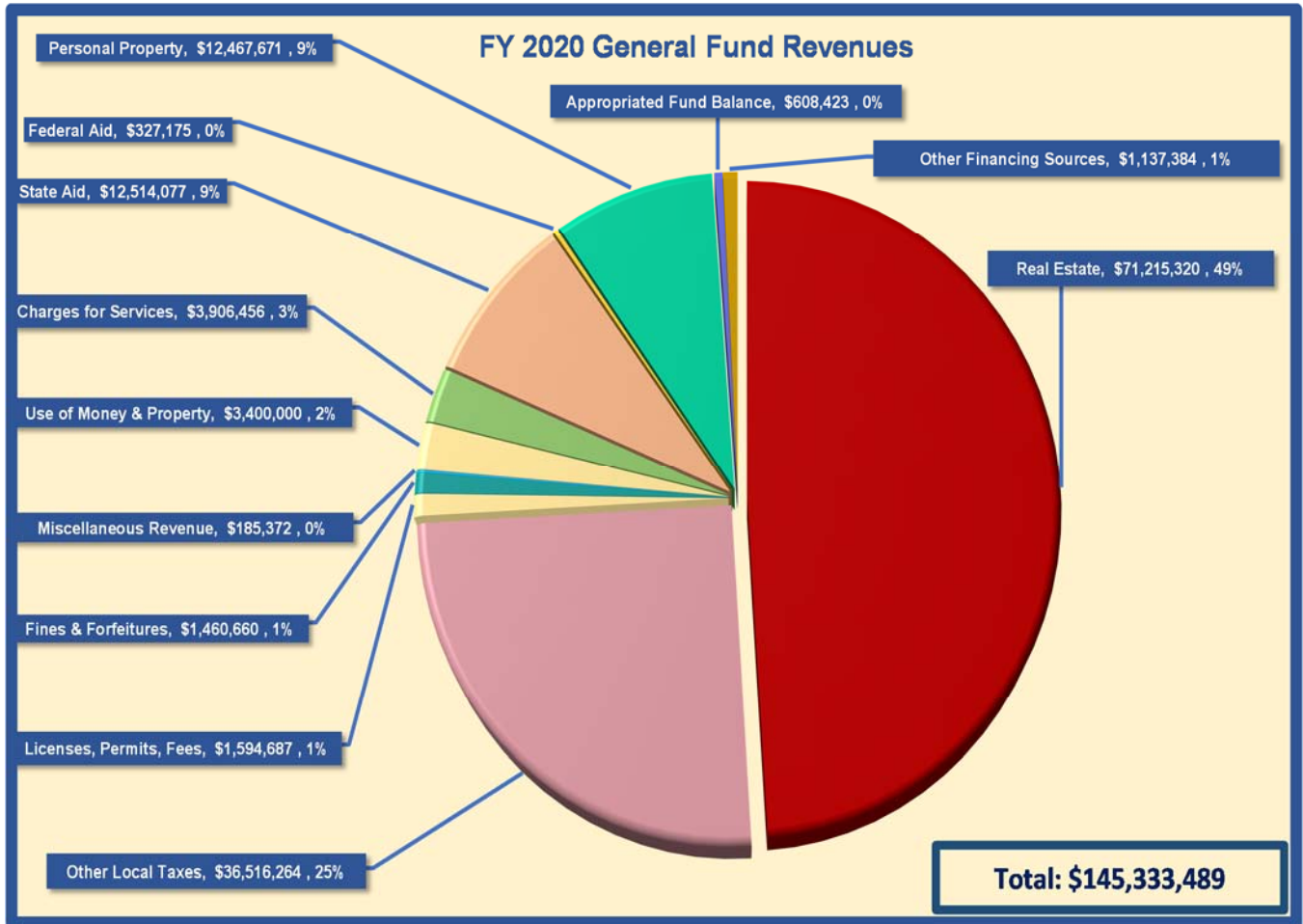


GENERAL FUND REVENUE OVERVIEW

FY 2020 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 2020 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$608,423** is funded by the estimated FY 2019 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **12.0** percent (**\$16.8m**) of adopted General Fund revenues.

FY 2020 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
General Property Taxes							
311110	Real Estate Current December	\$ 31,057,841	\$ 31,814,201	\$ 31,282,669	\$ 32,068,942	\$ 254,741	0.80%
311111	Real Estate Current June	30,792,019	32,144,077	32,008,055	32,687,086	543,009	1.69%
311112	Real Estate Old Town - June	98,083	99,355	105,333	105,338	5,983	6.02%
311113	Delinquent Real Estate	353,215	448,000	324,000	300,000	(148,000)	-33.04%
311114	Real Estate Old Town - December	101,520	99,355	100,050	105,333	5,978	6.02%
311116	Delinquent R/E Old Town District	2,835	5,000	4,952	5,000	-	0.00%
311119	Delinquent R/E Commercial	13,260	24,000	23,904	24,000	-	0.00%
311120	Stormwater Fund Tax	1,585,760	1,664,312	1,754,374	1,859,895	195,583	11.75%
311121	Comm. Real Estate Tax Rate Trans. - June	1,041,785	1,087,149	1,184,624	1,185,102	97,953	9.01%
311122	Comm. Real Estate Tax Rate Trans. - Dec	1,004,060	1,077,707	1,089,965	1,184,624	106,917	9.92%
311210	Personal Property Current	11,283,575	11,620,000	11,821,986	11,971,215	351,215	3.02%
311213	Delinquent Personal Property	237,838	400,000	210,000	250,000	(150,000)	-37.50%
311311	PSC R/E Current	1,149,810	1,125,000	1,121,550	1,125,000	-	0.00%
311312	PSC PP Current	244,150	260,000	246,264	246,456	(13,544)	-5.21%
311313	PSC R/E Delinquent	(9,788)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	291,791	353,000	366,000	385,000	32,000	9.07%
311411	Interest on Delinquent Taxes	156,530	215,000	160,000	180,000	(35,000)	-16.28%
Total General Property Taxes		\$ 79,404,285	\$ 82,436,156	\$ 81,803,727	\$ 83,682,991	\$ 1,246,835	1.51%
Other Local Taxes							
312010	Local Sales & Use Tax	\$ 11,721,703	\$ 11,400,000	\$ 11,859,898	\$ 12,106,458	\$ 706,458	6.20%
312011	Consumers Utility Tax	1,607,476	1,579,795	1,658,584	1,600,000	20,205	1.28%
312012	Business & Occupational Licenses	8,745,395	9,000,000	8,909,093	9,253,755	253,755	2.82%
312013	Motor Vehicle Licenses	714,631	760,000	733,741	740,000	(20,000)	-2.63%
312014	Recordation Tax	442,640	420,000	448,791	430,000	10,000	2.38%
312015	Bank Franchise Tax	2,515,780	2,300,000	2,761,751	2,784,500	484,500	21.07%
312016	Tobacco Tax	718,296	732,000	646,320	658,800	(73,200)	-10.00%
312017	Transient Lodging Tax	644,563	760,000	676,893	675,640	(84,360)	-11.10%
312018	Meals Tax	5,967,535	5,900,000	5,987,361	6,103,479	203,479	3.45%
312021	Consumption Tax	106,052	110,000	107,454	111,200	1,200	1.09%
312024	Communication Taxes	2,078,144	2,022,100	2,019,427	2,052,432	30,331	1.50%
Total Other Local Taxes		\$ 35,262,214	\$ 34,983,895	\$ 35,809,313	\$ 36,516,264	\$ 1,532,369	4.38%

FY 2020 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Licenses, Permits & Fees							
313202	Building Permits	\$ 260,218	\$ 350,000	\$ 348,911	\$ 350,000	\$ -	0.00%
313203	Electrical Permits	248,851	80,000	102,063	100,000	20,000	25.00%
313204	Plumbing Permits	51,877	70,000	90,663	90,000	20,000	28.57%
313205	Mechanical Permits	120,294	80,000	129,856	100,000	20,000	25.00%
313206	Elevator Inspection	60,011	58,000	45,980	60,000	2,000	3.45%
313225	Rental Housing Occupancy	4,400	2,500	8,530	2,000	(500)	-20.00%
313226	Fire Marshal Permit	98,865	90,000	102,970	90,000	-	0.00%
313227	Fire Protection System Permit	23,398	50,000	70,757	70,000	20,000	40.00%
313231	Fire Marshal Development Fees	14,934	14,000	13,899	14,000	-	0.00%
313233	Public Safety Fee	38,729	50,000	50,000	50,000	-	0.00%
313234	Reinspection Fees	-	3,000	360	3,000	-	0.00%
313240	State Levy - Construction Permits	-	-	690	-	-	0.00%
313308	Sign Permits	20,156	18,006	17,088	18,461	455	2.53%
313309	Occupancy Permits	24,356	29,309	28,849	27,668	(1,641)	-5.60%
313310	Soil & Erosion Fees	13,090	11,515	15,300	12,517	1,002	8.70%
313323	Zoning Fees	90,450	95,000	76,125	53,768	(41,232)	-43.40%
313328	Special Use Permits	58,695	71,834	69,935	67,840	(3,994)	-5.56%
313329	Variances	2,420	8,430	775	5,000	(3,430)	-40.69%
313411	Cemetery Interments	84,272	70,000	76,856	70,000	-	0.00%
313420	Street Opening Permits	105,288	50,000	69,000	50,000	-	0.00%
313430	Precious Metals	600	-	600	-	-	0.00%
313440	Public Right of Way Use	189,282	213,050	219,961	205,433	(7,617)	-3.58%
313510	Animal Licenses	10,405	12,000	10,900	12,000	-	0.00%
313512	Peddlers Permits	14,625	9,500	13,320	9,500	-	0.00%
313620	Transfer Fees	129,486	120,000	138,721	120,000	-	0.00%
313630	Cellular Comm	13,973	13,500	12,977	13,500	-	0.00%
Total Licenses, Permits & Fees		\$ 1,678,675	\$ 1,569,644	\$ 1,715,086	\$ 1,594,687	\$ 25,043	1.60%
Fines & Forfeitures							
314001	Court Fines & Forfeitures	\$ 583,616	\$ 750,000	\$ 598,483	\$ 625,000	\$ (125,000)	-16.67%
314002	Parking Fines	110,270	125,000	110,775	125,000	-	0.00%
314003	Juvenile Court	1,854	-	738	1,000	1,000	0.00%
314005	Circuit Court Revenue	3,119	-	4,827	4,500	4,500	0.00%
314006	Court Facilities Fee	15,343	-	14,156	14,000	14,000	0.00%
314010	Zoning Civil Penalties	1,800	6,380	6,080	4,960	(1,420)	-22.26%
314011	Photo Red Light	611,055	532,064	551,219	600,000	67,936	12.77%
314012	Jail Admin Fee	1,025	-	1,163	1,200	1,200	0.00%
314013	Courthouse Security	80,064	87,000	86,735	85,000	(2,000)	-2.30%
314030	Fire Restitution	118	-	368	-	-	0.00%
Total Fines & Forfeitures		\$ 1,408,265	\$ 1,500,444	\$ 1,374,544	\$ 1,460,660	\$ (39,784)	-2.7%

FY 2020 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Use of Money & Property							
315101	Interest on Investments	\$ 403,971	\$ 450,000	\$ 840,928	\$ 850,000	\$ 400,000	88.89%
315106	Unrealized Gain/Loss	(187,270)	-	(9,330)	-	-	0.00%
315202	Rental - Old Town Hall	152,061	200,000	162,636	150,000	(50,000)	-25.00%
315203	Rental - Green Acres	106,474	100,000	112,386	120,000	20,000	20.00%
315206	Rental - Schools	1,694,319	1,600,000	1,700,000	1,700,000	100,000	6.25%
315208	Rental - Community Center	387,327	365,000	376,382	385,000	20,000	5.48%
315209	Rental - Main Street Day Care	40,243	39,005	41,231	40,000	995	2.55%
315211	Rental - Blenheim	82,667	65,000	88,414	90,000	25,000	38.46%
315213	Rental - Ball Fields	61,458	65,000	64,127	65,000	-	0.00%
Total Use of Money & Property		\$ 2,741,250	\$ 2,884,005	\$ 3,376,774	\$ 3,400,000	\$ 515,995	17.89%
Charges for Services							
316110	Court Fees	\$ 4,917	\$ 5,000	\$ 5,372	\$ 5,000	-	0.00%
316220	Sale of Record Copies	2,998	4,000	3,348	3,500	(500)	-12.50%
316221	False Alarm Fees	4,290	18,000	12,015	18,000	-	0.00%
316223	Ambulance Fees	1,070,754	1,030,000	1,028,668	1,080,000	50,000	4.85%
316225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	2,050	2,500	1,666	2,000	(500)	-20.00%
316245	FFX Water	61,579	61,580	76,974	61,580	-	0.00%
316346	Community Programming	37,825	60,000	28,860	45,000	(15,000)	-25.00%
316347	Sherwood Programming	319,777	275,000	299,699	350,000	75,000	27.27%
316348	Green Acres Programming	59,910	70,000	51,663	70,000	-	0.00%
316349	Senior Programs	91,156	85,000	86,429	100,000	15,000	17.65%
316350	Rec Youth	15	-	15	-	-	0.00%
316351	Day Camps	681,042	575,000	701,561	700,000	125,000	21.74%
316352	Pavilion Rentals	26,501	25,000	25,822	25,000	-	0.00%
316353	Cultural Arts	4,414	5,000	1,082	5,000	-	0.00%
316354	Special Events	263,628	250,000	265,384	270,000	20,000	8.00%
316355	Museum Revenue	854	1,000	709	1,000	-	0.00%
316356	Museum Gift Shop	11,938	11,500	19,009	11,500	-	0.00%
316357	Show Mobile Revenue	2,629	4,000	900	3,000	(1,000)	-25.00%
316359	General Sales	311	-	-	-	-	0.00%
316460	Sale of Publications	34	35	34	35	-	0.00%
316461	Subdivision Review Fees	5,194	16,679	8,821	12,360	(4,319)	-25.89%
316462	Site Plan Review Fees	58,246	85,000	107,030	96,706	11,706	13.77%
316463	Architectural Review	3,730	4,000	3,700	4,314	314	7.85%
316464	Tree Removal Permit	2,440	1,713	2,080	1,973	260	15.18%
316466	Surety Review	13,530	13,559	11,470	13,367	(192)	-1.42%
316467	Mapping Sales	-	500	-	-	(500)	-100.00%
316570	School Age Child Care	682,418	635,693	685,693	691,121	55,428	8.72%
316580	Returned Check Fees	2,023	2,000	1,654	2,000	-	0.00%
316585	Administrative Fees	3,611	6,000	3,337	6,000	-	0.00%
316586	Collection Fees	24,788	15,000	28,658	30,000	15,000	100.00%
316684	Advertising	-	-	3,000	3,000	3,000	0.00%
316811	Inspection Fees After Hours	76,660	40,000	32,820	70,000	30,000	75.00%
Total Charges for Services		\$ 3,744,262	\$ 3,527,759	\$ 3,722,473	\$ 3,906,456	\$ 378,697	10.73%

FY 2020 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Miscellaneous Revenue							
318102	Sale of Surplus Property	\$ 83,051	\$ 70,000	\$ 104,535	\$ 70,000	\$ -	0.00%
318104	Sale of Cemetery Lot	64,092	40,000	41,340	40,000	-	0.00%
318105	Perpetual Care - Cemetery	10,077	4,200	6,957	4,200	-	0.00%
318108	Sale of City License Plates	4,185	4,700	4,905	4,700	-	0.00%
318109	Recycling Rebate	2,664	25,000	-	-	(25,000)	-100.00%
318201	Misc. Revenue	2,899	80,000	26,807	66,472	(13,528)	-16.91%
Total Miscellaneous Revenue		\$ 166,968	\$ 223,900	\$ 184,544	\$ 185,372	\$ (38,528)	-17.21%
State Aid							
321103	Rolling Tax	\$ 230	\$ -	\$ 360	\$ -	\$ -	0.00%
321104	State Aid Police	614,284	600,000	625,650	626,000	26,000	4.33%
321106	Vehicle Rental Tax	387,338	340,000	459,482	461,200	121,200	35.65%
321201	Commissioner of Revenue	146,614	148,000	146,858	148,000	-	0.00%
321202	Treasurer	107,220	110,000	108,244	110,000	-	0.00%
321203	Registrar /Electoral	42,225	50,000	42,225	42,300	(7,700)	-15.40%
321204	DMV Reimbursement	75,146	72,000	79,985	79,000	7,000	9.72%
324201	State Sales Tax	3,254,564	3,442,149	3,434,223	3,513,470	71,321	2.07%
324202	Basic School Aid	4,667,975	4,550,191	4,358,125	4,682,607	132,416	2.91%
324302	Four for Life Grants	-	25,000	30,606	25,000	-	0.00%
324331	Asset Forfeiture	(1,142)	-	(455)	-	-	0.00%
324344	VDFP Aid to Localities	75,438	-	78,104	70,000	70,000	0.00%
324345	VDFP Education & Conference Grant	-	70,000	5,000	-	(70,000)	-100.00%
324403	Street & Highway Maint.	2,700,501	2,682,743	2,740,809	2,750,500	67,757	2.53%
324405	Solid Waste Grant	6,038	6,000	6,207	6,000	-	0.00%
324411	Disaster Assistance State	40,053	-	-	-	-	0.00%
324614	Arts Grant	400	-	-	-	-	0.00%
Total State Aid		\$ 12,116,884	\$ 12,096,083	\$ 12,115,423	\$ 12,514,077	\$ 417,994	3.46%

FY 2020 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

Account #	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Federal Aid							
331005	Bulletproof Vest Grant	\$ 10,100	\$ 3,500	\$ 3,500	\$ 5,000	\$ 1,500	42.86%
331009	Alcohol Safety Grant	11,501	17,000	17,000	14,000	(3,000)	-17.65%
331011	FEMA Reimbursement	260,451	-	-	-	-	0.00%
331018	NCR Regional Planner	152,247	95,801	95,801	150,277	54,476	56.86%
331021	Speed Enforcement Grant	9,735	10,000	10,000	10,000	-	0.00%
331023	Byrne JAG Grant	-	1,500	-	-	(1,500)	-100.00%
331024	Gang Task Force Vehicle reimbursement	24,363	8,800	14,723	8,800	-	0.00%
331040	2016 SAFER Grant	30,017	109,598	109,598	109,598	-	0.00%
331043	2014 SAFER Grant	454,272	185,534	69,633	-	(185,534)	-100.00%
331044	AFG (Flammable Liquids, Paramedic, FMO)	136,182	-	-	-	-	0.00%
331046	LEMPG Grant	32,500	32,500	7,500	7,500	(25,000)	-76.92%
331048	Volunteer & Citizens Corp	34,389	25,000	25,000	22,000	(3,000)	-12.00%
331052	UASI State	-	25,000	25,000	-	(25,000)	-100.00%
331056	AFG (Leadership Development Institute)	109,566	-	131,740	-	-	0.00%
	Total Federal Aid	\$ 1,265,322	\$ 514,233	\$ 509,495	\$ 327,175	\$ (187,058)	-36.38%
Other Financing Sources							
318282	Fairfax Little League	\$ -	\$ 50,000	\$ 20,000	\$ -	\$ (50,000)	-100.00%
318288	FPYC Turf Contribution	20,000	40,000	37,000	57,000	17,000	42.50%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	816,123	809,705	862,862	897,376	87,671	10.83%
342030	Insurance Recoveries	150,827	70,000	70,450	75,000	5,000	7.14%
347360	Transfers from Other Funds	275,936	363,710	363,710	88,008	(275,702)	-75.80%
	Total Other Financing Sources	\$ 1,282,886	\$ 1,353,415	\$ 1,374,022	\$ 1,137,384	\$ (216,031)	-15.96%
	Total Revenues	\$ 139,071,012	\$ 141,089,534	\$ 141,985,400	\$ 144,725,066	\$ 3,635,532	2.58%
Appropriated Fund Balance							
	Restricted Funds (Budget Stabilization Fund)	\$ -	\$ -	\$ (435,000)	\$ -	\$ -	0.00%
	Use of Prior Years' Surplus (unassigned)	-	885,664	645,450	608,423	(277,241)	-31.30%
	Total Appropriated Fund Balance	\$ -	\$ 885,664	\$ 210,450	\$ 608,423	\$ (277,241)	-31.30%
Total Revenue Available		\$ 139,071,012	\$ 141,975,198	\$ 142,195,850	\$ 145,333,489	\$ 3,358,291	2.37%

FY 2020 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

Category	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	2019 Estimate	2020 Adopted
Real Estate	\$ 49,960,103	\$ 51,075,000	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 64,699,575	\$ 66,790,301	\$ 67,892,659	\$ 69,771,741	\$ 71,461,776
Personal Property	9,976,554	9,944,909	10,377,334	10,243,702	10,171,214	10,777,155	11,447,025	11,511,625	12,031,986	12,221,215
Sales Tax	9,907,063	10,200,696	10,263,955	11,580,673	11,181,816	11,283,271	11,276,435	11,721,703	11,859,898	12,106,458
BPOL	8,151,072	8,554,669	8,932,634	8,709,712	8,740,824	8,838,556	8,698,368	8,745,395	8,909,093	9,253,755
Meals Tax	4,938,869	5,252,922	5,553,975	5,703,399	5,771,329	5,918,534	5,972,064	5,967,535	5,987,361	6,103,479
Other Local Taxes	8,036,140	8,560,379	8,384,251	8,375,385	8,543,760	8,511,155	8,563,296	8,827,582	9,052,961	9,052,572
Licenses, Permits, and Fees	1,230,352	1,540,689	1,408,601	1,434,496	1,300,349	1,341,098	1,427,234	1,678,675	1,715,086	1,594,687
Fines & Forfeitures	1,041,172	1,288,331	1,148,262	1,113,719	1,233,802	1,232,773	1,344,266	1,408,265	1,374,544	1,460,660
Use of Money & Property	1,866,897	1,947,934	2,162,378	2,696,575	2,725,994	2,661,993	2,460,115	2,741,250	3,376,774	3,400,000
Charges for Services	2,878,252	3,176,925	3,249,168	3,049,479	3,304,373	3,387,913	3,388,964	3,744,262	3,722,473	3,906,456
Intergovernmental	10,358,222	10,837,393	11,318,838	11,480,641	11,854,303	12,101,966	12,927,118	13,382,207	12,624,918	12,841,252
Other Financing Sources / Misc.	1,076,776	1,245,630	1,152,263	1,043,308	1,460,877	1,741,602	1,222,088	1,449,854	1,558,566	1,322,756
Appropriated Fund Balance	282,265	1,926,941	-	1,260,278	1,164,306	-	-	-	210,450	608,423
Total Revenue	\$109,703,737	\$115,552,418	\$121,024,054	\$126,196,973	\$ 128,894,460	\$132,495,591	\$135,517,274	\$139,071,012	\$142,195,850	\$145,333,489

Major Revenue Sources

Real Estate Tax

Background

Each year, the City Assessor's Office appraises all **real property** in the City to determine its assessed 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 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 2019 Budget	FY 2020 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 67,763,590	\$ 68,605,923	\$ 842,333	1.2%
Base Real Estate Tax Rate	\$ 1.0325	\$ 1.045	\$ 0.0125	1.2%
Stormwater Tax Rate	\$ 0.0275	\$ 0.030	\$ 0.0025	9.1%
Total Real Estate Tax Rate	\$ 1.060	\$ 1.075	\$ 0.015	1.4%

Category	FY 2019 Budget	FY 2020 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ 203,710	\$ 215,671	\$ 11,961	5.9%
Old Town Service District Tax Rate	6.0¢	6.0¢	-	0.0%

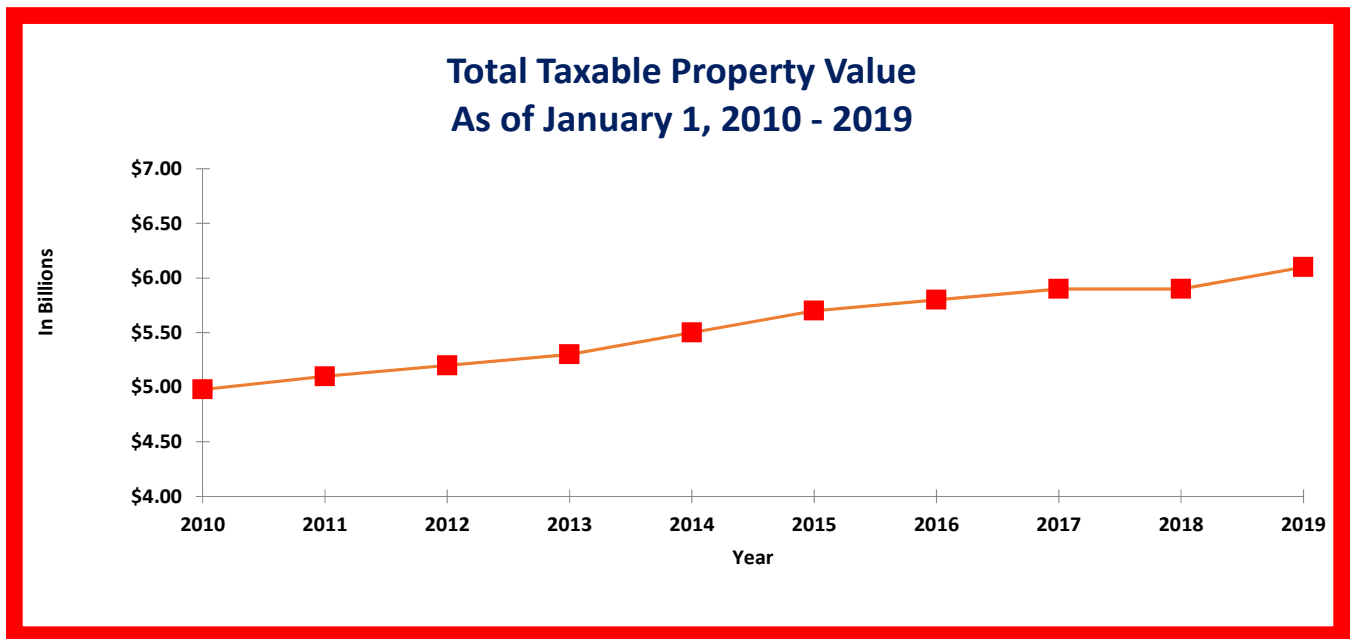
Category	FY 2019 Budget	FY 2020 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,188,856	\$ 2,393,727	\$ 204,871	9.4%
Commercial & Industrial Tax Rate	11.5¢	12.5¢	1¢	10.5%

Real property tax revenues account for the largest category of revenue for the General Fund, representing 49.0 percent of total General Fund revenues. For the FY 2020 Adopted Budget, the real estate tax rate increases to \$1.075, and includes 3.0¢ to be dedicated for the Stormwater Fund. The Stormwater Fund revenues are dedicated to meet federal and state regulatory requirements along with maintenance of aging stormwater infrastructure. The FY 2020 Adopted Budget also increases the Transportation tax rate by 1¢ to 12.5¢.

FY 2020 Adopted Budget – City of Fairfax, Virginia

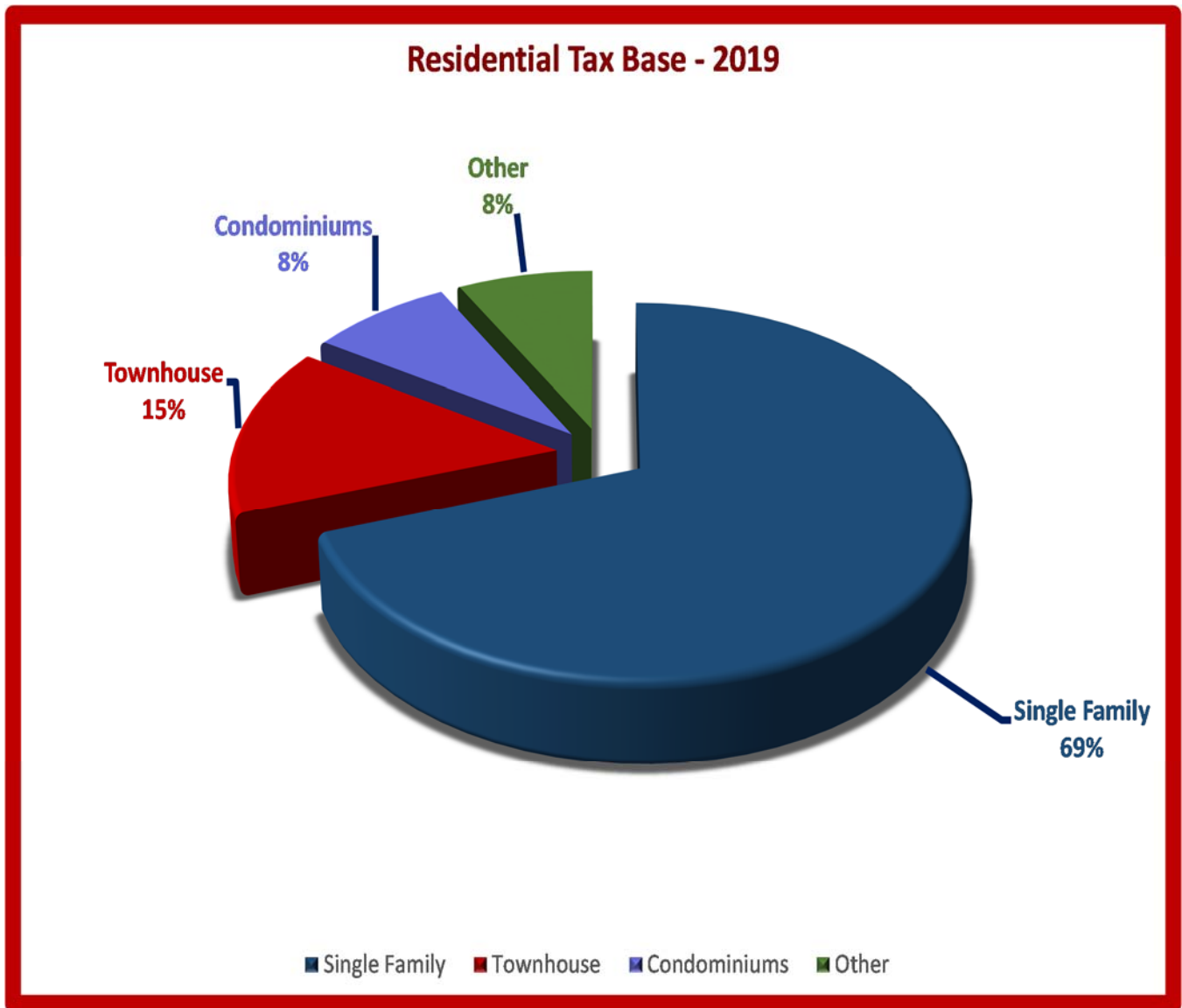
Total real estate assessments are up 1.3 percent, which includes new construction of \$41.6 million, compared to a 1.9 percent increase for the previous calendar year.

Assessments	CY 2018	CY 2019	Variance	
			\$	%
Residential	\$ 3,953,477,000	\$ 3,996,435,400	\$ 42,958,400	1.1%
Commercial	\$ 2,141,549,300	\$ 2,178,363,500	\$ 36,814,200	1.7%
Total	\$ 6,095,026,300	\$ 6,174,798,900	\$ 79,772,600	1.3%

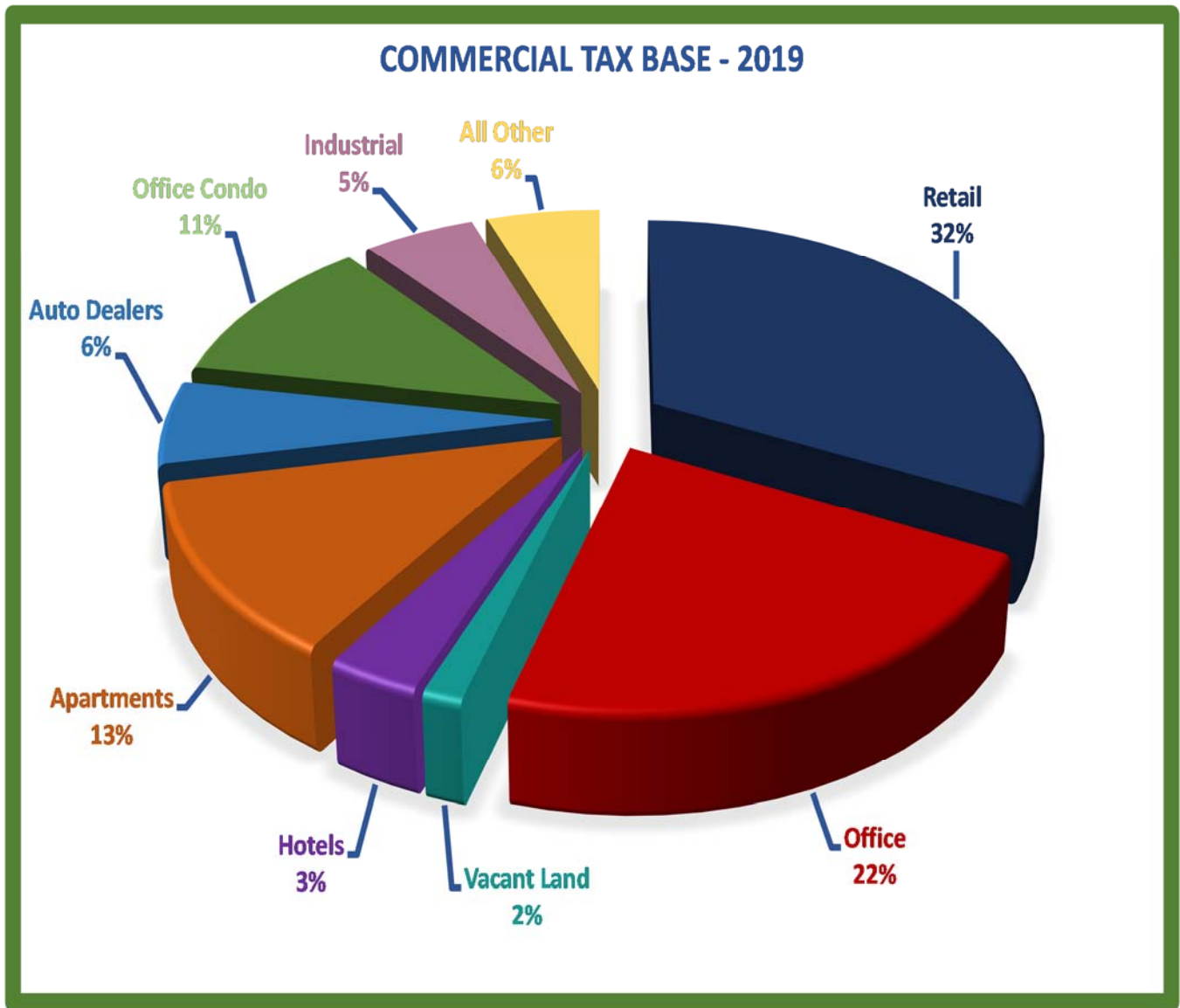


The calendar year 2019 total taxable value of City residential and commercial properties before appeals is \$6,174,798,900, an increase from last year’s total assessed value of \$6,095,026,300 (1.3%).

The overall residential assessment total, including new construction, has increased by 1.1 percent. The following notes the breakout by category for the residential tax base.



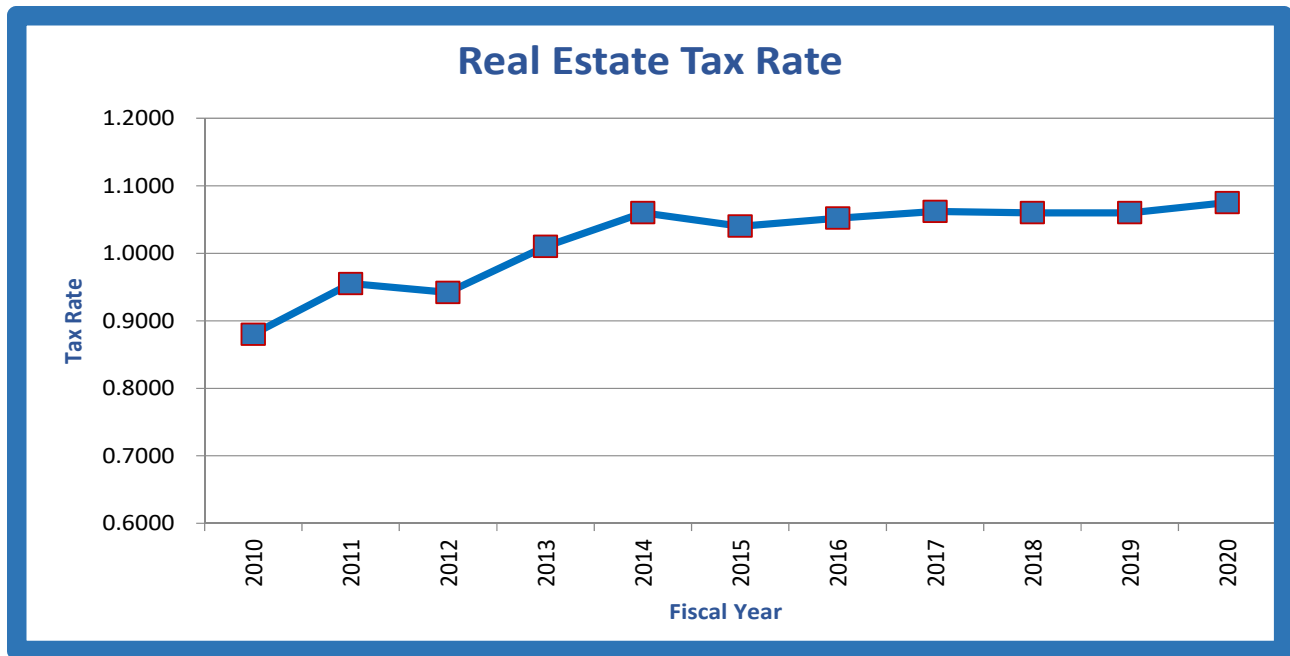
Commercial assessments increase 1.7 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



The Old Town Service District tax rate 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 and 11.5¢ for the FY 2019 budget. A 1¢ addition is adopted for FY 2020, increasing the rate to the allowable maximum of 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 22.5 and 26.5 cents per \$100 of assessed value (adopted fiscal year 2020 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate is \$1.075, an increase of 1.5¢ over the FY 2019 Adopted rate of \$1.060. The adopted base rate increased by 1.25¢ and the tax rate dedicated to stormwater increased 0.25¢. The average residential tax bill is expected to increase by 1.95 percent. The following chart provides an example of three residential assessed values:

**Impact of 2020 Real Estate Tax Rate
On Residential Property Owner’s Tax Bill at Various Values**

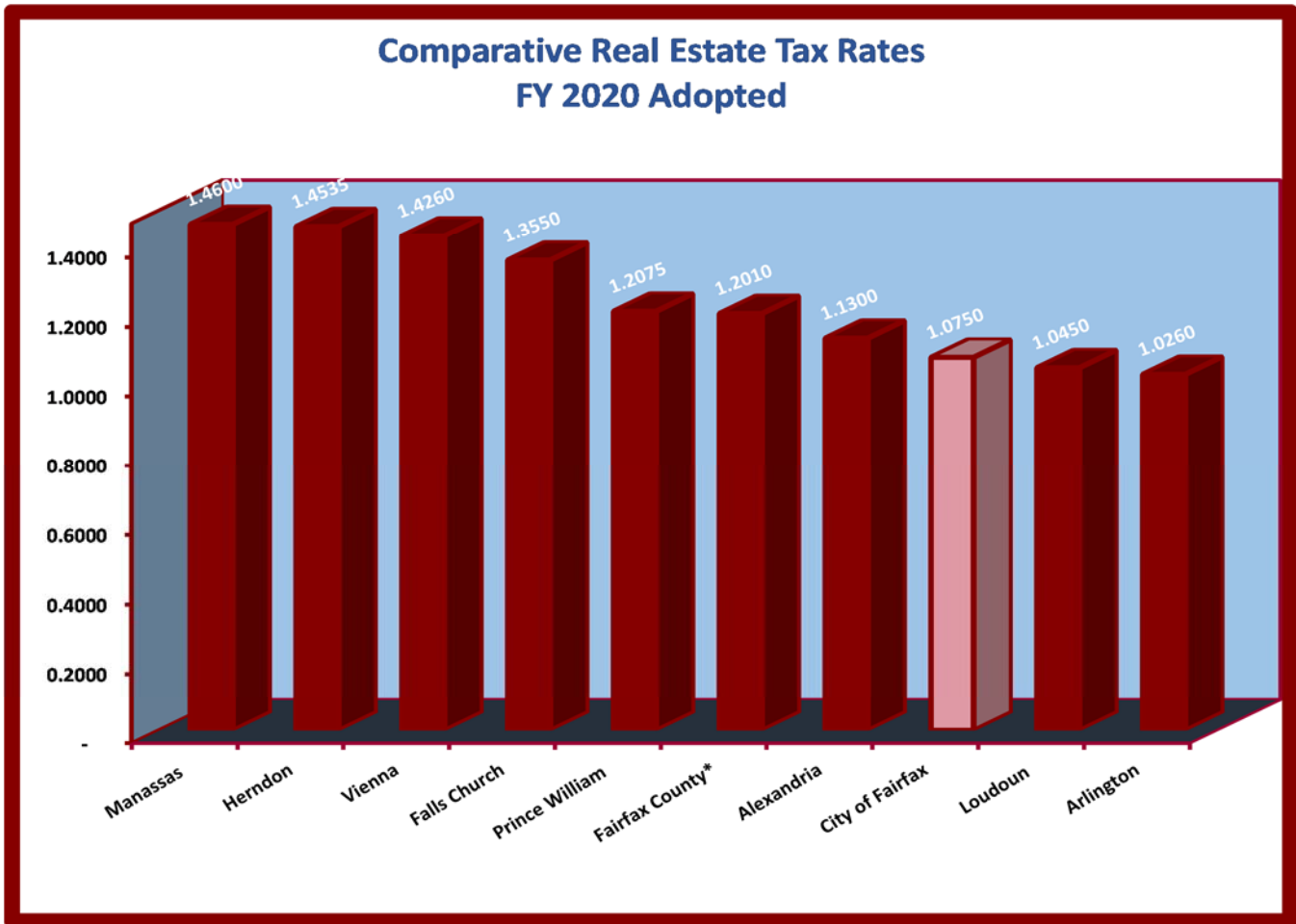
CY 18 Assessment	CY 18 Tax Rate	CY 18 Tax Bill	CY 19 Assessment	CY 19 Tax Rate	CY 19 Tax Bill	Change	
						\$	%
350,000	\$ 1.060	3,710	351,855	1.0750	3,782	72	1.95%
511,678	\$ 1.060	5,424	514,391	1.0750	5,530	106	1.95%
850,000	\$ 1.060	9,010	854,506	1.0750	9,186	176	1.95%

Note: average estimated increase in residential assessment of 0.53 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

FY 2020 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 \$1.0544 per \$100 of assessed value. This is 2.06¢ less than the adopted FY 2020 rate of \$1.075. The real estate equalization rate for residential and commercial properties combined is \$1.0585 per \$100 of assessed value, 1.65¢ less than the adopted FY 2020 rate of \$1.075.

FY 2020 adopted rates for all of 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

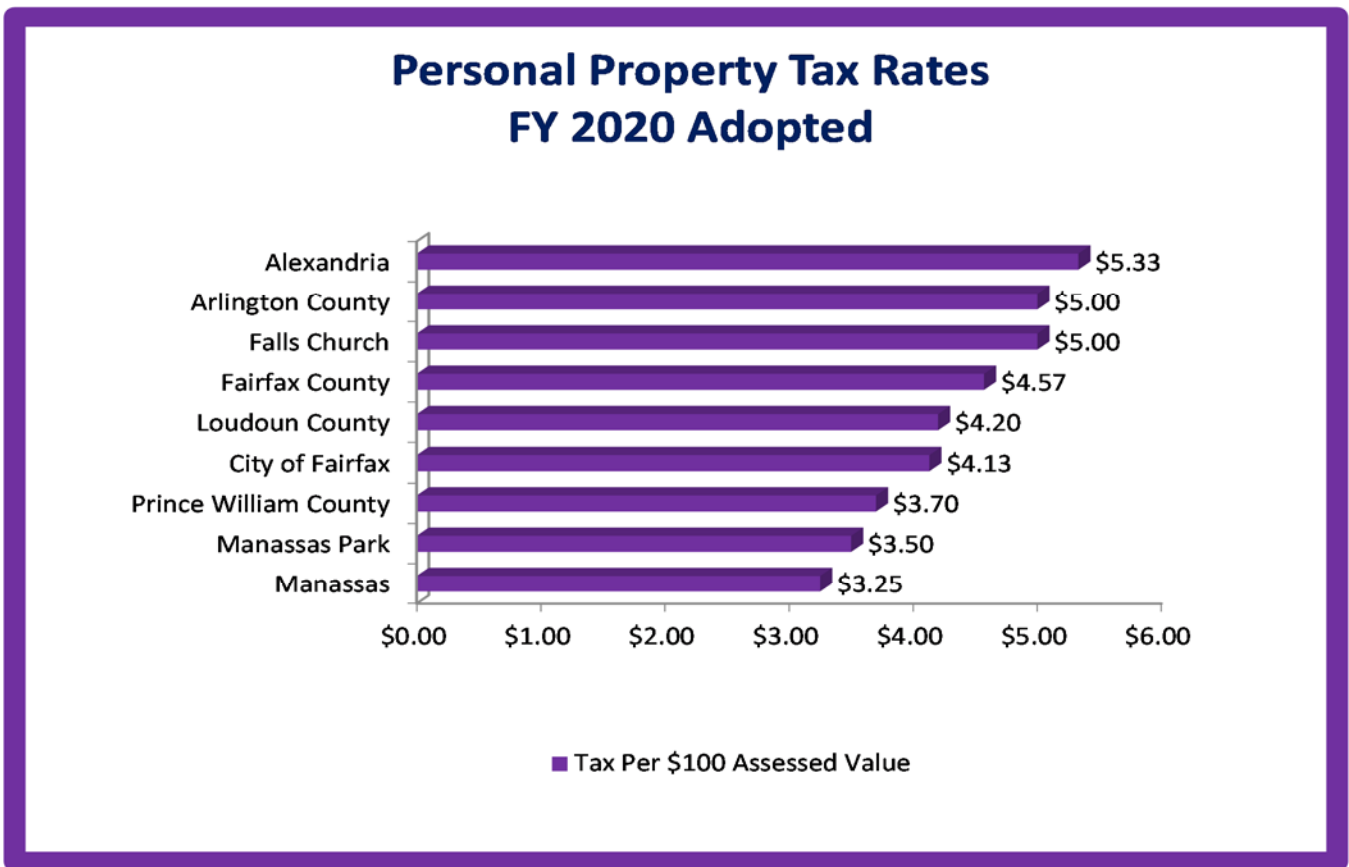
The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other personal property such as furniture and equipment located within the City boundaries. All such property is considered personal property. Additionally, the City imposes a 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 46.5 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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Personal Property Tax Revenue	\$ 11,511,625	\$ 12,020,000	\$ 12,031,986	\$12,221,215
Personal Property Tax Rate	\$4.13	\$4.13	\$4.13	\$4.13



The FY 2020 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2020 adopted revenues are projected to increase 1.7% compared with the FY 2019 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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Local Sales & Use Tax Revenue	\$ 11,721,703	\$ 11,400,000	\$ 11,859,898	\$ 12,106,458

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 by 6.2% in FY 2020 based on retail sales trends.

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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
BPOL Tax	\$ 8,745,395	\$ 9,000,000	\$ 8,909,093	\$ 9,253,755

FY 2020 adopted BPOL tax revenues are predicted to increase 2.8% over the FY 2019 adopted budget.

Meals Tax

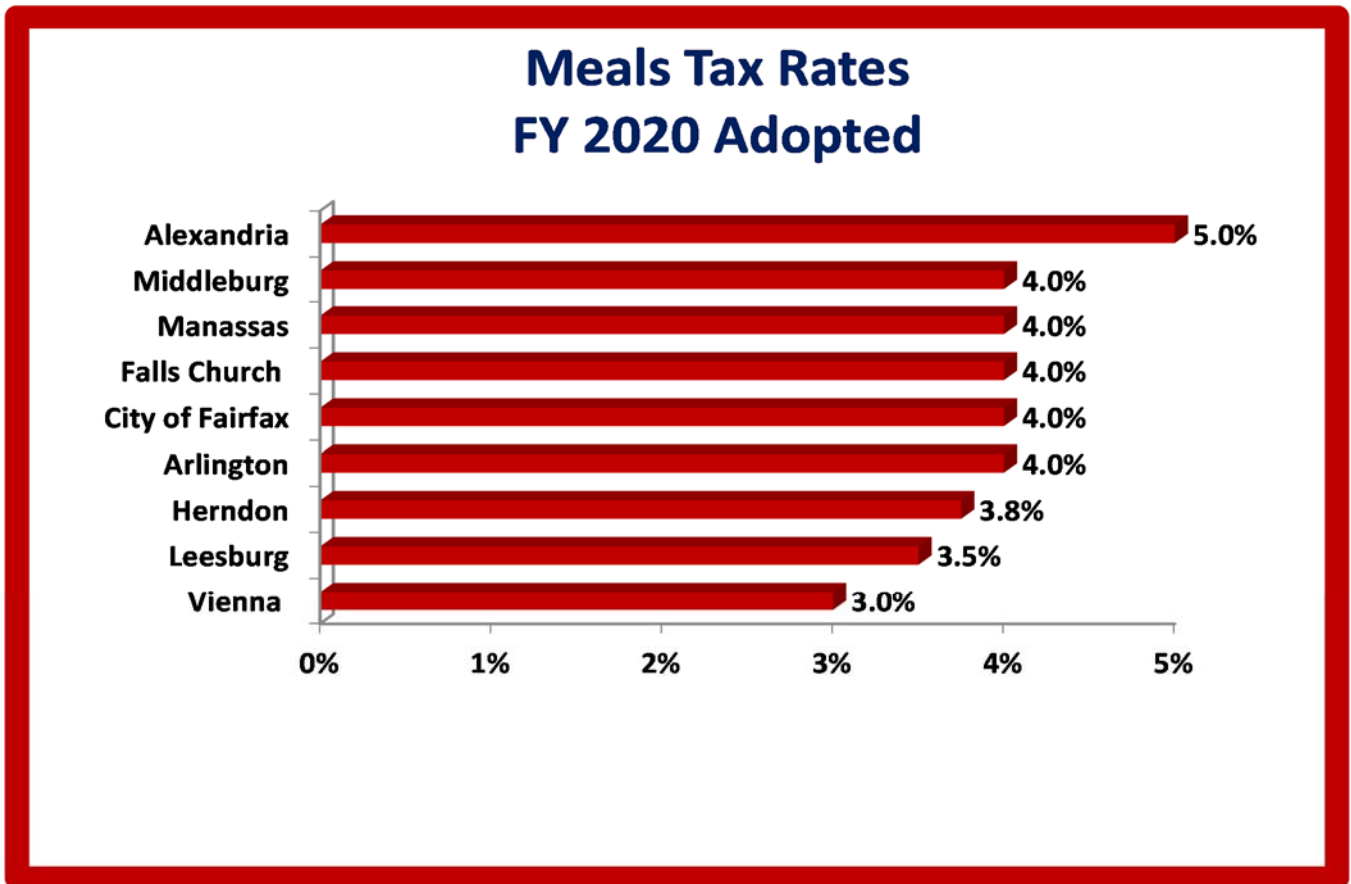
Background

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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Meals Tax Revenue	\$ 5,967,535	\$ 5,900,000	\$ 5,987,361	\$ 6,103,479
Meals Tax Rate	4%	4%	4%	4%

The City’s meals tax remains a stable source of revenue for the City. The FY 2019 revenue estimate is projected to remain flat from the FY 2018 actual, based on receipts for the first nine months of the current fiscal year. FY 2020 projects an increase of 3.4% compared to the FY 2019 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

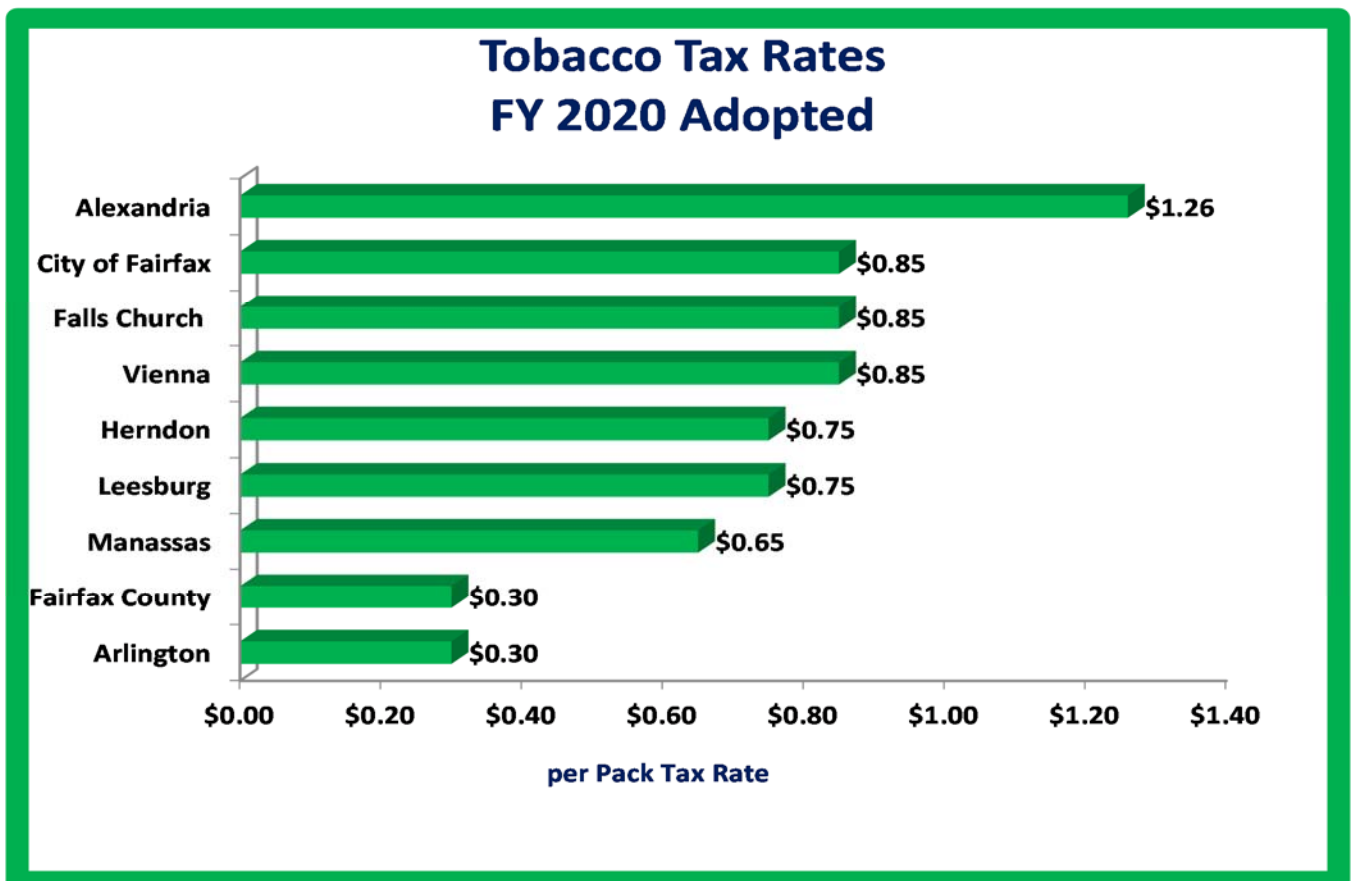
Background

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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Tobacco Tax Revenue	\$ 718,296	\$ 732,000	\$ 646,320	\$ 658,800
Tobacco Tax Rate	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2019 estimate are projected at \$646,320, based on receipts for the first nine months of the current fiscal year, a decrease of 10.0% from FY 2018 actual revenues. FY 2020 revenues are projected to decrease from the FY 2019 adopted budget as we continue to see tobacco sales on a downward trend.



Transient Lodging Tax

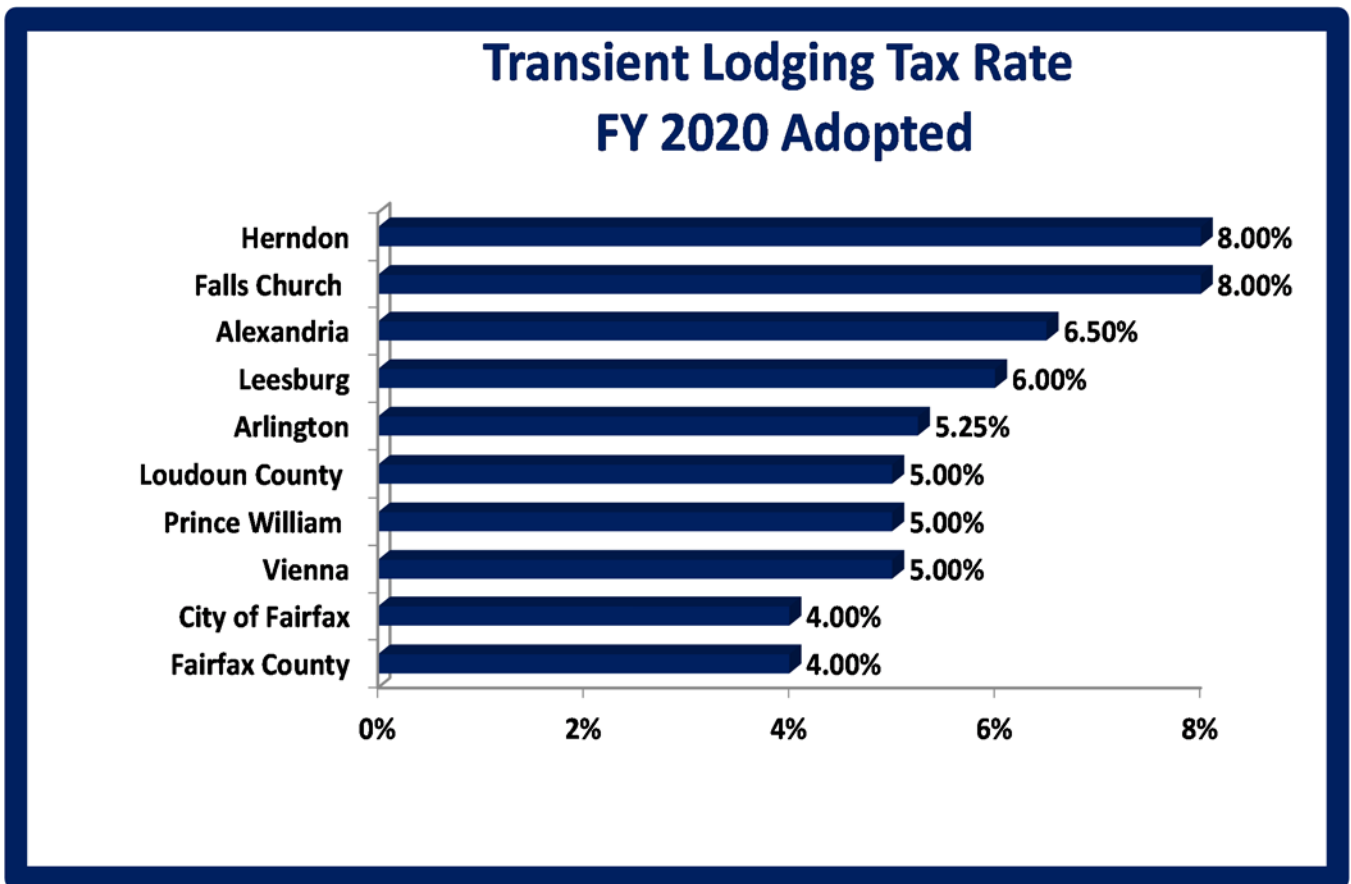
Background

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.

Fiscal Impact – Transient Lodging Tax

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Transient Lodging Tax Revenue	\$ 644,563	\$ 760,000	\$ 676,893	\$ 675,640
Transient Lodging Tax Rate	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to remain on par with the FY 2019 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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Licenses, Permits, and Fees	\$ 1,678,675	\$ 1,569,644	\$ 1,715,086	\$ 1,594,687

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 2020 projects a 7.0% decrease from the FY 2019 estimate primarily due to the timing of construction-related permits for several large commercial projects.

Fines and Forfeitures

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Fines & Forfeitures	\$ 1,408,265	\$ 1,500,444	\$ 1,374,544	\$ 1,460,660

This category of revenues is projected to increase by 6.3% in FY 2020 from the FY 2019 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 revenues will decrease over time as drivers adjust their behavior.

Use of Money and Property

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Use of Money and Property	\$ 2,741,250	\$ 2,884,005	\$ 3,376,774	\$ 3,400,000

Overall revenues are projected to increase by 0.7% in FY 2020 from the FY 2019 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 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Charges for Services	\$ 3,744,262	\$ 3,527,759	\$ 3,722,473	\$ 3,906,456

Overall revenues are projected to grow in FY 2020 as compared to the FY 2019 estimate, driven by increases in Ambulance Fees, Day Camp revenue and School Aged Child Care activity.

State Aid

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
State Aid	\$ 12,116,884	\$ 12,096,083	\$ 12,115,423	\$ 12,514,077

Total funding for state aid is projected to increase in FY 2020 compared to the FY 2019 estimate due to revenue growth in Vehicle Rental tax, Basic School Aid and State Sales Tax.

Federal Aid

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Federal Aid	\$ 1,265,322	\$ 514,233	\$ 509,495	\$ 327,175

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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