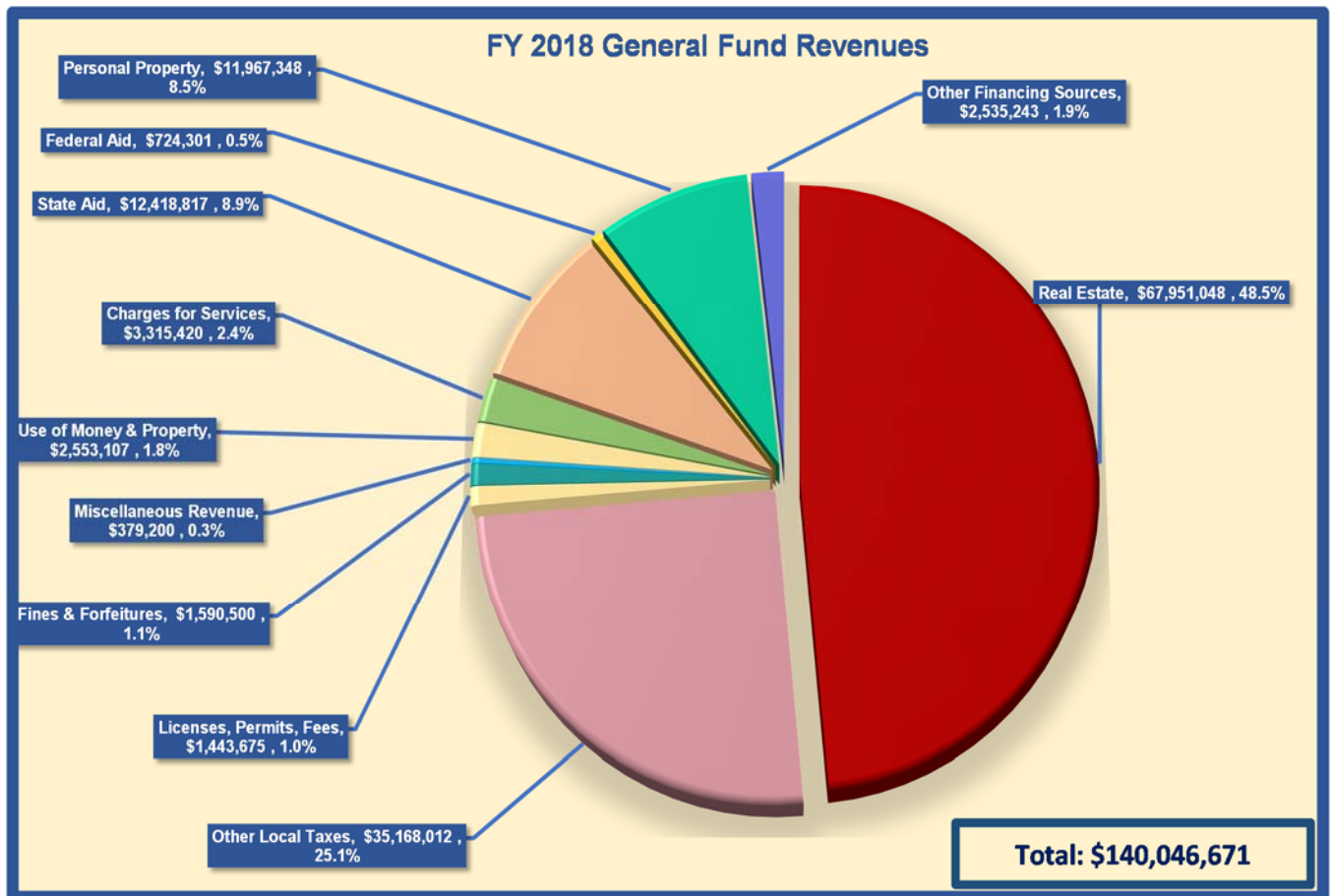


GENERAL FUND REVENUE OVERVIEW

FY 2018 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 2018 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$1,329,389** is funded by the estimated FY 2017 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **10.0 percent (\$14.1m)** of adopted General Fund expenditures.

FY 2018 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted	Variance to Budget \$	Variance to Budget %
General Property Taxes							
311110	Real Estate Current December	\$ 29,205,553	\$ 29,589,976	30,224,278	\$ 30,407,182	\$ 817,206	2.76%
311111	Real Estate Current June	29,660,805	30,567,694	30,520,194	31,227,520	659,826	2.16%
311112	Real Estate Old Town - June	96,938	92,877	97,952	97,952	5,075	5.46%
311113	Delinquent Real Estate	1,095,112	876,692	750,000	889,165	12,473	1.42%
311114	Real Estate Old Town - December	94,430	92,877	95,326	97,952	5,075	5.46%
311116	Delinquent R/E Old Town District	3,290	4,898	1,400	5,033	135	2.76%
311119	Delinquent R/E Commercial	23,653	52,375	25,000	58,586	6,211	11.86%
311120	Stormwater Fund Tax	1,187,098	1,321,090	1,388,678	1,488,761	167,671	12.69%
311121	Comm. Real Estate Tax Rate Trans. - June	880,338	879,391	977,563	1,008,336	128,945	14.66%
311122	Comm. Real Estate Tax Rate Trans. - Dec	677,308	843,599	882,268	977,563	133,964	15.88%
311210	Personal Property Current	10,337,959	10,100,000	10,875,363	10,875,363	775,363	7.68%
311213	Delinquent Personal Property	439,383	496,000	680,000	831,985	335,985	67.74%
311311	PSC R/E Current	1,068,730	1,050,000	1,050,000	1,125,000	75,000	7.14%
311312	PSC PP Current	270,511	270,000	261,000	260,000	(10,000)	-3.70%
311313	PSC R/E Delinquent	(187)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	314,108	300,000	356,000	388,000	88,000	29.33%
311411	Interest on Delinquent Taxes	121,701	113,000	153,000	180,000	67,000	59.29%
Total General Property Taxes		\$ 75,476,729	\$ 76,650,469	\$ 78,338,022	\$ 79,918,396	\$ 3,267,929	4.26%
Other Local Taxes							
312010	Local Sales & Use Tax	\$ 11,283,271	\$ 11,600,000	\$ 11,475,000	\$ 11,589,000	\$ (11,000)	-0.09%
312011	Consumers Utility Tax	1,660,434	1,700,000	1,625,000	1,600,000	(100,000)	-5.88%
312012	Business & Occupational Licenses	8,838,556	8,780,000	8,900,000	8,930,000	150,000	1.71%
312013	Motor Vehicle Licenses	611,018	613,000	700,000	700,000	87,000	14.19%
312014	Recordation Tax	520,154	450,000	450,000	500,000	50,000	11.11%
312015	Bank Stock Tax	1,862,232	1,850,000	1,899,500	1,899,500	49,500	2.68%
312016	Tobacco Tax	853,890	819,637	883,697	839,512	19,875	2.42%
312017	Transient Lodging Tax	699,177	1,100,000	800,000	800,000	(300,000)	-27.27%
312018	Meals Tax	5,918,534	6,000,000	6,000,000	6,000,000	-	0.00%
312020	911 Emergency Tax	-	-	-	-	-	0.00%
312021	Consumption Tax	103,131	110,000	103,000	110,000	-	0.00%
312024	Communication Taxes	2,201,119	2,400,000	2,200,000	2,200,000	(200,000)	-8.33%
Total Other Local Taxes		\$ 34,551,515	\$ 35,422,637	\$ 35,036,197	\$ 35,168,012	\$ (254,625)	-0.72%

FY 2018 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted	Variance to Budget \$	Variance to Budget %
Licenses, Permits & Fees							
313202	Building Permits	\$ 260,038	\$ 285,000	\$ 315,000	\$ 230,000	\$ (55,000)	-19.30%
313203	Electrical Permits	106,025	118,000	143,000	100,000	(18,000)	-15.25%
313204	Plumbing Permits	38,576	83,000	93,000	80,000	(3,000)	-3.61%
313205	Mechanical Permits	103,124	123,000	173,000	100,000	(23,000)	-18.70%
313206	Elevator Inspection	50,276	55,000	60,000	58,000	3,000	5.45%
313225	Rental Housing Occupancy	3,100	2,000	2,000	2,000	-	0.00%
313226	Fire Marshal Permit	98,055	85,000	90,000	90,000	5,000	5.88%
313227	Fire Protection System Permit	21,426	43,000	58,000	40,000	(3,000)	-6.98%
313231	Fire Marshal Development Fees	15,333	12,000	13,000	15,000	3,000	25.00%
313233	Public Safety Fee	38,699	45,000	45,000	45,000	-	0.00%
313234	Reinspection Fees	-	1,500	3,000	2,500	1,000	66.67%
313308	Sign Permits	17,520	18,375	18,375	18,375	-	0.00%
313309	Occupancy Permits	25,185	33,600	33,600	36,200	2,600	7.74%
313310	Soil & Erosion Fees	12,025	11,550	11,550	11,550	-	0.00%
313323	Zoning Fees	32,000	63,000	85,000	83,100	20,100	31.90%
313328	Special Use Permits	49,865	89,250	55,250	57,350	(31,900)	-35.74%
313329	Variances	2,900	12,600	12,600	9,600	(3,000)	-23.81%
313330	Partial R/E Tax Exemption	-	-	-	-	-	0.00%
313411	Cemetery Interments	69,264	70,000	85,000	70,000	-	0.00%
313420	Street Opening Permits	51,700	50,000	50,000	50,000	-	0.00%
313430	Precious Metals	200	-	-	-	-	0.00%
313440	Public Right of Way Use	172,142	225,000	188,000	190,000	(35,000)	-15.56%
313510	Animal Licenses	13,800	11,000	12,000	12,000	1,000	9.09%
313512	Peddlers Permits	9,526	10,000	10,000	9,500	(500)	-5.00%
313620	Transfer Fees	136,821	115,000	115,000	120,000	5,000	4.35%
313630	Cellular Comm	13,500	13,500	13,500	13,500	-	0.00%
Total Licenses, Permits & Fees		\$ 1,341,098	\$ 1,575,375	\$ 1,684,875	\$ 1,443,675	\$ (131,700)	-8.36%
Fines & Forfeitures							
314001	Court Fines & Forfeitures	\$ 517,864	\$ 590,000	\$ 680,000	\$ 680,000	\$ 90,000	15.25%
314002	Parking Fines	122,018	107,000	99,750	110,000	3,000	2.80%
314003	Juvenile Court	2,282	4,500	-	-	(4,500)	-100.00%
314005	Circuit Court Revenue	6,803	10,000	-	-	(10,000)	-100.00%
314006	Court Facilities Fee	10,876	20,000	-	-	(20,000)	-100.00%
314010	Zoning Civil Penalties	3,500	10,500	10,500	10,500	-	0.00%
314011	Photo Red Light	504,978	577,600	386,000	720,000	142,400	24.65%
314012	Jail Admin Fee	796	1,700	-	-	(1,700)	-100.00%
314013	Courthouse Security	63,656	80,000	80,000	70,000	(10,000)	-12.50%
Total Fines & Forfeitures		\$ 1,232,773	\$ 1,401,300	\$ 1,256,250	\$ 1,590,500	\$ 189,200	13.5%

FY 2018 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted	Variance to Budget \$	Variance to Budget %
Use of Money & Property							
315101	Interest on Investments	\$ 39,465	\$ 60,000	\$ 85,000	\$ 100,000	\$ 40,000	66.67%
315202	Rental - Old Town Hall	174,837	180,000	180,000	198,822	18,822	10.46%
315203	Rental - Green Acres	63,966	50,000	65,000	66,921	16,921	33.84%
315206	Rental - Schools	1,949,038	1,500,000	1,500,000	1,750,000	250,000	16.67%
315208	Rental - Community Center	260,673	260,000	260,000	270,646	10,646	4.09%
315209	Rental - Main Street Day Care	33,694	28,000	35,379	36,440	8,440	30.14%
315211	Rental - Blenheim	76,568	60,000	65,000	65,278	5,278	8.80%
315213	Rental - Ball Fields	63,751	59,955	62,955	65,000	5,045	8.41%
Total Use of Money & Property		\$ 2,661,993	\$ 2,197,955	\$ 2,253,334	\$ 2,553,107	\$ 355,152	16.16%
Charges for Services							
316110	Court Fees	\$ 3,530	\$ 6,600	\$ 6,600	\$ 5,000	\$ (1,600)	-24.24%
316220	Sale of Record Copies	4,150	4,000	4,000	4,000	-	0.00%
316221	False Alarm Fees	28,576	37,000	25,000	25,000	(12,000)	-32.43%
316223	Ambulance Fees	959,334	1,000,000	930,000	930,000	(70,000)	-7.00%
316225	Fire Recovery Fee - GMU	200,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	2,275	3,500	3,500	3,000	(500)	-14.29%
316245	FFX Water	61,579	61,580	61,580	61,580	-	0.00%
316346	Community Programming	50,649	52,213	50,213	50,000	(2,213)	-4.24%
316347	Sherwood Programming	214,115	178,040	198,040	200,000	21,960	12.33%
316348	Green Acres Programming	62,808	77,142	69,142	75,000	(2,142)	-2.78%
316349	Senior Programs	84,056	75,000	85,000	85,000	10,000	13.33%
316350	Rec Youth	4,295	-	-	-	-	0.00%
316351	Day Camps	558,035	571,653	589,653	530,000	(41,653)	-7.29%
316352	Pavilion Rentals	24,721	25,000	25,000	25,000	-	0.00%
316353	Cultural Arts	7,557	5,000	5,000	5,000	-	0.00%
316354	Special Events	266,648	225,000	220,000	260,000	35,000	15.56%
316355	Museum Revenue	1,924	1,200	1,500	1,500	300	25.00%
316356	Museum Gift Shop	14,458	14,500	14,500	14,500	-	0.00%
316357	Show Mobile Revenue	3,171	4,000	3,200	4,000	-	0.00%
316460	Sale of Publications	37	35	35	35	-	0.00%
316461	Subdivision Review Fees	20,450	15,750	15,750	18,600	2,850	18.10%
316462	Site Plan Review Fees	113,472	107,100	66,000	85,000	(22,100)	-20.63%
316463	Architectural Review	4,440	5,880	5,880	5,880	-	0.00%
316464	Tree Removal Permit	1,770	1,470	1,970	2,020	550	37.41%
316466	Surety Review	14,350	14,000	12,500	14,000	-	0.00%
316467	Mapping Sales	1,955	500	500	500	-	0.00%
316570	School Age Child Care	605,906	550,000	624,083	642,805	92,805	16.87%
316580	Returned Check Fees	2,447	3,000	2,000	2,000	(1,000)	-33.33%
316581	Charge Card Fees	-	-	-	-	-	0.00%
316585	Administrative Fees	4,206	10,000	2,000	3,000	(7,000)	-70.00%
316586	Collection Fees	23,499	1,500	15,000	8,000	6,500	433.33%
316587	Attorney Fees	-	-	-	-	-	0.00%
316712	5% Late Charge	-	-	-	-	-	0.00%
316811	Inspection Fees After Hours	43,500	30,000	50,000	30,000	-	0.00%
Total Charges for Services		\$ 3,387,913	\$ 3,305,663	\$ 3,312,646	\$ 3,315,420	\$ 9,757	0.30%

FY 2018 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted	Variance to Budget \$	Variance to Budget %
Miscellaneous Revenue							
318102	Sale of Surplus Property	\$ 109,414	\$ 70,000	\$ 123,001	\$ 70,000	\$ -	0.00%
318104	Sale of Cemetery Lot	62,208	40,000	40,000	40,000	-	0.00%
318105	Perpetual Care - Cemetery	9,604	4,200	4,200	4,200	-	0.00%
318108	Sale of City License Plates	4,695	5,000	5,000	5,000	-	0.00%
318109	Recycling Rebate	-	-	105,000	180,000	180,000	0.00%
318201	Misc. Revenue	60,915	159,817	72,185	80,000	(79,817)	-49.94%
318203	Police Seized Assets - State	-	-	-	-	-	0.00%
318207	Police Seized Assets - Federal	-	-	-	-	-	0.00%
Total Miscellaneous Revenue		\$ 246,835	\$ 279,017	\$ 349,386	\$ 379,200	\$ 100,183	35.91%
State Aid							
321103	Rolling Tax	\$ 339	\$ -	\$ -	\$ -	-	0.00%
321104	State Aid Police	595,124	614,285	600,000	600,000	(14,285)	-2.33%
321106	Vehicle Rental Tax	329,469	305,000	325,000	325,000	20,000	6.56%
321201	Commissioner of Revenue	142,800	144,000	144,000	146,000	2,000	1.39%
321202	Treasurer	96,413	99,000	100,000	100,000	1,000	1.01%
321203	Registrar /Electoral	55,344	50,000	50,000	50,000	-	0.00%
321204	DMV Reimbursement	50,366	70,000	72,000	72,000	2,000	2.86%
324201	State Sales Tax	3,411,108	3,698,465	3,698,465	3,808,756	110,291	2.98%
324202	Basic School Aid	4,374,331	4,238,296	4,238,296	4,534,879	296,583	7.00%
324302	Four for Life Grants	48,065	21,000	21,000	25,000	4,000	19.05%
324323	Fire Equip Mini Grant	4,649	-	-	-	-	0.00%
324331	Asset Forfeiture	-	-	14,335	-	-	0.00%
324344	VDFP Aid to Localities	74,577	63,000	63,000	70,000	7,000	11.11%
324345	VDFP Education & Conference Grant	-	-	3,500	-	-	0.00%
324403	Street & Highway Maint.	2,548,618	2,546,916	2,546,916	2,637,152	90,236	3.54%
324405	Solid Waste Grant	6,427	6,200	6,200	6,000	(200)	-3.23%
324411	Disaster Assistance State	(18,358)	22,054	22,054	44,030	21,976	99.65%
Total State Aid		\$ 11,719,270	\$ 11,878,216	\$ 11,904,766	\$ 12,418,817	\$ 540,601	4.55%

FY 2018 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted	Variance to Budget \$	Variance to Budget %
Federal Aid							
331005	Bulletproof Vest Grant	\$ 4,091	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	0.00%
331009	Alcohol Safety Grant	16,184	15,000	13,000	13,000	(2,000)	-13.33%
331010	Gang Task Force Grant	4,234	-	6,890	-	-	0.00%
331011	FEMA Reimbursement	(53,642)	60,977	60,977	254,020	193,043	316.58%
331013	Body Worn Camera Grant	-	-	28,878	-	-	0.00%
331018	NCR Regional Planner	96,305	-	10,801	145,000	145,000	0.00%
331021	Speed Enforcement Grant	-	-	6,400	6,000	6,000	0.00%
331023	Byrne JAG Grant	1,768	1,796	1,266	1,400	(396)	-22.05%
331024	Gang Task Force Vehicle reimbursement	-	-	-	8,800	8,800	0.00%
331039	Emergency Mgt Cable Grant	-	-	30,000	-	-	0.00%
331040	2016 SAFER Grant	-	-	130,000	130,000	130,000	0.00%
331043	2014 SAFER Grant	150,071	-	-	-	-	0.00%
331044	AFG (Flammable Liquids, Paramedic, FMO)	59,000	-	264,124	-	-	0.00%
331046	LEMPG Grant	6,799	34,250	7,750	-	(34,250)	-100.00%
331047	UASI EOC GRANT	-	217,300	217,300	147,781	(69,519)	-31.99%
331048	Volunteer & Citizens Corp	56,604	-	106,435	13,300	13,300	0.00%
331049	UASI Citizen Prep Grant	8,783	-	-	-	-	0.00%
331051	UASI Phone	-	-	-	-	-	0.00%
331052	UASI State	32,500	7,500	7,500	-	(7,500)	-100.00%
331053	UASI Tech	-	-	37,366	-	-	0.00%
331056	AFG (Leadership Development Institute)	-	-	94,500	-	-	0.00%
Total Federal Aid		\$ 382,697	\$ 336,823	\$ 1,028,187	\$ 724,301	\$ 387,478	115.04%
Other Financing Sources							
318282	Fairfax Little League	\$ 5,625	\$ 5,625	\$ 5,625	\$ 10,000	\$ 4,375	77.78%
318288	FPYC Turf Contribution	76,375	77,375	77,375	20,000	(57,375)	-74.15%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	784,741	831,638	802,841	809,918	(21,720)	-2.61%
341010	Capital Lease Proceeds	34,050	-	-	-	-	0.00%
342030	Insurance Recoveries	204,006	70,000	70,000	70,000	-	0.00%
347360	Downtown Fund Transfer for Debt Service	369,970	93,500	93,500	275,936	182,436	195.12%
Total Other Financing Sources		\$ 1,494,767	\$ 1,098,138	\$ 1,069,341	\$ 1,205,854	\$ 107,716	9.81%
Total Revenues		\$ 132,495,591	\$ 134,145,593	\$ 136,233,004	\$ 138,717,282	\$ 4,571,689	3.41%
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	-	1,369,539	-	1,329,389	(40,150)	-2.93%
Total Appropriated Fund Balance		\$ -	\$ 1,369,539	\$ -	\$ 1,329,389	\$ (40,150)	-2.93%
Total Revenue Available		132,495,591	135,515,132	136,233,004	140,046,671	4,531,539	3.34%

FY 2018 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

Category	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	2018 Adopted
Real Estate	\$ 47,677,911	\$ 49,386,587	\$ 49,960,103	\$ 51,075,000	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 64,699,575	\$ 66,782,659	\$ 68,211,048
Personal Property	11,070,647	9,782,686	9,976,554	9,944,909	10,377,334	10,243,702	10,171,214	10,777,155	11,555,363	11,707,348
Sales Tax	8,831,494	10,644,035	9,907,063	10,200,696	10,263,955	11,580,673	11,181,816	11,283,271	11,475,000	11,589,000
BPOL	8,375,551	7,485,808	8,151,072	8,554,669	8,932,634	8,709,712	8,740,824	8,838,556	8,900,000	8,930,000
Meals Tax	4,634,109	4,654,170	4,938,869	5,252,922	5,553,975	5,703,399	5,771,329	5,918,534	6,000,000	6,000,000
Other Local Taxes	7,226,450	7,687,009	8,036,140	8,560,379	8,384,251	8,375,385	8,543,760	8,511,155	8,661,197	8,649,012
Licenses, Permits, and Fees	1,065,386	1,299,114	1,230,352	1,540,689	1,408,601	1,434,496	1,300,349	1,341,098	1,684,875	1,443,675
Fines & Forfeitures	873,594	919,482	1,041,172	1,288,331	1,148,262	1,113,719	1,233,802	1,232,773	1,256,250	1,590,500
Use of Money & Property	2,298,050	1,965,922	1,866,897	1,947,934	2,162,378	2,696,575	2,725,994	2,661,993	2,253,334	2,553,107
Charges for Services	2,424,216	2,507,399	2,878,252	3,176,925	3,249,168	3,049,479	3,304,373	3,387,913	3,312,646	3,315,420
Intergovernmental	11,033,810	10,878,733	10,358,222	10,837,393	11,318,838	11,480,641	11,854,303	12,101,966	12,932,953	13,143,119
Other Financing Sources / Misc.	3,070,983	4,513,438	1,076,776	1,245,630	1,152,263	1,043,308	1,460,877	1,741,602	1,418,727	1,585,054
Appropriated Fund Balance	1,413,440	(1,125,407)	282,265	1,926,941	(1,742,683)	1,260,278	1,164,306	(1,470,391)	(658,287)	1,329,389
Total Revenue	\$109,995,641	\$110,598,976	\$109,703,737	\$115,552,418	\$119,281,371	\$ 126,196,973	\$128,894,460	\$131,025,200	\$135,574,717	\$140,046,671

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 2017 Budget	FY 2018 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 63,818,452	\$ 65,965,628	\$ 2,147,176	3.4%
Base Real Estate Tax Rate	\$ 1.0395	\$ 1.035	\$ (0.0045)	-0.4%
Stormwater Tax Rate	\$ 0.0225	\$ 0.025	\$ 0.0025	11.1%
Total Real Estate Tax Rate	\$ 1.062	\$ 1.06	\$ (0.0020)	-0.2%

Category	FY 2017 Budget	FY 2018 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ 190,652	\$ 200,936	\$ 10,284	5.4%
Old Town Service District Tax Rate	6.0¢	6.0¢	-	0.0%

Category	FY 2017 Budget	FY 2018 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 1,775,365	\$ 2,044,484	\$ 269,119	15.2%
Commercial & Industrial Tax Rate	9.5¢	10.5¢	1¢	10.5%

Real property tax revenues account for the largest category of revenue for the General Fund, representing 48.5 percent of total General Fund revenues. The FY 2018 Adopted Budget decreases the real estate tax rate 0.2¢ to \$1.06, which includes 2.5¢ to be dedicated for the Stormwater Fund. The base rate was reduced by 0.45¢ 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, of which significant portions are reaching the end of their useful life. The FY 2018 Adopted Budget also increases the Commercial and Industrial tax rate by 1¢ to 10.5¢.

FY 2018 Adopted Budget – City of Fairfax, Virginia

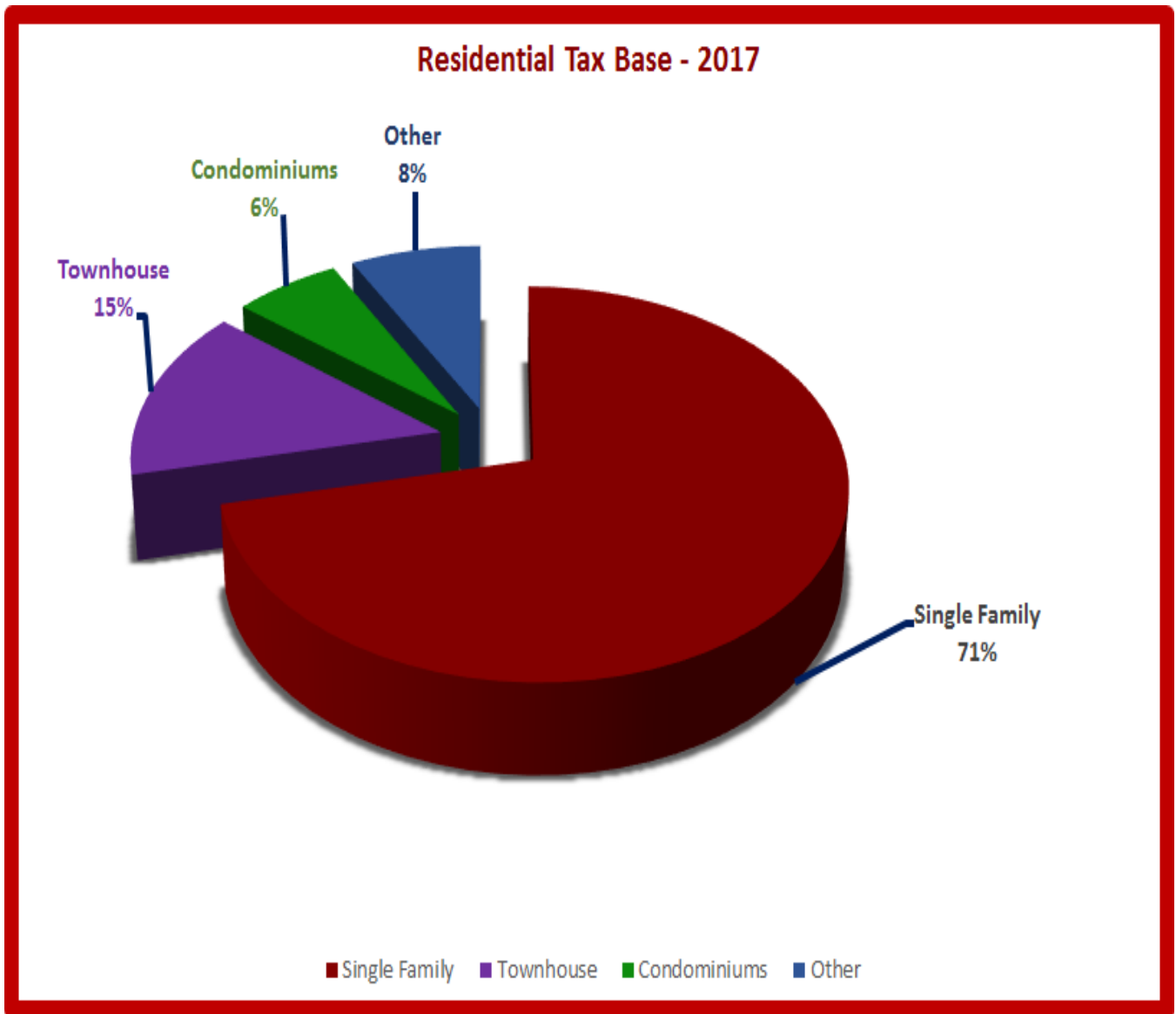
Total real estate assessments are up 1.0 percent, which includes new construction of \$23.1 million, compared to a 2.1 percent increase for the previous calendar year.

Assessments	CY 2016	CY 2017	Variance	
			\$	%
Residential	\$ 3,738,914,500	\$ 3,794,698,900	\$ 55,784,400	1.5%
Commercial	\$ 2,113,115,000	\$ 2,117,234,000	\$ 4,119,000	0.2%
Total	\$ 5,852,029,500	\$ 5,911,932,900	\$ 59,903,400	1.0%

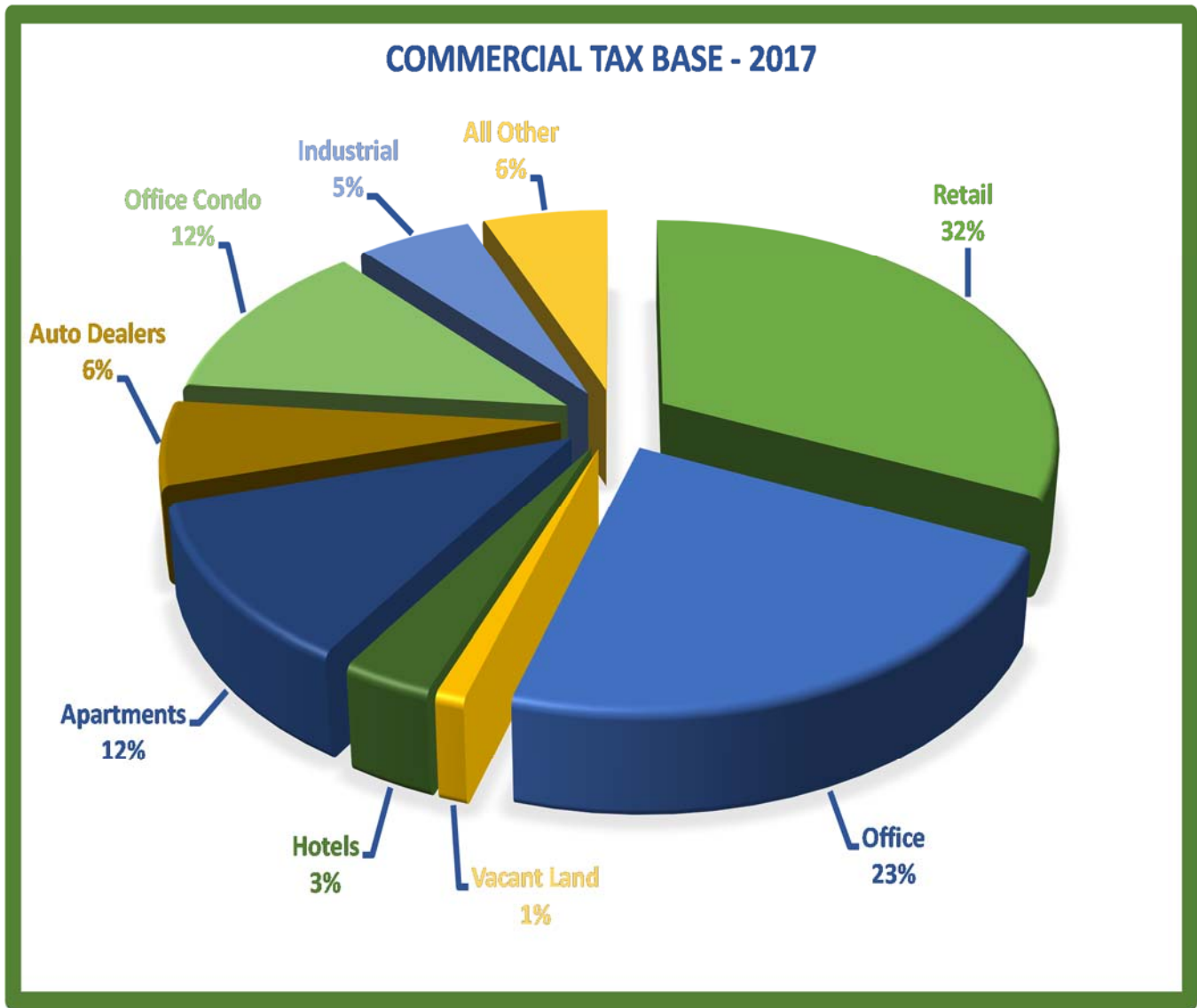


The calendar year 2017 total taxable value of City residential and commercial properties before appeals is \$5,911,932,900, an increase from last year’s total assessed value of \$5,852,029,500 (1.0%).

The overall residential assessment total, including new construction, has increased by 1.5 percent. The following notes the breakout by category for the residential tax base.



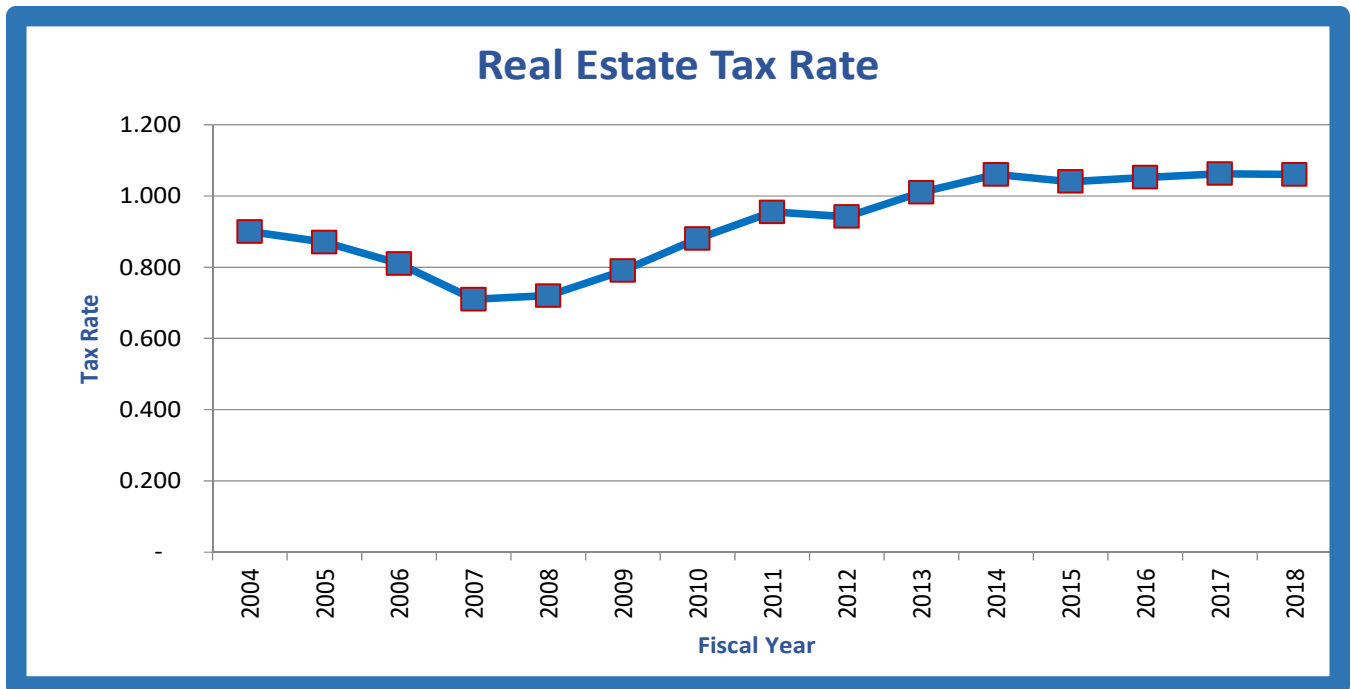
Commercial assessments increased 0.2 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



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 and to 9.5¢ for the FY 2017 budget. A 1.0¢ addition to the current 9.5¢ rate is has been adopted for FY 2018, increasing the rate to 10.5¢.

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 2018 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate of \$1.06 is a decrease of 0.2¢ from the FY 2017 rate. The base rate was reduced by 0.45¢ and the tax rate dedicated to Stormwater increased 0.25¢. The average residential tax bill is expected to increase by 0.8 percent. The following chart provides an example of three residential assessed values:

**Impact of 2018 Real Estate Tax Rate
On Residential Property Owner’s Tax Bill at Various Values**

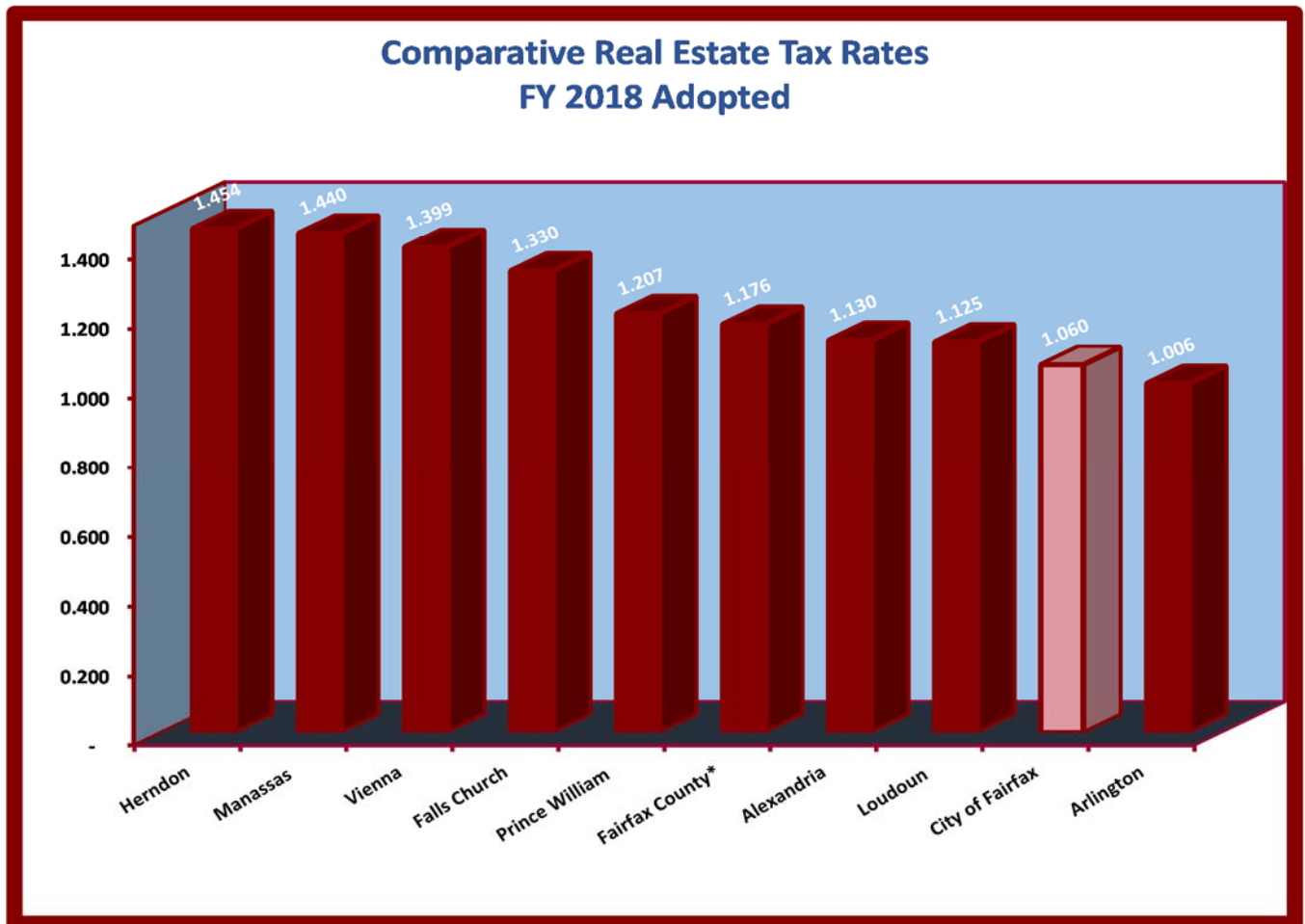
CY 16 Assessment	CY 16 Tax Rate	CY 16 Tax Bill	CY 17 Assessment	CY 17 Tax Rate	CY 17 Tax Bill	Change	
						\$	%
\$ 490,224	\$ 1.062	\$ 5,206	\$ 495,122	\$ 1.06	\$ 5,248	\$ 42	0.8%
\$ 511,000	\$ 1.062	\$ 5,427	\$ 516,105	\$ 1.06	\$ 5,471	\$ 44	0.8%
\$ 715,400	\$ 1.062	\$ 7,598	\$ 722,548	\$ 1.06	\$ 7,659	\$ 61	0.8%

Note: average estimated increase in residential assessment of 1.0 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

FY 2018 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 \$1.051 per \$100 of assessed value. This is 0.9 cents less than the adopted FY 2018 rate of \$1.06. The real estate equalization rate for residential and commercial properties combined is \$1.055 per \$100 of assessed value, 0.5¢ less than the adopted FY 2018 rate of \$1.06.

FY 2018 adopted rates are available 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

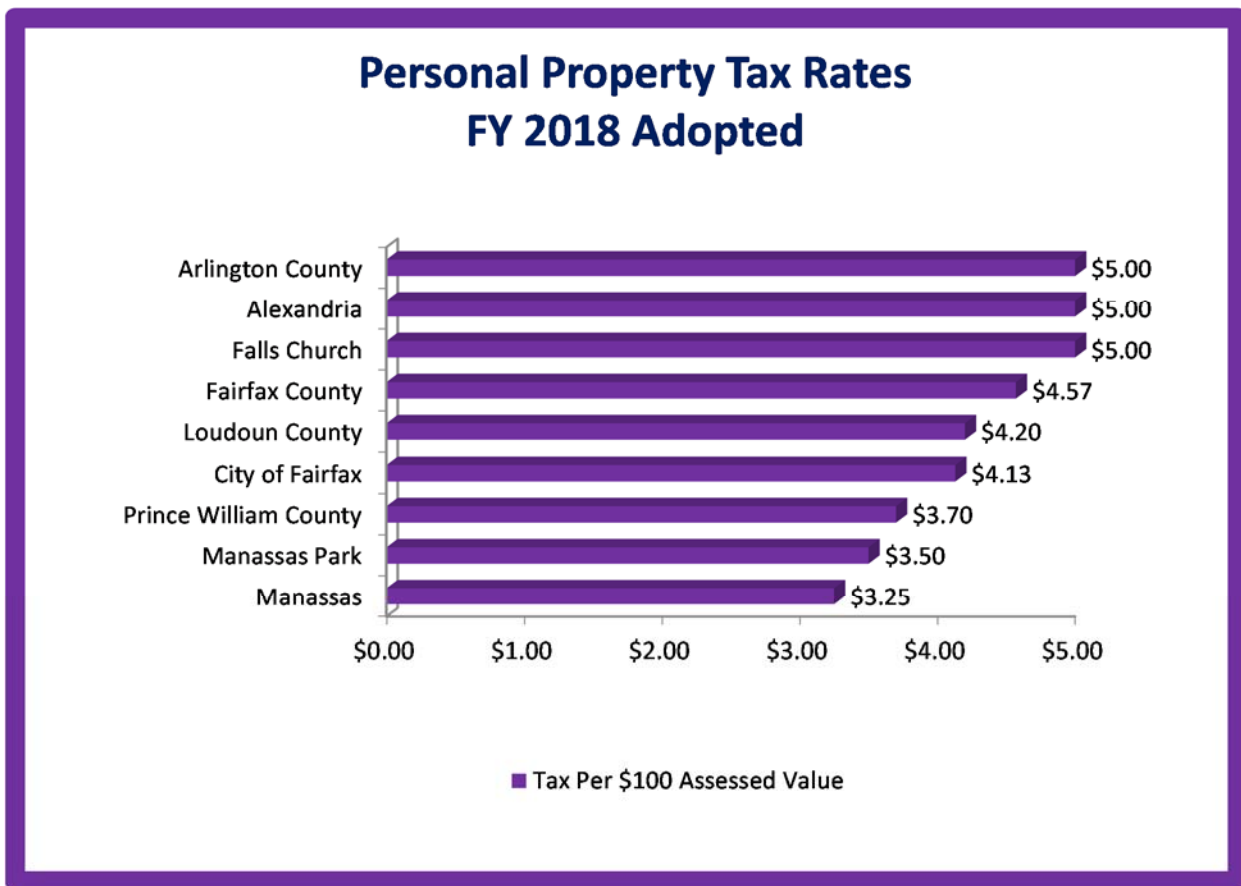
The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other 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 45 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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Personal Property Tax Revenue	\$ 10,777,155	\$ 10,596,000	\$ 11,555,363	\$ 11,707,348
Personal Property Tax Rate	\$4.13	\$4.13	\$4.13	\$4.13



The FY 2018 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2018 revenues are projected to increase over 10% compared with the FY 2017 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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Local Sales & Use Tax Revenue	\$ 11,283,271	\$ 11,600,000	\$ 11,475,000	\$ 11,589,000

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 increase in FY 2018 over FY 2016 actuals and FY 2017 estimate based on an improving retail sales trend with the addition of a new big box retailer operating in the City.

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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
BPOL Tax	\$ 8,838,556	\$ 8,780,000	\$ 8,900,000	\$ 8,930,000

FY 2018 projected BPOL tax revenues are predicted to remain flat due to the transition from the Fairfax Circle Shopping Center to the new Scout on the Circle development.

Meals Tax

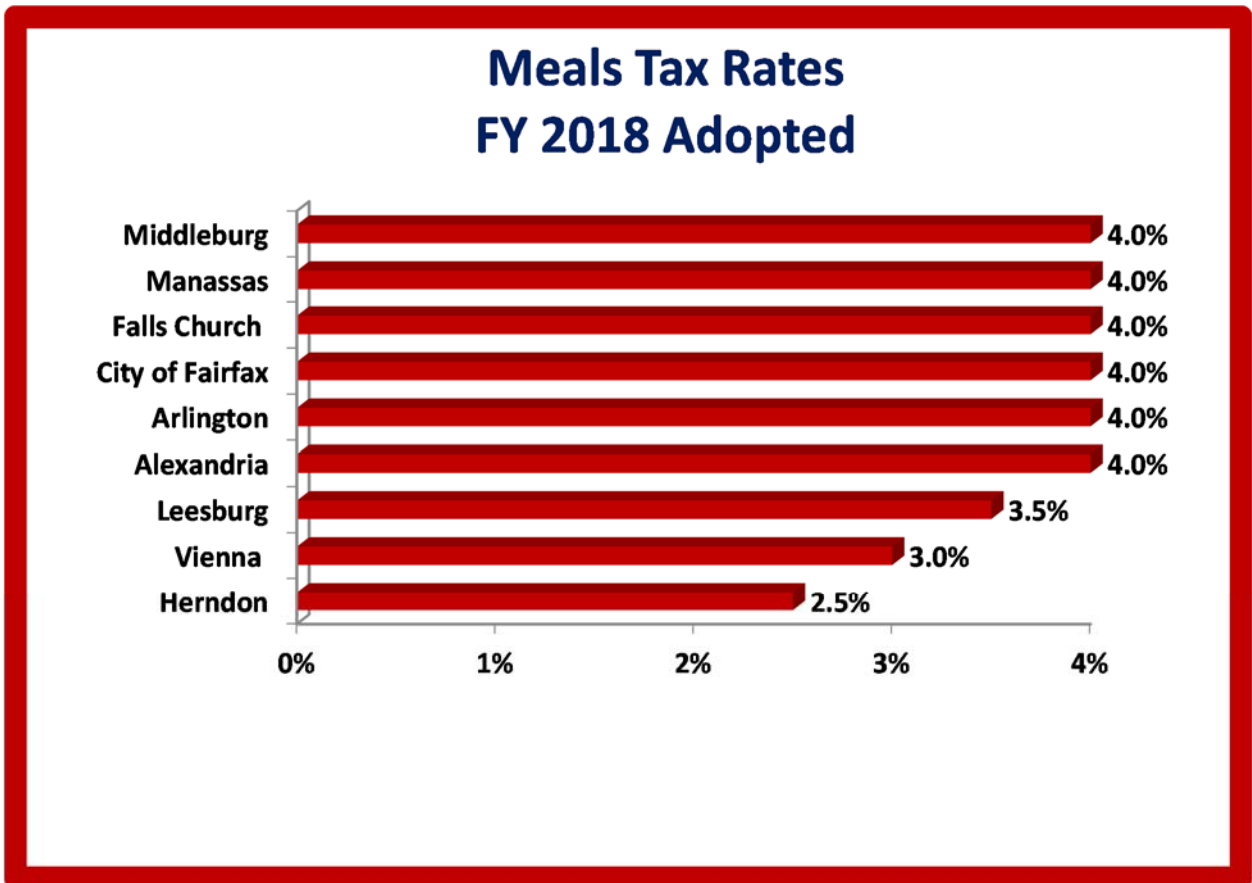
Background

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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Meals Tax Revenue	\$ 5,918,534	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Meals Tax Rate	4%	4%	4%	4%

The City’s meals tax remains a stable source of revenue for the City. The FY 2017 revenue estimate is projected to increase 1.4% from the FY 2016 actual, based on receipts for the first seven months of the current fiscal year. The FY 2018 projection remains flat as compared to the FY 2017 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

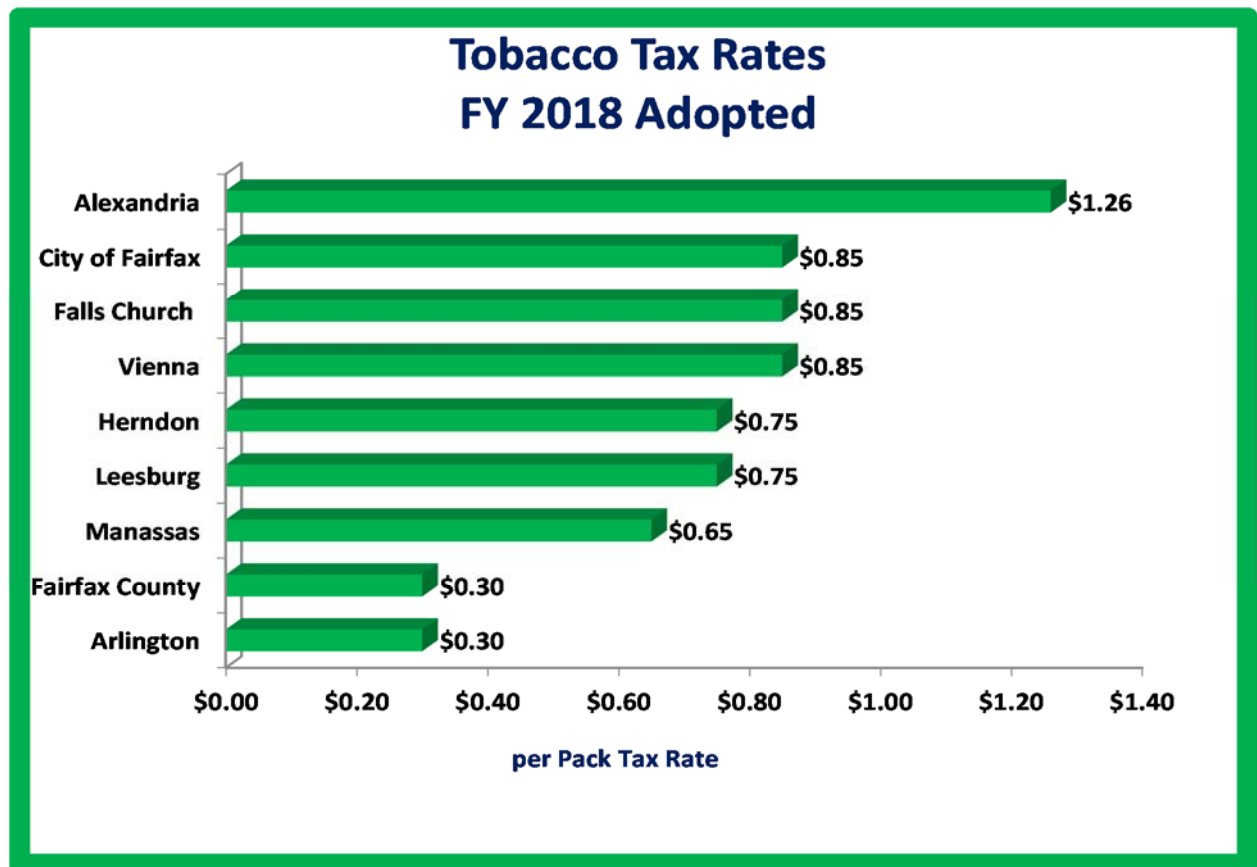
Background

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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Tobacco Tax Revenue	\$ 853,890	\$ 819,637	\$ 883,697	\$ 839,512
Tobacco Tax Rate	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2017 estimate are projected at \$883,697, based on receipts for the first seven months of the current fiscal year, an increase of 3.5% from FY 2016 actual revenues. FY 2018 revenues are projected to decrease from the FY 2017 estimate as we see tobacco sales on a slight downward trend.



Transient Lodging Tax

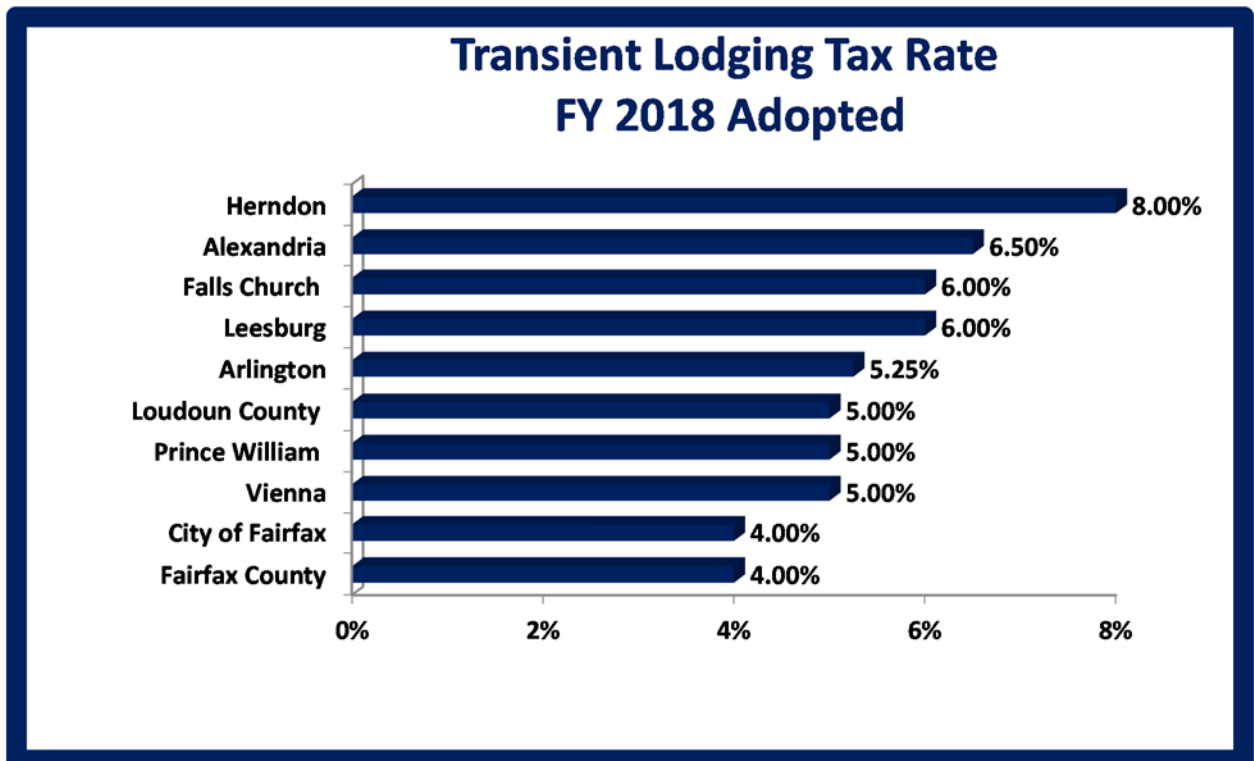
Background

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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Transient Lodging Tax Revenue	\$ 699,177	\$ 1,100,000	\$ 800,000	\$ 800,000
Transient Lodging Tax Rate	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to remain flat with FY 2017 estimated based on our current experience during the first seven months of this fiscal year. The City of Fairfax currently is tied with Fairfax County for the lowest rate in the region as shown by the chart below.



Licenses, Permits, and Fees

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Licenses, Permits, and Fees	\$ 1,341,098	\$ 1,575,375	\$ 1,684,875	\$ 1,443,675

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 2018 projects a 14.3% decrease from the FY 2017 estimate primarily due to the timing of construction-related permits for several large commercial projects.

Fines and Forfeitures

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Fines & Forfeitures	\$ 1,232,773	\$ 1,401,300	\$ 1,256,250	\$ 1,590,500

This category of revenues is projected to increase by 26.6% in FY 2018 from the FY 2017 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 2018 as additional intersections are scheduled to come online. Photo Red Light revenues will decrease over time as drivers adjust their behavior.

Use of Money and Property

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Use of Money and Property	\$ 2,661,993	\$ 2,197,955	\$ 2,253,334	\$ 2,553,107

Overall revenues are projected to increase by 13.3% in FY 2018 from the FY 2017 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 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Charges for Services	\$ 3,387,913	\$ 3,305,663	\$ 3,312,646	\$ 3,315,420

Overall revenues are projected remain relatively flat in FY 2018 as compared to the FY 2017 estimate.

State Aid

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
State Aid	\$ 11,719,270	\$ 11,878,216	\$ 11,904,766	\$ 12,418,817

Total funding for state aid is projected to increase by 4.3% from the FY 2017 estimate, primarily due to higher state aid for education (\$424k) and highway maintenance (\$90k). State aid for education is largely based on State provided estimates.

Federal Aid

	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Adopted
Federal Aid	\$ 382,697	\$ 336,823	\$ 1,028,187	\$ 724,301

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 or in the case of FY 2018, FEMA aid receivable from a previous year's event.

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