Financing Sources | | \$1,058,760 | \$ 1,066,282 | \$ 2,036,396 | \$ 2,151,000 | \$ 1,084,718 | 101.73% |
| Total Revenues | | \$ 149,416,576 | \$ 149,264,006 | \$ 153,422,734 | \$ 160,371,659 | \$ 11,107,653 | 7.44% |
| Fund Balance Activity | | | | | | | |
| Use of Prior Years' Surplus (unassigned) | | - | 5,707,813 | 3,401,066 | 1,786,086 | (3,921,727) | -68.71% |
| Total Fund Balance Activity | | \$ - | \$ 5,707,813 | \$ 3,401,066 | \$ 1,786,086 | \$ (3,921,727) | -68.71% |
| Total Revenue Available | | \$ 149,416,576 | \$ 154,971,819 | \$ 156,823,800 | \$ 162,157,745 | \$ 7,185,926 | 4.64% |

FY 2023 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

| Category | FY 2014 Actual | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Actual | FY 2021 Actual | FY 2022 Estimate | FY 2023 Adopted |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Real Estate | \$ 57,072,395 | \$ 59,505,606 | \$ 61,441,513 | \$ 66,790,301 | \$ 67,892,659 | \$ 69,783,177 | \$ 71,378,885 | \$ 74,617,133 | \$ 76,445,934 | \$ 77,628,182 |
| Personal Property | 10,377,334 | 10,243,702 | 10,171,214 | 11,447,025 | 11,511,625 | 11,524,614 | 12,200,896 | 12,199,640 | 13,045,000 | 13,653,696 |
| Sales Tax | 10,263,955 | 11,580,673 | 11,181,816 | 11,276,435 | 11,721,703 | 11,836,812 | 11,790,794 | 12,555,783 | 13,659,538 | 14,200,389 |
| BPOL | 8,932,634 | 8,709,712 | 8,740,824 | 8,698,368 | 8,745,395 | 9,344,777 | 9,249,810 | 8,575,536 | 9,344,777 | 9,500,000 |
| Meals Tax | 5,553,975 | 5,703,399 | 5,771,329 | 5,972,064 | 5,967,535 | 6,374,777 | 5,501,543 | 5,503,374 | 6,392,406 | 6,562,256 |
| Other Local Taxes | 8,384,251 | 8,375,385 | 8,543,760 | 8,563,296 | 8,827,582 | 8,800,615 | 8,326,016 | 8,852,444 | 9,455,034 | 9,657,000 |
| Licenses, Permits, and Fees | 1,408,601 | 1,434,496 | 1,300,349 | 1,427,234 | 1,678,675 | 1,368,526 | 1,339,208 | 1,960,625 | 1,707,432 | 1,729,354 |
| Fines & Forfeitures | 1,148,262 | 1,113,719 | 1,233,802 | 1,344,266 | 1,408,265 | 1,312,019 | 1,118,390 | 663,424 | 800,432 | 1,075,352 |
| Use of Money & Property | 2,162,378 | 2,696,575 | 2,725,994 | 2,460,115 | 2,741,250 | 3,614,465 | 3,312,576 | 2,583,215 | 2,944,000 | 3,134,000 |
| Charges for Services | 3,249,168 | 3,049,479 | 3,304,373 | 3,388,964 | 3,744,262 | 3,943,282 | 2,546,161 | 2,228,406 | 2,979,309 | 3,459,149 |
| Intergovernmental | 11,318,838 | 11,480,641 | 11,854,303 | 12,927,118 | 13,382,207 | 13,272,473 | 14,279,715 | 17,952,880 | 14,217,250 | 17,307,881 |
| Other Financing Sources / Misc. | 1,152,263 | 1,043,308 | 1,460,877 | 1,222,088 | 1,449,854 | 1,595,248 | 2,360,478 | 1,724,116 | 2,431,622 | 2,464,400 |
| Fund Balance Activity | - | 1,260,278 | 1,164,306 | - | - | - | - | - | 3,401,066 | 1,786,086 |
| Total Revenue | \$121,024,054 | \$126,196,973 | \$128,894,460 | \$135,517,274 | \$ 139,071,012 | \$142,770,785 | \$143,404,472 | \$149,416,576 | \$156,823,800 | \$162,157,745 |

Major Revenue Sources

Real Estate Tax

Background

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

Fiscal Impact – Real Estate Tax Revenue

| Category | FY 2022 Budget | FY 2023 Adopted | Variance | |
|-----------------------------------|-------------------|--------------------|--------------------|--------------|
| | | | \$ | % |
| Real Estate Tax Revenue | \$ 74,057,370 | \$ 75,280,738 | \$ 1,223,368 | 1.7% |
| Base Real Estate Tax Rate | 1.0450 | 1.0100 | \$ (0.0350) | -3.3% |
| Stormwater Tax Rate | 0.0300 | - | \$ (0.0300) | -100.0% |
| Total Real Estate Tax Rate | 1.0750 | 1.0100 | \$ (0.0650) | -6.0% |

| Category | FY 2022 Budget | FY 2023 Adopted | Variance | |
|---|-------------------|--------------------|-------------|---------------|
| | | | \$ | % |
| Old Town Service District Revenue | \$ - | \$ 181,347 | \$ 181,347 | 100.0% |
| Old Town Service District Tax Rate | 0.0¢ | 4.0¢ | 4.0¢ | 100.0% |

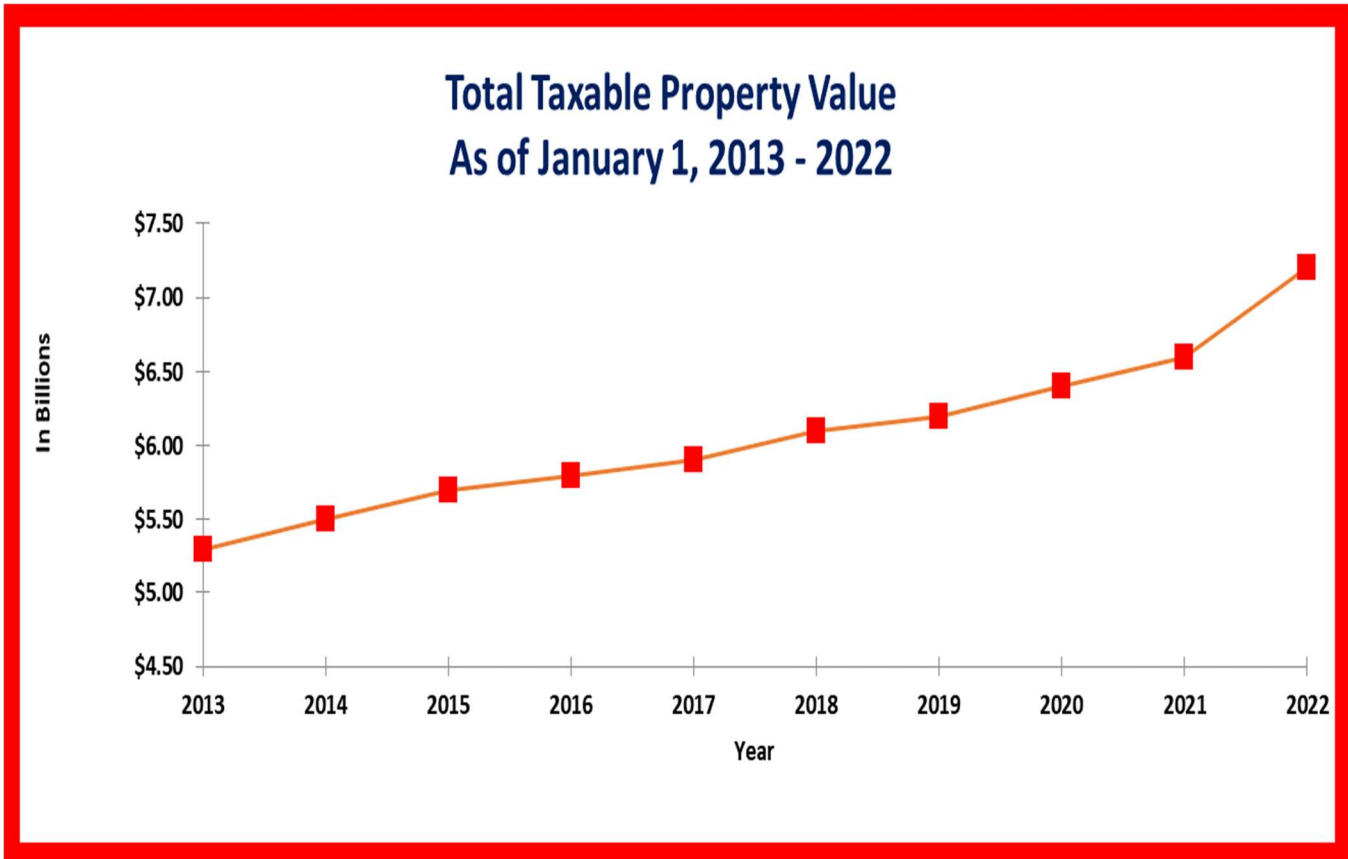
| Category | FY 2022 Budget | FY 2023 Adopted | Variance | |
|---|-------------------|--------------------|-----------|-------------|
| | | | \$ | % |
| Commercial & Industrial Revenue | \$ 2,312,993 | \$ 2,347,444 | \$ 34,451 | 1.5% |
| Commercial & Industrial Tax Rate | 12.5¢ | 12.5¢ | - | 0.0% |

Real property tax revenues account for the largest category of revenue for the General Fund, representing 47.9 percent of total General Fund revenues. For the FY 2023 Adopted Budget, the real estate base tax rate is \$1.010.

FY 2023 Adopted Budget – City of Fairfax, Virginia

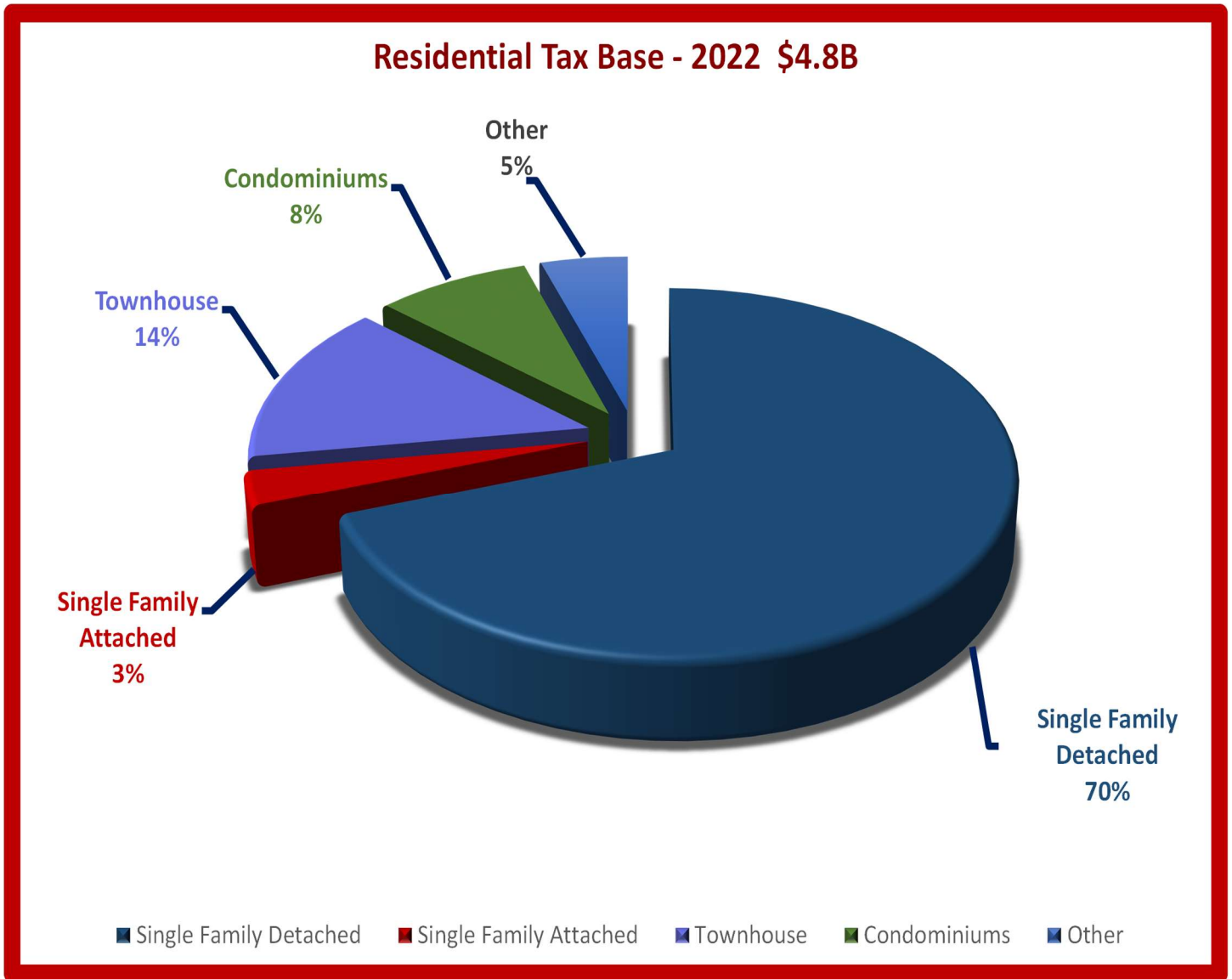
Total real estate assessments are up 7.7 percent, which includes new construction of \$231.2 million compared to an overall increase of 3.2 percent from the previous calendar year.

| Assessments | CY 2021 | CY 2022 | Variance | |
|--------------|-------------------------|-------------------------|-----------------------|-------------|
| | | | \$ | % |
| Residential | \$ 4,362,131,700 | \$ 4,784,790,600 | \$ 422,658,900 | 9.7% |
| Commercial | \$ 2,319,510,300 | \$ 2,410,917,700 | \$ 91,407,400 | 3.9% |
| Total | \$ 6,681,642,000 | \$ 7,195,708,300 | \$ 514,066,300 | 7.7% |

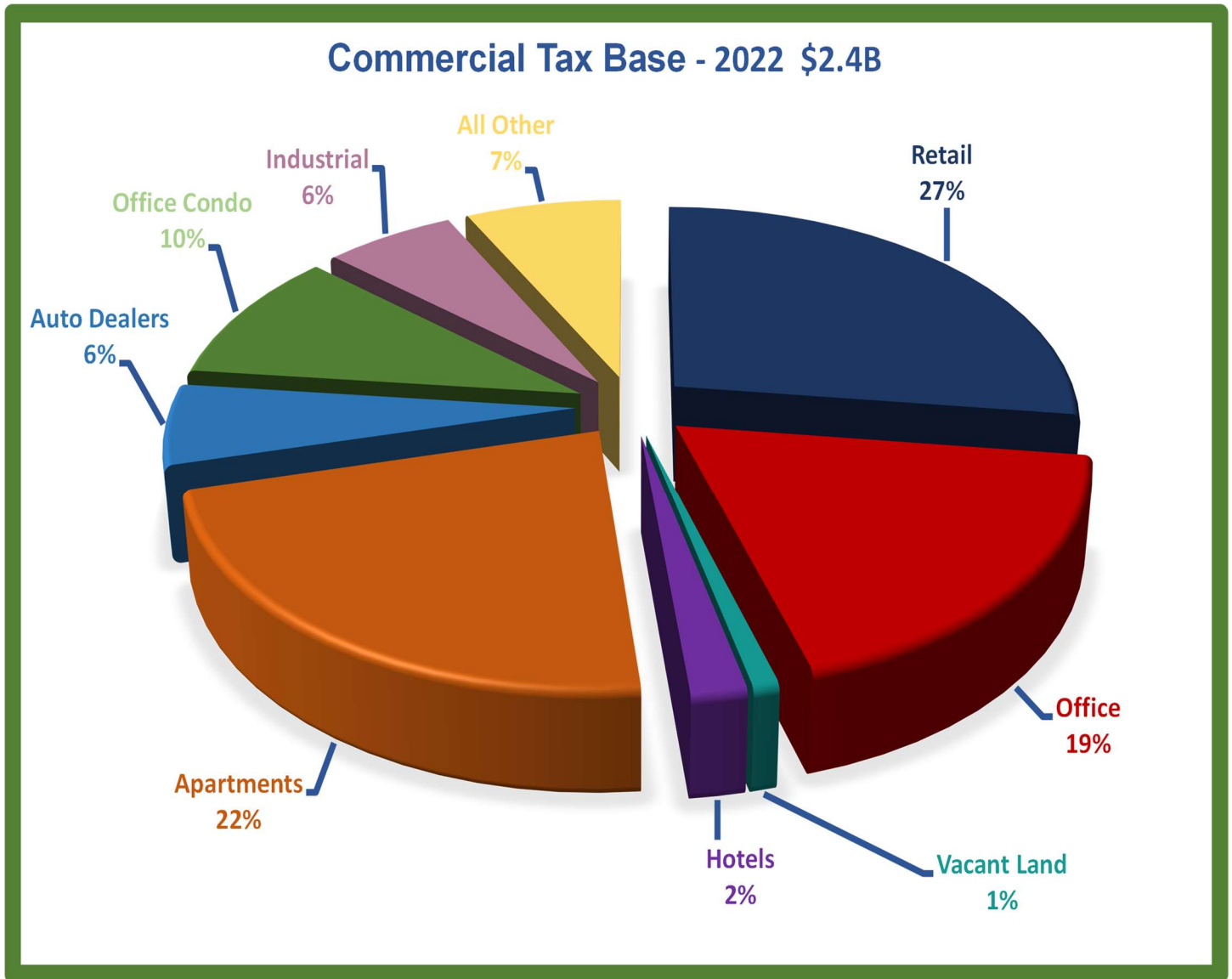


For calendar year 2022 total taxable value of City residential and commercial properties before appeals is \$7,195,708,300, an increase from last year's total assessed value, \$6,681,642,000 (7.7%).

The overall residential assessment total, including new construction, has increased from CY 2021 by 8.75 percent. The following illustrates the breakdown by category for the residential tax base.



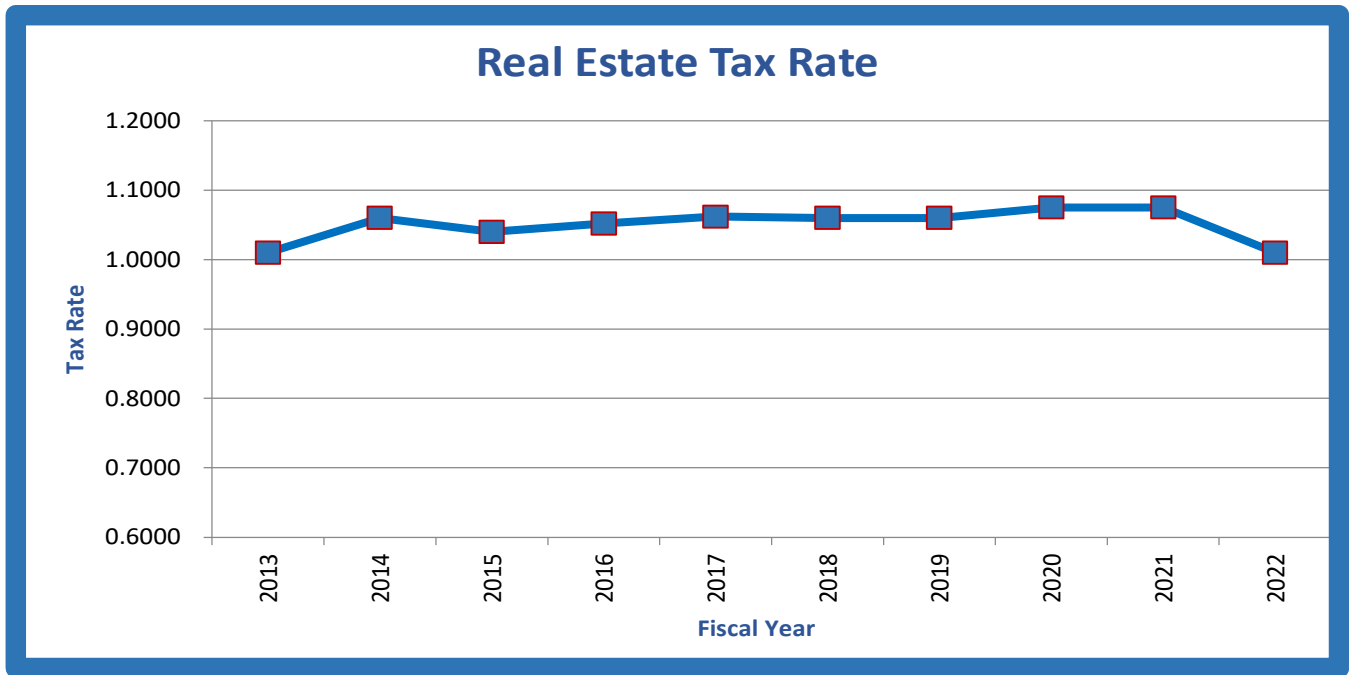
Commercial assessments increased 3.94 percent overall, which includes new construction. The following represents the breakdown by category for the commercial tax base.



For FY 2022, the Old Town Service District tax rate was reduced to zero cents per \$100 of assessed value as a result of the impact of the COVID19 pandemic on local businesses. For FY 2023, the Adopted rate is 4.0 cents per \$100 assessed value.

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, to 10.5¢ for the FY 2018 budget, to 11.5¢ for the FY 2019 budget, and for FY 2020, increased the rate to the allowable maximum of 12.5¢. For FY 2023, the rate remains 12.5¢.

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 20.50 and 26.50 cents per \$100 of assessed value (adopted fiscal year 2023 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate for FY 2023 is \$1.010. The average residential tax bill is expected to increase by 2.18 percent. The following chart provides an example of three residential assessed values:

**Impact of FY 2023 Real Estate Tax Rate
On Residential Property Owner’s Tax Bill at Various Values**

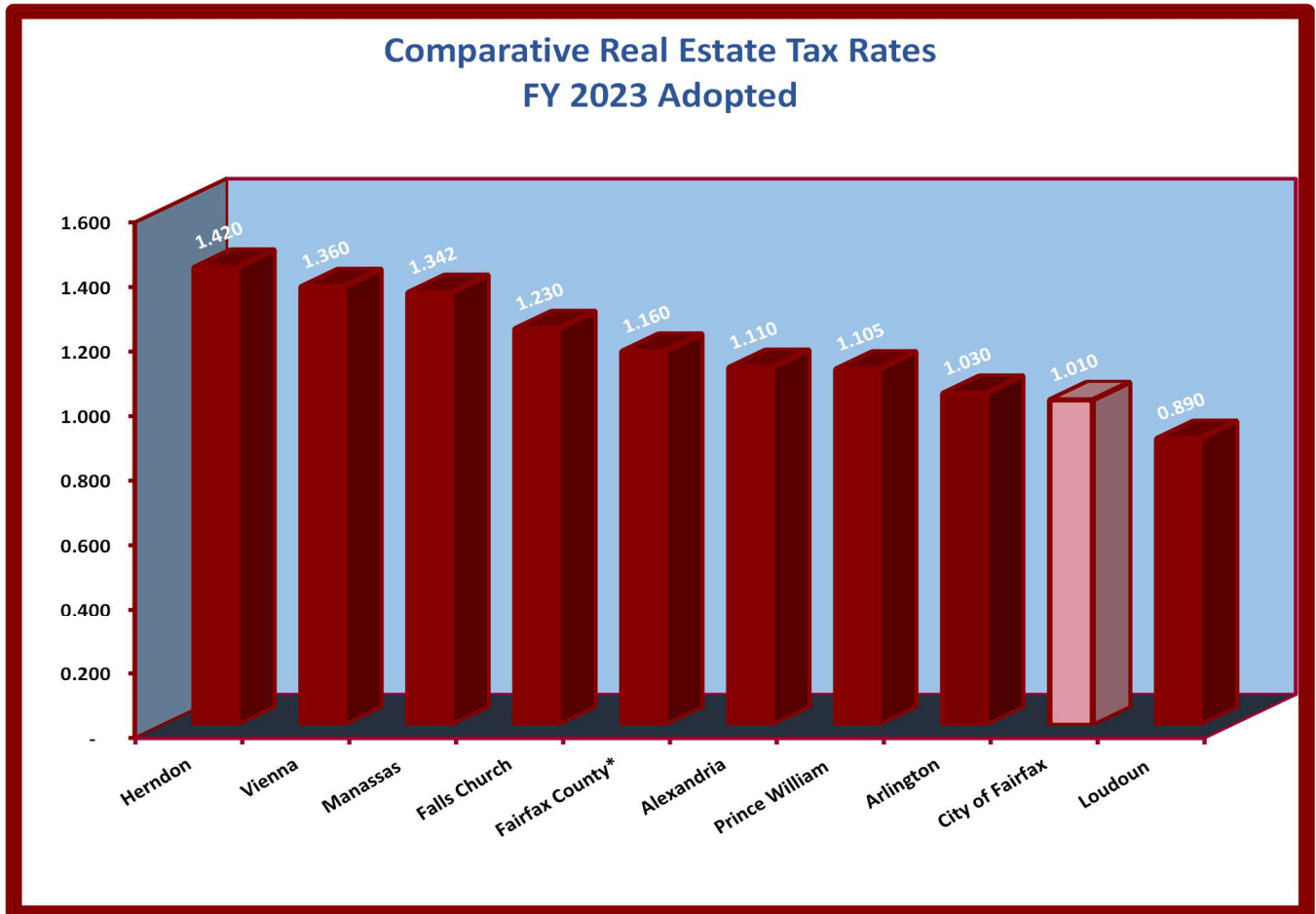
| CY 21 Assessment | CY 21 Tax Rate | CY 21 Tax Bill | CY 22 Assessment | CY 22 Tax Rate | CY 22 Tax Bill | Change | |
|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|--------|-------|
| | | | | | | \$ | % |
| \$ 350,000 | \$ 1.075 | \$ 3,763 | 380,641 | \$ 1.010 | \$ 3,844 | \$ 82 | 2.18% |
| \$ 541,554 | \$ 1.075 | \$ 5,822 | 588,964 | \$ 1.010 | \$ 5,949 | \$ 127 | 2.18% |
| \$ 850,000 | \$ 1.075 | \$ 9,138 | 924,413 | \$ 1.010 | \$ 9,337 | \$ 199 | 2.18% |

Note: average estimated increase in residential taxes of 2.18 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

FY 2023 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 \$0.9885 per \$100 of assessed value. This is 2.15¢ less than the adopted FY 2023 rate of \$1.010. The real estate equalization rate for residential and commercial properties combined is \$1.011 per \$100 of assessed value, 0.10¢ greater than the adopted FY 2023 rate of \$1.010.

FY 2023 adopted rates for the surrounding jurisdictions 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 local Vehicle Registration Fee for each vehicle.

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. Rather than tax the full market value, on May 3, 2022, the Fairfax City Council adopted a Personal Property Assessment Ratio for vehicles of 86.0% for Tax Year 2022. This means that on every vehicle being taxed, the City will apply a discount of 14.0% to NADA's January market value. This action is permitted by Section 58.1-3503(B) of the Code of Virginia.

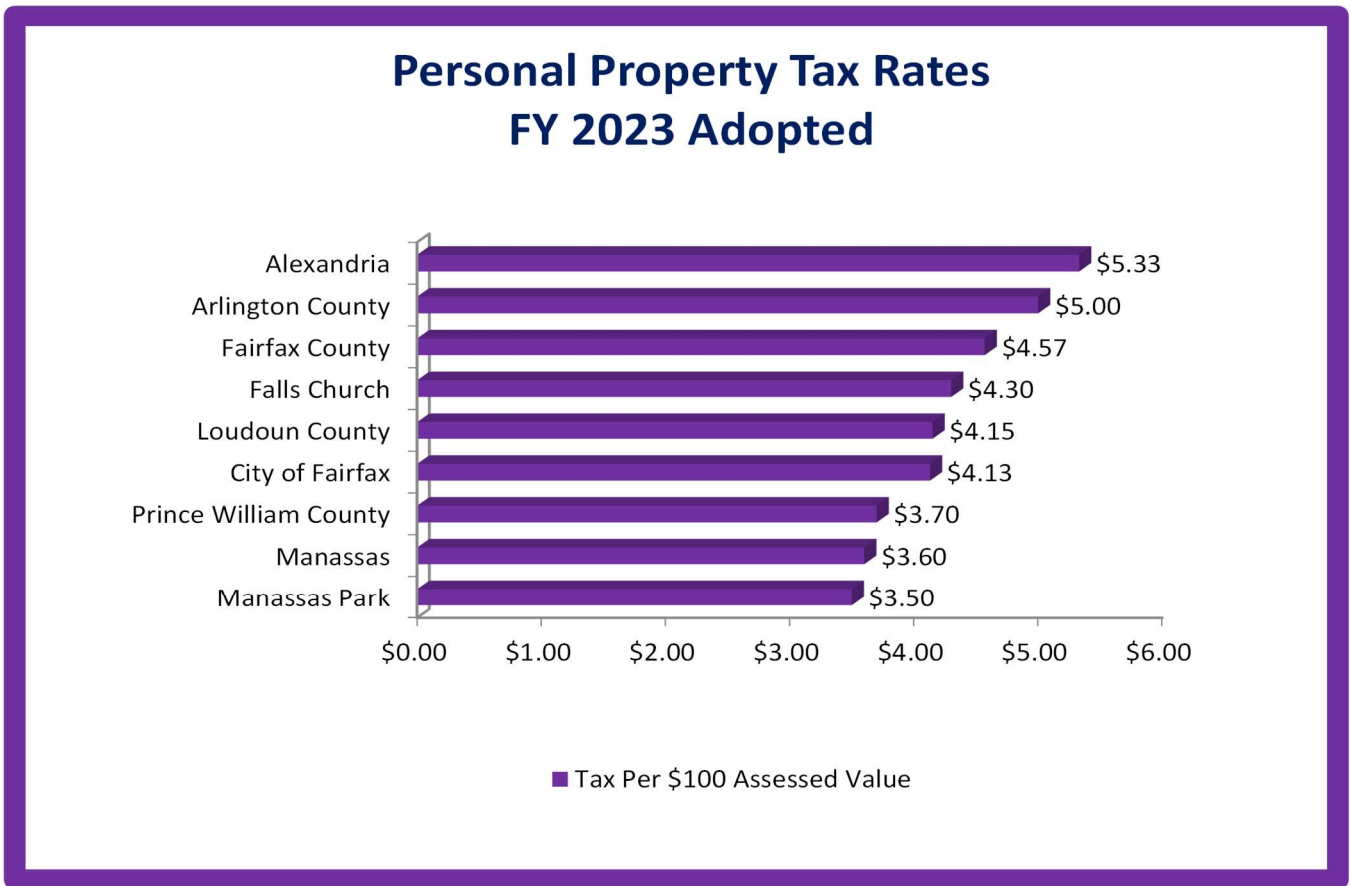
The Vehicle Registration Fee is \$33.00 per annum and is administered directly by the City Treasurer. Vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 37.75 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 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--------------------------------------|----------------|----------------|------------------|-----------------|
| Personal Property Tax Revenue | \$ 12,204,977 | \$ 13,020,000 | \$ 13,045,000 | \$13,653,696 |
| Personal Property Tax Rate | \$4.13 | \$4.13 | \$4.13 | \$4.13 |

The FY 2023 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. However, the Fairfax City Council adopted a Personal Property Assessment Ratio for vehicles of 86.0% for Tax Year 2022. This means that on every vehicle being taxed, the City will apply a discount of 14.0% to NADA’s January market value. FY 2023 revenues are projected to increase 4.9% compared with the FY 2022 adopted 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 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--|-------------------|-------------------|---------------------|--------------------|
| Local Sales & Use Tax Revenue | \$ 12,555,783 | \$ 12,524,180 | \$ 13,659,538 | \$14,200,389 |

The local sales and use tax is one of the most important economic indicators and amongst the highest revenue generators for the City. These revenues are projected to increase by 13.4% in FY 2023 compared to the FY 2022 adopted budget.

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 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|-----------------|-------------------|-------------------|---------------------|--------------------|
| BPOL Tax | \$ 8,575,536 | \$ 9,344,777 | \$ 9,344,777 | \$ 9,500,000 |

FY 2023 adopted BPOL tax revenues are projected to increase 1.7 % compared to the FY 2022 adopted budget.

Meals Tax

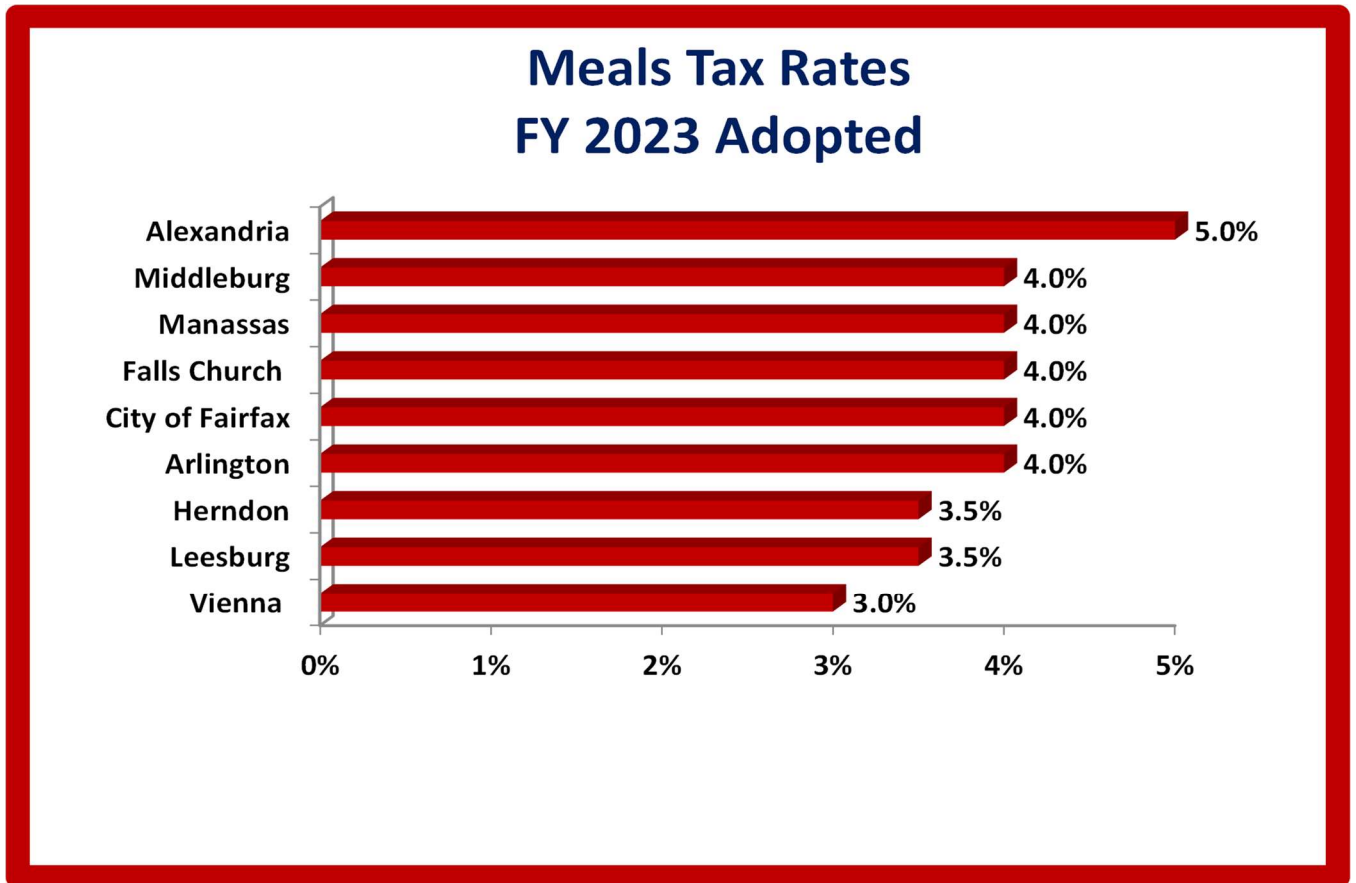
Background

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

Fiscal Impact – Meals Tax

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--------------------------|-------------------|-------------------|---------------------|--------------------|
| Meals Tax Revenue | \$ 5,503,374 | \$ 5,592,406 | \$ 6,392,406 | \$ 6,562,256 |
| Meals Tax Rate | 4% | 4% | 4% | 4% |

The City’s meals tax has historically been a stable source of revenue for the City. FY 2023 adopted Meals Tax revenue projects an increase of 17.3% compared to the FY 2022 adopted budget. 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

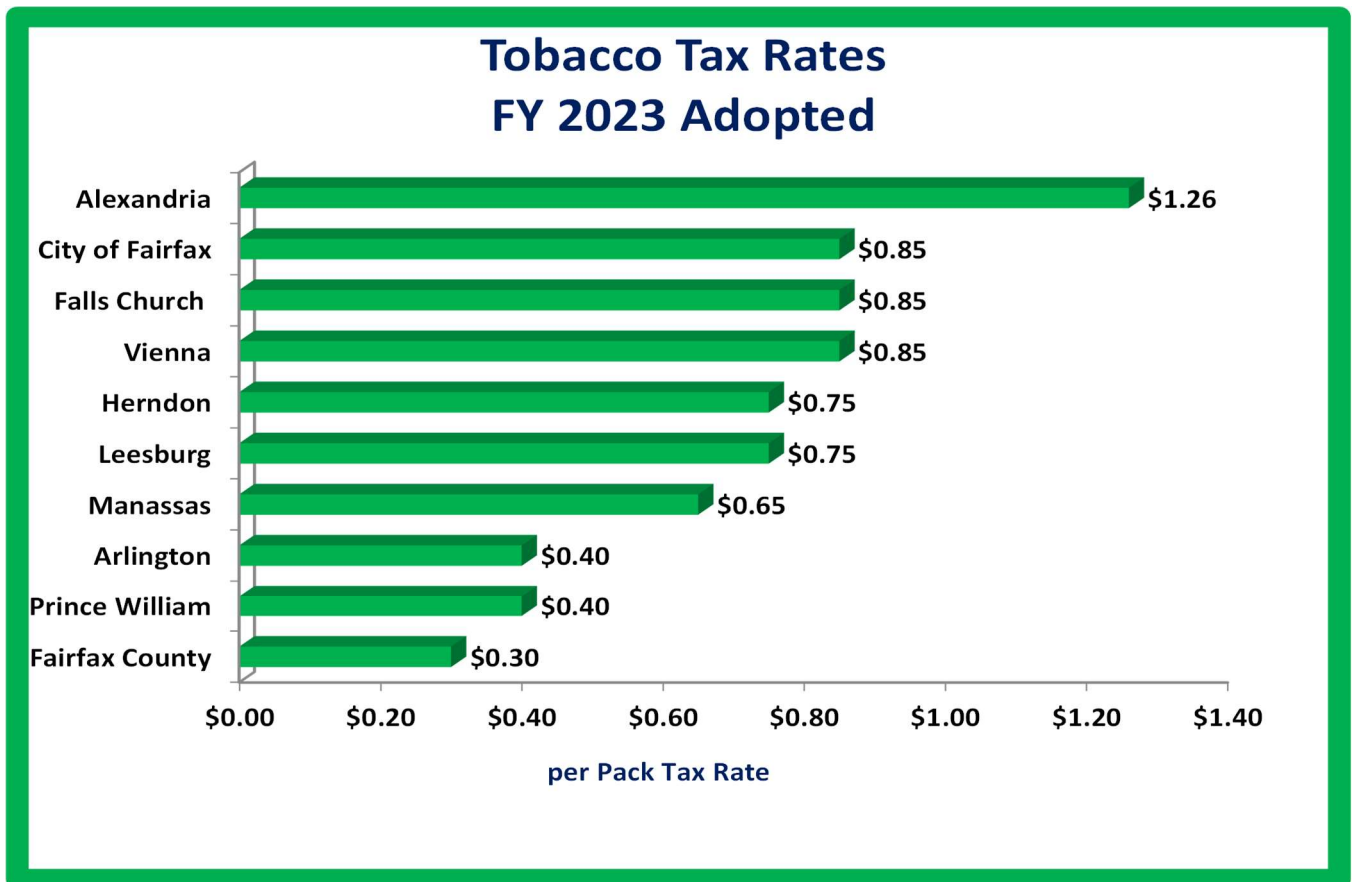
Background

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 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|----------------------------|-------------------|-------------------|---------------------|--------------------|
| Tobacco Tax Revenue | \$ 518,370 | \$ 506,145 | \$ 506,145 | \$ 500,000 |
| Tobacco Tax Rate | \$0.85 | \$0.85 | \$0.85 | \$0.85 |

Tobacco tax revenues for the FY 2023 estimate are projected at \$500,000, based on receipts for the first nine months of the current fiscal year, a decrease of 2.4% from FY 2021 actual revenues. FY 2023 adopted revenues are projected to decrease from the FY 2022 adopted budget as we continue to see tobacco sales on a downward trend.



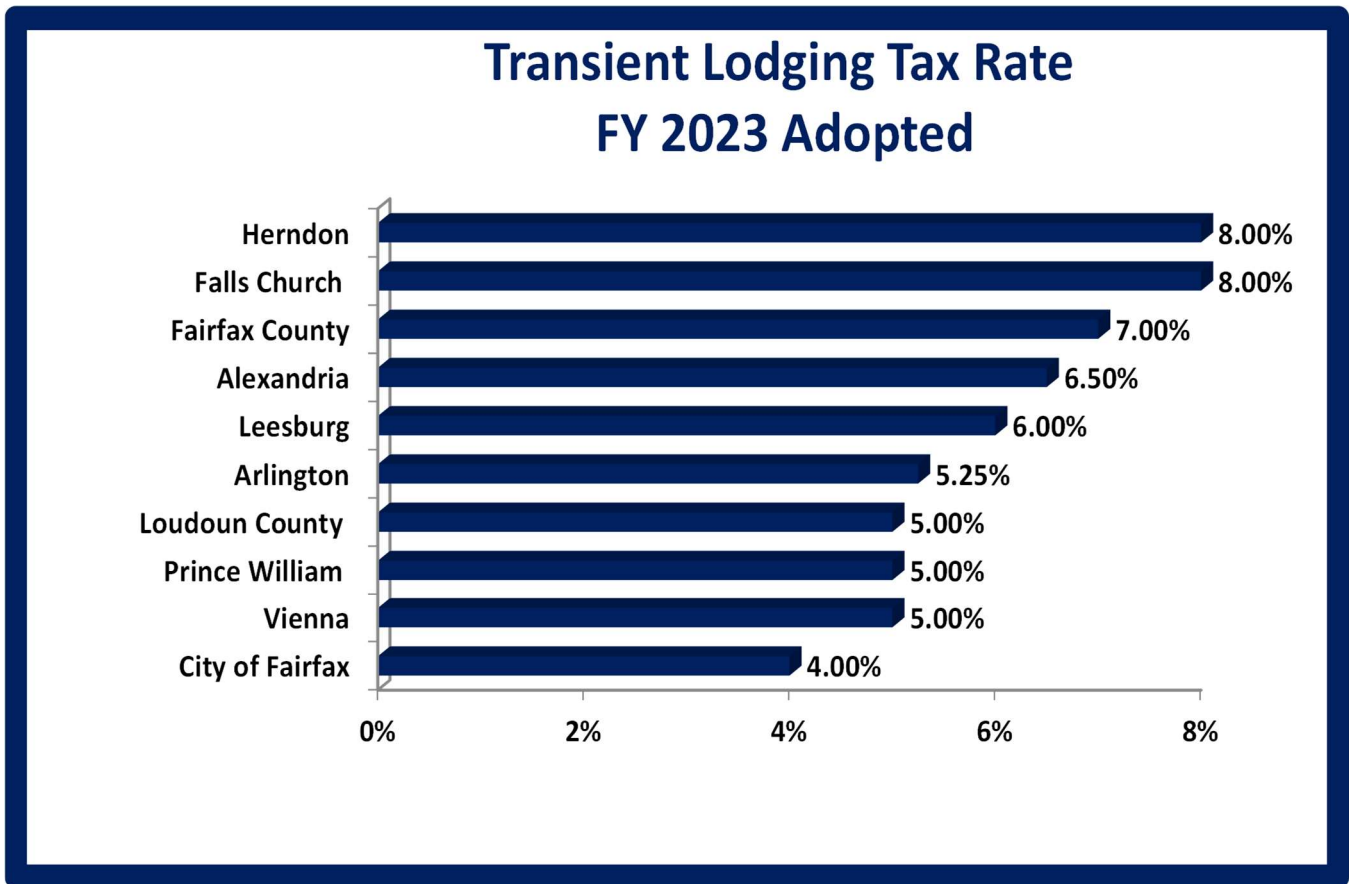
Transient Lodging Tax

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.

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--------------------------------------|-------------------|-------------------|---------------------|--------------------|
| Transient Lodging Tax Revenue | \$ 238,642 | \$ 429,193 | \$ 400,000 | \$ 430,000 |
| Transient Lodging Tax Rate | 4% | 4% | 4% | 4% |

The adopted FY 2023 Transient Lodging Tax revenue is projected to increase 7.5% compared to the FY 2022 estimate, based on our current experience during the first nine months of this fiscal year and the economic effect of the COVID19 pandemic.



Licenses, Permits, and Fees

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--|-------------------|-------------------|---------------------|--------------------|
| Licenses, Permits, and Fees | \$ 1,960,625 | \$ 1,507,432 | \$ 1,707,432 | \$ 1,729,354 |

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 adopted budget for FY 2023 projects an 1.3% increase from the FY 2022 estimate.

Fines and Forfeitures

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|------------------------------------|-------------------|-------------------|---------------------|--------------------|
| Fines & Forfeitures | \$ 663,424 | \$ 625,432 | \$ 800,432 | \$ 1,075,352 |

This category of revenues is projected to increase by 34.4% in the adopted FY 2023 budget from the FY 2022 estimate based on recent trends in collections.

Use of Money and Property

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--------------------------------------|-------------------|-------------------|---------------------|--------------------|
| Use of Money and Property | \$ 2,583,215 | \$ 3,043,000 | \$ 2,944,000 | \$ 3,134,000 |

Overall revenues are projected to increase by 6.5% in the adopted FY 2023 budget from the FY 2022 estimate.

Charges for Services

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|-----------------------------|-------------------|-------------------|---------------------|--------------------|
| Charges for Services | \$ 2,228,406 | \$ 3,420,809 | \$ 2,979,309 | \$ 3,459,149 |

Overall revenues are projected to increase by 16.1% in adopted FY 2023 from the FY 2022 estimate.

State Aid

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|------------------|-------------------|-------------------|---------------------|--------------------|
| State Aid | \$ 13,773,625 | \$ 13,480,331 | \$ 13,973,267 | \$14,731,966 |

Total funding for state aid is projected to increase by 5.4% in FY 2023 compared to the FY 2022 estimate.

Federal Aid

| | FY 2021 Actual | FY 2022 Budget | FY 2022 Estimate | FY 2023 Adopted |
|--------------------|-------------------|-------------------|---------------------|--------------------|
| Federal Aid | \$ 4,179,255 | \$ 230,556 | \$ 243,983 | \$ 2,575,915 |

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. The FY 2023 increase is due to a \$2.1m grant for the Old Town Hall Rehabilitation project. These numbers can fluctuate greatly from year to year based on grants awarded.

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